



House of Commons
Work and Pensions Committee

Universal Credit: supporting self- employment

Eleventh Report of Session 2017–19



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*Report, together with formal minutes
relating to the report*

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Work and Pensions Committee

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Summary

The growth of self-employment has made an important contribution to the UK's current record employment levels. Around 5 million people—15% of the workforce—are now self-employed. Genuine, entrepreneurial self-employment—embodied by the UK's small business owners and sole traders—has an equally crucial role to play in boosting the UK's economy and ensuring its future economic dynamism.

The Department for Work and Pensions (DWP/The Department) rightly wants to support low-paid people to work and to progress in work through Universal Credit (UC). In doing so for the self-employed, it must balance supporting entrepreneurship with protecting the public purse. Its key means of doing so is UC's Minimum Income Floor (MIF): an assumed level of monthly income for calculating benefit payments. The Department hopes the MIF will incentivise business owners to increase their earnings and develop their business, while ensuring Government does not subsidise unsustainable low-paid self-employment indefinitely. Given the growing importance of self-employment, getting this balance right will be a key determinant of the success of Universal Credit.

Understanding how the self-employed respond to UC

But the MIF is uncharted territory. How claimants will respond is highly uncertain. Given this uncertainty, the new rules are an ideal opportunity to make use of the “test and learn” philosophy underpinning UC. The Department has no plans, however, to publish any significant analysis of UC's effect on self-employment until at least Autumn 2019: four years after the full service roll-out began. If the Department does not test, it cannot hope to learn. It should produce ongoing evaluations of the effect of the new self-employment rules on UC claimants.

A more flexible approach to reporting income

UC awards are calculated monthly. This is intended to mirror how most people in employment are paid. But consistent monthly income is rare amongst the self-employed. A large majority of self-employed benefit claimants report volatile incomes. Farmers' payment schedules are dictated by the seasons and other events, such as one-off bulk sales of livestock. Sole traders invoicing on a job-by-job basis may find those jobs take longer than a month, and do not necessarily arrive predictably. Even a late payment can cause variation. All these factors are far from reliable indicators of the viability of a business. Self-employed claimants are treated the same as employees when they are doing well, but differently when they are doing badly. Over a period of several months this could lead to a self-employed claimant and an employee with the same income ending up with significantly different UC entitlements:

- In bad months, self-employed claimants' UC is calculated as though they have earned the MIF. They receive less UC as a result. This is in contrast with employees, whose UC award is based on what they have actually earned.
- In a good month, where their income exceeds the MIF, their UC is reduced or lost entirely. This is the same as for employees.

The MIF, in its current form, fails to deliver parity of treatment between employees and the self-employed. Self-employed people can miss out on important support not because their income is inadequate, but because it is volatile: an entirely normal feature of self-employment. Expenses can be similarly volatile. Business spending on capital and other expenses should be driven by business need and affordability: not the need to fit in with UC and the MIF.

The Department must not let an unyielding commitment to monthly reporting undermine UC's laudable goals of supporting claimants to progress in, and stay in work. It risks attempting to force square pegs into round holes, with little reference to the reality of self-employed work. At worst, this could lead to successful businesses collapsing—potentially costing other employees their jobs, as well as the self-employed owner. Yet a more flexible approach is possible—and is already in place in UC (such as in the Surplus Earnings Rules). The Department should extend this flexibility, permitting reporting periods of up to one year for claimants who can demonstrate irregular payment patterns. Its new specialist self-employment Work Coaches in Jobcentre Plus should be tasked with determining eligibility on a case-by-case basis.

The MIF, as it stands, could make it more difficult for self-employed people to manage and meet their tax obligations. Longer reporting periods would help, giving some claimants more money than they would otherwise have. Many more could benefit from expert, proactive advice on managing their finances and tax arrangements. The Department should require Work Coaches to discuss with claimants at the outset of their claim the relationship between tax and Universal Credit, and encourage them to refer to specialist advice on tax if necessary.

Extending the Start-up Period

Self-employed claimants in their first year in business are exempt from the MIF. This “Start-up Period” is intended to allow them time to get their business up and running. After that year, the MIF applies in full. But the Department has failed to provide any evidence to support its belief just one year is long enough. Ultimately successful businesses often take longer than a year to bring in net earnings even close to the MIF. For many claimants, too short a Start-up Period will present an insurmountable obstacle to getting a business off the ground and getting off benefits. This is not only detrimental to claimants, but a questionable use of the Departmental resources already invested in supporting those claimants. It is also the antithesis of the entrepreneurial, dynamic economy the Government wants to support, presenting a barrier to economic growth, job creation and increased tax receipts. The Department should permit extensions to the Start-up Period of up to three years. This should be accompanied by a tapered introduction of the MIF beginning at the end of year one and rising to the full amount at the end of the extended start-up period. Extensions should again be discretionary. The decision should be made by Work Coaches based on evidence of business progression, such as achieving expected increases in earnings each year.

Even with changes, the introduction of the MIF is likely to increase demand for Jobcentre Plus's support services. Work Coaches play an important role, determining eligibility and checking progression. The Department must ensure it has enough Work Coaches with specialist self-employment expertise to carry out this role effectively. But they are

no substitute for specialist support and mentors with relevant self-employed business experience. The Department must ensure this support continues to be widely available when current New Enterprise Allowance contracts end in 2019. It should commit to providing access to specialist mentors with direct experience in claimants' area of work for those assessed as having potentially viable businesses. This will help give claimants the best possible chance of making a success of their business, of consistently exceeding the MIF, and of moving off benefits entirely.

Ensuring claimants do not persist with subsidised low-paid self-employment over better options is vital. But the Department also aspires to support entrepreneurship. Getting the MIF and Start-up Period wrong threatens this aspiration, and risks denting the case for UC overall. The intentions underpinning the Department's new self-employment rules are reasonable and fair. It must now ensure their implementation matches up.

1 Introduction

1. The self-employed are a large, and growing, part of the UK's workforce. 15% of the workforce—around 5 million people—is self-employed.¹ Speaking on the Government's industrial strategy in 2016, the Secretary of State for Business, Energy and Industrial Strategy, Greg Clark MP, outlined the vital role that self-employment and entrepreneurship play in Britain's economy:

One of the greatest strengths of our country is that we are a nation of entrepreneurs [...] The start-ups, the small and medium sized enterprises, the lynchpins of local economies across the land. Britain is home to big name global businesses, but just as important—more important for job creation—are the entrepreneurs building businesses far from the spotlight.²

Self-employment has played an important role in the UK's current record employment levels, and high levels of self-employment are now a structural feature of the UK labour market.³ It is anticipated that once Universal Credit (UC) is fully rolled out in 2022, it will support around 700,000 self-employed claimants. This is based on current caseloads for the legacy benefits that UC will replace.⁴

2. UC aims to transform the benefit system and the labour market. Amongst the many changes it will bring in are those for self-employed claimants. The main changes are:

- a) the introduction of a Minimum Income Floor (MIF), an assumed level of income used to calculate UC entitlements (see Box 1);
- b) a "Start up Period" for newly self-employed claimants of one year, during which the MIF does not apply; and
- c) an increased role for Jobcentre Plus in determining whether claimants are "gainfully self-employed" for UC purposes and supporting them during their first year in business.⁵ A claimant is gainfully self-employed if self-employment is their main employment and if it is "regular, organised, and carried on in expectation of profit".⁶ Jobcentre Plus is introducing specially-trained self-employment specialist Work Coaches to better assess and support claimants.

Through these changes the Department for Work and Pensions (DWP/the Department) aims to improve incentives for self-employed claimants to increase their earnings. This is in line with UC's wider goal of promoting progression in work.⁷ The Department also aims to reduce the extent to which the benefit system subsidises unprofitable or very low-income self-employment, and discourage self-employed claimants from under-reporting their earnings.⁸

1 Office for National Statistics, [Trends in self-employment in the UK](#), February 2018

2 Department for Business, Energy and Industrial Strategy, [Speech: The importance of industrial strategy](#), September 2016

3 ONS, [Trends in self-employment in the UK](#)

4 Office for Budget Responsibility, [Welfare trends report](#), January 2018, p.10

5 Currently, access to Working Tax Credits for the self-employed is determined by HMRC.

6 See Box 5, p.25 for further detail.

7 OBR, [Welfare trends report](#), p.77

8 DWP [\(UCR 0186\)](#)

Box 1: The Minimum Income Floor

The Minimum Income Floor is an assumed level of income that applies to self-employed UC claimants. It is based on what the Department would expect an employed person in similar circumstances to earn. For most claimants, the MIF is set at the equivalent of 35 hours per week at National Living Wage (£7.83 per hour for people aged 25 or over, as of April 2018): approximately £1,190 per month, minus a notional deduction for tax and National Insurance. Lower MIFs apply for people in some circumstances: for example, claimants with young children.

The claimant's UC entitlement is calculated as if they have earned the MIF each month, regardless of whether they have actually earned that amount. This means that if they have earned less than the MIF their income will not be topped up accordingly by UC.

3. Our predecessor Committee took evidence on the MIF during its inquiry on *Self-employment and the gig economy*, which reported in May 2017.⁹ That inquiry concluded that the MIF, as currently set, did not achieve the right balance between supporting entrepreneurship and not subsidising unprofitable businesses. Instead, it risked “stifling viable new businesses”.¹⁰ The Committee recommended the Government suspend the introduction of the MIF, pending an independent review of its impact. The Department rejected this recommendation. In response to the Committee's report, it stated that it continued to believe that the MIF was “necessary, set at the correct level, and should be applied after a reasonable duration”.¹¹ Since then, the UC roll-out has accelerated. As this process continues, more claimants will be affected by the MIF. In light of ongoing concern about its impact, we decided to re-visit the MIF as part of our rolling *Universal Credit* inquiry. We aimed to understand and set out in greater detail its likely impact and the possibilities for reform.

How the self-employed respond to UC

4. The Department's self-employment rules aim to support claimants to start up and maintain businesses, while also prompting them to consider whether self-employment is right for them in the longer-term. Self-employment works for some people but not for others. Neil Couling, DWP's Director General of UC, explained that the self-employed account for one third of people experiencing in-work poverty. Self-employed tax credit claimants earn on average £3,000 less per year than their employee counterparts.¹² Part of the purpose of the MIF is to prompt those claimants to explore whether they might be better off in an employee job.¹³

9 Work and Pensions Committee, [Self-employment and the gig economy](#), Thirteenth report of session 2016–17, HC847, May 2017

10 Work and Pensions Committee, [Self-employment and the gig economy](#), p.17

11 Work and Pensions Committee, [Self-employment and the gig economy: Government Response to the Committee's Thirteenth report of session 2016–17](#), Second special report of session 2017–19, HC 644, December 2017

12 [Q343](#) (Neil Couling)

13 [Q343](#) (Neil Couling), DWP [\(UCR 0186\)](#)

5. The Department also aims to ensure that benefit claimants who are self-employed have similar obligations to those who work as employees. Lord Freud, the minister responsible for UC from 2010 to 2016, told our predecessor Committee that a key aim of UC was to “balance up the position of the employed and the self-employed” within the benefit system. He explained that the MIF aimed to “address a loophole in the current system”. This enabled self-employed claimants to “report little or zero income, but still receive full financial support”—in contrast to unemployed and employed tax credit claimants. He told the Committee this was “neither desirable nor sustainable”.¹⁴

6. The Department told us it expected claimants who are affected by the MIF to respond in one of three ways. They may:¹⁵

- a) seek an employee job instead of self-employment, or alongside self-employment. If self-employment ceases to be their “main” employment, they will no longer be subject to the MIF. They would, instead, be subject to conditionality;¹⁶
- b) take action to increase their self-employed earnings so that they consistently exceed the MIF; or
- c) choose to remain self-employed and receive lower rates of UC. For some very low earning claimants this option will not be available, as they may not be found gainfully self-employed.¹⁷ Those claimants will have to seek employment if they want to continue claiming UC.

7. Based on the current tax credit caseload, it is expected that 400,000 of the estimated 700,000 self-employed people that UC will support when fully rolled out will have average monthly earnings that are below the MIF.¹⁸ This will deliver a saving to the Department of over £1 billion a year compared to the legacy system. The OBR’s January 2018 welfare trends report shows that savings from self-employed claimants account for some of the largest projected savings from UC. It also notes, however, that these are “one of the most uncertain elements” of the UC forecast.¹⁹ This is because the imposition of the MIF is likely to prompt behavioural changes amongst claimants that are difficult to model. These could affect savings in either direction.²⁰

8. Witnesses told us the Department should be alert to the risk of unintended consequences resulting from the way the MIF is applied.²¹ We heard, for example, concerns about its impact on employment. The Department’s research suggests that many self-employed people on UC are in circumstances that present barriers to working in employee jobs or increasing their earnings. For example, 45% of self-employed claimants with children need to work around childcare or other caring responsibilities, and 30% of have a long-term physical or mental health condition.²² Several self-employed people, and organisations supporting them, told us that the consequence of the MIF for them

14 [Q283](#) (Lord Freud)

15 DWP ([UCR 0186](#)), [Q363](#) (Neil Couling)

16 Claimants who claiming UC because they are unemployed, or who are working for less than their Claimant Commitment sets out is necessary, are required to search for further work or increase their earnings.

17 See Box 5, chapter 2.

18 OBR, [Welfare trends report](#), p.10

19 *Ibid.*, p.151

20 *Ibid.*, p.95

21 IPSE ([UCR 0174](#)), Low Incomes Tax Reform Group ([UCR 0196](#)), [Q251–254](#) (Sally Beadle, Luke Johnston, Andrew Kozman, Richard Betton), [Q272–273](#) (Mark Hooper)

22 DWP, [Self-employment Working Tax Credits claimant survey and qualitative follow-up research](#), September 2017

would not be increasing their income or taking an employee job (which they felt was unviable), but unemployment or a major shortfall in income.²³ Nigel Keohane, Director of the Social Market Foundation, a think-tank that has carried out substantial work on low-paid self-employed, questioned whether this was a preferable outcome. He suggested that “it may well be better to have people in even very low remunerated self-employed work than unemployed”.²⁴ We also heard substantial concerns about its impact on self-employed people with volatile income.²⁵ We return to these in Chapter 2.

9. In light of uncertainty of the impact of the MIF, Citizens Advice recommended the Department commit to ongoing testing of its new rules. They explained this should aim to ensure the Department is striking the right balance between supporting claimants and protecting public funds.²⁶ When pressed on the design and impact of the MIF in oral evidence, Alok Sharma MP, Minister for Employment (the Minister) told us that “the whole process in Universal Credit is about test and learn” (see Box 2). He said the Department would “see how it operates as more people come onto the system” and “reflect” on what it learns.²⁷ The Government reiterated this commitment in the Government’s response to our predecessor Committee’s report.²⁸

Box 2: Test and learn in Universal Credit

“Test and learn” is part of the “Agile” project management methodology that underpins UC. It should allow the Department to continuously learn during UC’s rollout and responsively make changes. Learning could be based on feedback from staff, claimants, and other stakeholders, and from research data gathered by the Department.²⁹

10. The Department could not share with us any early data on how UC claimants are responding to the MIF. However, it intends to publish in Spring 2018 a small study of how 40 claimants are responding to the MIF. This study will be interview-based, and will not produce conclusions that are generalisable to the wider UC caseload. In the longer-term, the Department plans to undertake two types of quantitative evaluation:³⁰

- a) Multi-waved quantitative studies that will track the impact of UC on claimants’ work decisions. The Department explained that this would require a sample of around 5,000 claimants. To ensure the sample is robust and non-biased it claimed a caseload of 50,000 claimants would be needed. The Minister expected this to occur in around Summer 2018.
- b) Tracking status changes using administrative data. This will examine whether claimants subject to the MIF have opted to remain on UC and whether they have changed their employment patterns. The Department expected this data to be “developed over 2018”.

23 IPSE ([UCR 0174](#)), Low Incomes Tax Reform Group ([UCR 0196](#)), [Q251–254](#) (Sally Beadle), [Q272–273](#) (Mark Hooper)

24 [Q331](#) (Nigel Keohane)

25 IPSE ([UCR 0174](#)), Low Incomes Tax Reform Group ([UCR 0196](#)), Child Poverty Action Group ([UCR 0202](#)), Citizens Advice ([UCR 0201](#)), National Farmers Union ([UCR 0199](#)), Gingerbread ([UCR 0198](#))

26 Citizens Advice ([UCR 0201](#))

27 [Q352](#) (Alok Sharma)

28 Work and Pensions Committee, [Self-employment and the gig economy: Government Response to the Committee’s Thirteenth report of session 2016–17](#)

29 [WQ125984](#)

30 [Letter from the Minister for Employment to Committee Chair](#), February 2018

Given the need for a substantial caseload of claimants, the Department does not expect to be able to produce any quantitative analysis at all of the effect of the MIF until “at least” Autumn 2019. It did, however, direct us towards its survey of self-employed Working Tax Credit claimants that helped inform its decision making on the MIF.³¹ This used a sample of 1,000 claimants—less than 1% of the current Working Tax Credit caseload.³² We also found multiple other examples of Departmental research carried out on much smaller samples that the Department has deemed necessary for the MIF.³³

11. The Department’s ability to adapt Universal Credit for the large and growing self-employed workforce will be a key determinant of its success. But UC was not designed with the self-employed in mind, and the Department’s new rules are uncharted territory. Their impact is highly uncertain. They could affect the cost of Universal Credit substantially—in either direction. They are, therefore, an ideal opportunity to make use of the “test and learn” philosophy underpinning Universal Credit. It is remarkable that the Department has no plans to produce any analysis of the effects of the changes (bar a tiny qualitative study) until at least late 2019. If they do not test, then they cannot hope to learn. *We recommend the Department commission and publish ongoing evaluation of the effect of the new self-employment rules on Universal Credit claimants. In light of its previous research the first such evaluation should be commissioned when there are sufficient claimant numbers to permit a sample of around 1,000. This research should examine how claimants are responding to the Minimum Income Floor, including whether claimants who have opted to close their business have been successful in finding other work.*

31 DWP, [Self-employment Working Tax Credits claimant survey and qualitative follow-up research](#)

32 HMRC, [Personal tax credits statistics: provisional statistics, January 2018](#)

33 See, for example, DWP, [PIP Evaluation: wave 1 claimant survey findings](#), March 2017; [PIP Evaluation: wave 2 interim headline findings](#), December 2017.

2 Income volatility and the Minimum Income Floor

12. Self-employed UC claimants are required to report their earnings monthly, detailing cash-in and cash-out.³⁴ This is in line with monthly assessment periods for other UC claimants. For employees, this means their monthly payment is calculated based on the actual pay received. It is then topped up based on those earnings and their circumstances. This pattern is intended to help claimants budget and mirror the way most people in employment are paid. Witnesses cast doubt, however, on whether this approach is appropriate for the self-employed. This is largely due to variations between the way that employees and the self-employed are paid.³⁵

Volatile incomes

13. Volatile income is common in self-employment. In the Department’s research on self-employed Working Tax Credit claimants, 84% reported having variable monthly income. For 26% of those, the usual variation was at least £100. For 18%, it was more than £500.³⁶ Bright Blue, a conservative think-tank, told us that over half (55%) of low paid self-employed people cited monthly income fluctuations as the most pressing challenge they face.³⁷ Importantly, this volatility does not necessarily indicate that a business is not viable. LITRG told us it can occur for “any number of reasons” besides a self-employed person simply not trying to earn more. These range from seasonal variation, to periods of sickness or holiday, to the timings of payments from clients.³⁸ We heard several illustrative examples (see Box 3).

14. The Department’s research reflected the experiences of these claimants. Of claimants whose income varies from month-to-month, 37% said this was due to unexpected lulls in business. 33% said it was due to how many clients they invoiced, and 33% said it was due to seasonal peaks and troughs in demand for their services.³⁹ The Department emphasised, therefore, that variable income is not necessarily synonymous with unpredictable income. Working Tax Credit claimants are often able to “predict and therefore plan for” variation—for example, if it occurs due to seasonal patterns.⁴⁰

Box 3: Examples of self-employed with volatile incomes and outgoings

The National Farmers Union told us that farming activity is generally conducted over an annual cycle or longer. The production of saleable products is usually dictated by seasons. Accordingly, farmers often receive the bulk of their income—including

34 This means that all sales receipts and business income must be reported in the month in which the cash payment was received or made. For example, if a business invoices a client in April but does not receive the payment until May, the income would have to be reported in May.

35 IPSE ([UCR 0174](#)), Low Incomes Tax Reform Group ([UCR 0196](#)), Child Poverty Action Group ([UCR 0202](#)), Citizens Advice ([UCR 0201](#)), Gingerbread ([UCR 0198](#)), Resolution Foundation, [Universal remedy: ensuring Universal Credit is fit for purpose](#), October 2017

36 DWP, [Self-employment Working Tax Credits claimant survey and qualitative follow-up research](#)

37 Bright Blue ([UCR 0194](#))

38 Low Incomes Tax Reform Group ([UCR 0196](#))

39 DWP, [Self-employment Working Tax Credits claimant survey and qualitative follow-up research](#)

40 DWP ([UCR 0216](#))

subsidies—in just a few months of each year. Self-employment is the norm in farming, so moving into employed work and still sustaining the business is usually not a viable option.⁴¹

The Child Poverty Action Group (CPAG) drew our attention to freelancers who work in schools, who will only be paid income during term-time.⁴² We also heard from individuals who work with children on a self-employed basis (for example, a therapist for autistic children) who experience lulls in demand during summer and Christmas, when many families are away.⁴³

Sole traders often take bookings and payments in blocks because it helps give them stability and certainty. We heard, for example, from a yoga instructor who takes payments in two-month blocks.⁴⁴ Traders also told us about the difficulties of needing to chase clients for late payments: this can cause irregular income, even if the trader has attempted to ensure that their income is consistent.⁴⁵

IPSE, a trade association for the self-employed, explained that large, necessary monthly payments can also lead to variation. A self-employed person may have to pay for tools, equipment or insurance, and may not be able to spread these costs evenly over several months. Although claimants can carry business losses forward, they can only reduce income down to the level of the MIF.⁴⁶

15. The Resolution Foundation, a think-tank, explained that applying the MIF on a monthly basis means that self-employed UC claimants may be left much worse off than employees—even where their income over a longer period is identical. This situation would arise due to income volatility. Self-employed claimants' total income would be reduced by the MIF in months when it is low, without then being recovered in months when they earned more.⁴⁷ The Low Incomes Tax Reform Group (LITRG), an initiative by the Chartered Institute of Taxation to improve policy for low earners, supplied an illustrative example. This demonstrated how self-employed and employed UC claimants with identical incomes—averaging out over a year to the equivalent of full-time at NLW, but varying month-to-month for the self-employed—can receive very different UC entitlements (see Box 4).⁴⁸ Accordingly, the Resolution Foundation argued that the design of the MIF runs counter to one of UC's stated aims of “balancing” the treatment of self-employed and employed UC claimants.⁴⁹

Box 4: Self-employed and employee UC calculation comparisons

Fiona is a single parent with three children. She runs a self-employed business. Gregory is also a single parent with three children. He works 35 hours a week and earns £7.20 per hour.

41 National Farmers Union ([UCR 0199](#))

42 Child Poverty Action Group ([UCR 0202](#))

43 [Universal Credit web forum](#)

44 *Ibid.*

45 *Ibid.*

46 IPSE ([UCR 0174](#))

47 Resolution Foundation, [Making the most of Universal Credit, June 2015](#), p.20

48 Low Incomes Tax Reform Group ([UCR 0196](#)). See also Work and Pensions Committee, [Chair calls for budget move to stop Universal Credit penalising the self-employed](#), November 2017

49 Resolution Foundation, [Making the most of Universal Credit](#), p20

Fiona's business is seasonal. She earns most of her money in Spring and Summer, exceeding the MIF every month. In some months she earns so much that she becomes ineligible for UC. This brings the Surplus Earnings Rules into play and lowers her entitlement in subsequent months. In Autumn and Winter she earns much less. She doesn't receive any UC in these months, however, because her income is below the MIF. Gregory is paid the same amount every month. Over 12 months, from April 2016 to March 2017, Fiona's self-employed income for UC purposes is £12,077. Gregory's employment income for UC purposes is also £12,077.

Fiona will receive a total of £5,333.43 in UC payments over those 12 months, while Gregory will receive £7,944.96. Gregory receives £2,611.53 more UC than Fiona because of the variable pattern of earnings that Fiona has in her business: even though over the year both earn the same amount.

Source: [Low Incomes Tax Reform Group](#)

16. LITRG acknowledged the Department's concerns about perennially low-paid "hobby traders". They argued, however, that the "broad brush" nature of the MIF meant it could affect self-employed peoples' ability to stay in business: not because their businesses are not productive, but because their work does not deliver consistent wages.⁵⁰ Victoria Todd, Senior Technical Manager at LITRG, explained that the MIF "just cannot deal with" any of the factors that might cause variations in income. The resulting financial loss might then render the business unviable.⁵¹ David Finch, Chief Economic Analyst at the Resolution Foundation, explained that the monthly reporting period is the fundamental issue. He told us that the "big problem [...] is that you are trying to treat self-employed income like the income of employees, and it does not fit".⁵² IPSE, a trade association for self-employed people, told us that the principle of a monthly assessment period "simply does not work" for the self-employed who have volatile incomes.⁵³ In a concern echoed by multiple research, trade and support organisations, LITRG told us there was a real risk it had "tipped too far towards protecting public funds" at the expense of providing support to the self-employed.⁵⁴

17. The Minimum Income Floor does not deliver parity of treatment between the self-employed and employees. It is designed with little regard for the reality of self-employed work. Self-employed people risk missing out on important support not because their income is inadequate, but because it is volatile—varying from month to month. The Government aspires to support entrepreneurship and economic dynamism. The Minimum Income Floor, as currently configured, is a very real risk to both.

Averaging incomes

18. The Minister told us that the Department's Surplus Earnings Rules, which came into force in April 2018, address the problem of volatile income. The Minister explained the Rules are there both to help people with "lumpy" earnings, and to prevent claimants from

50 [LITRG \(UCR 0196\)](#)

51 [Q176](#) (Victoria Todd)

52 [Q178](#) (David Finch)

53 [IPSE \(UCR 0174\)](#)

54 [LITRG \(UCR 0169\)](#), [IPSE \(UCR 0174\)](#), [Child Poverty Action Group \(UCR 0202\)](#), [National Farmers Union \(UCR 0199\)](#), [Gingerbread \(UCR 0198\)](#), [Equity Tax and Welfare Rights Team \(UCR 0191\)](#), [Bright Blue \(UCR 0194\)](#), [RSA and Crunch \(SGE 0062\)](#)

manipulating their incomes to receive more UC.⁵⁵ LITRG told us that the MIF already acts as a disincentive against the latter for the self-employed claimants.⁵⁶ This is therefore more relevant to employees. More usefully, the Surplus Earnings Rules allow self-employed claimants to carry forward business losses over the subsequent eleven periods to help ensure they are not disadvantaged. Victoria Todd told us this was a positive. She pointed out, however, that it only applies to business losses. For claimants who simply have low incomes in some months, “that provision doesn’t help”.⁵⁷ She explained, the “surplus earnings added to the minimum income floor can make the self-employed even worse off” (See Box 4). Policy in Practice, a consultancy and research organisation, agreed. They told us the issues caused by the MIF in respect of volatile earnings are “not resolved by the Surplus Earnings Rules”.⁵⁸

19. Witnesses offered us several suggestions on how the MIF might be reformed to better reflect the realities of self-employment. The suggestions included:

- Removing the MIF altogether. PeoplePlus, an employment support provider, told us that Jobcentre Plus’s “gainful self-employment” (GSE) test is sufficiently onerous to deter anyone who might view self-employment as an easy, conditionality-free way of claiming UC.⁵⁹ LITRG suggested “tweaks” to the GSE test could ensure it achieves this purpose and remove the need for the MIF.⁶⁰ This would necessitate a greater discretionary role for Jobcentre Plus’s Work Coaches in determining who is GSE and understanding what a viable self-employed business looks like;
- IPSE suggested allowing self-employed claimants a certain number of months each year in which the MIF did not apply, to reflect seasonal variability and periods of low demand. If claimants went over their “grace” months, Jobcentre staff might then revisit whether the claimant is really gainfully self-employed; and⁶¹
- Our predecessor Committee recommended the Department immediately suspend the MIF, pending a full review of its operation.⁶²

Box 5: Gainful Self-employment (GSE)

Claimants who want to claim UC as self-employed must first undergo the GSE test, carried out by their Work Coach. The Work Coach will assess during this interview whether self-employment is the claimant’s main occupation, and whether this is “organised, regular and carried out in expectation of profit”. This may include looking at tax returns and earnings; considering evidence of marketing activity and plans for growth, and looking at how many hours are spent on the business. Claimants found to be GSE are subject to the MIF, but are not required to look for or prepare for employment.

Source: <https://www.gov.uk/self-employment-and-universal-credit>

55 [Q351](#) (Alok Sharma)

56 LITRG ([UCR 0169](#))

57 [Q237](#) (Victoria Todd)

58 Policy in Practice ([UCR 0160](#))

59 PeoplePlus ([UCR 0180](#))

60 LITRG ([UCR 0169](#))

61 IPSE ([UCR 0174](#))

62 Work and Pensions Committee, [Self-employment and the gig economy](#)

20. One of the most common suggestions, however, was a longer reporting period. This could range from three months up to a year.⁶³ Deven Ghelani, Director of Policy in Practice, suggested that the principle of ensuring self-employed claimants earn enough was important. He argued that “you are either for minimum wages or you aren’t”, questioning why the Department should support work that delivers a very low-income. He maintained, however, that averaging earnings was “a positive” and “would help” claimants.⁶⁴ Correctly configured, averaging over a period of months could overcome issues around volatile income, without supporting claimants to remain in low-paid self-employment indefinitely. The National Farmers Union pointed out that the appropriate interval will vary between claimants and business types.⁶⁵ For example:

- a) X is a farmer. His work is largely dictated by the seasons. All of his income is made in a few months each year. The rest of the year is spent working to ensure he has crops or livestock to sell. The most appropriate reporting period for X would be one year.
- b) Y is a child therapist. She earns consistently for most of the year, but she experiences short lulls in demand in summer and the Christmas period, when families she works with often go on holiday or take a break. An averaging period of three to six months would work well for Y.

21. CPAG therefore recommended that each claimant’s reporting period should be determined in discussion with their Work Coach, with the range available considered in relation to their pay cycles.⁶⁶ Work Coaches might also continually revisit whether claimants are gainfully self-employed at these intervals, ensuring they are making appropriate progress. Analysis by the Resolution Foundation suggested that extending the reporting period to 3 months would cost a maximum of £100 million per year, while extending it to one year would cost £250 million.⁶⁷ Both estimates assume blanket extensions that would apply to all claimants. In practice, the cost would be less than these maximums. Not all claimants would receive extensions. Some, for example, would have incomes too low for averaging to make a difference. The costs also exclude any gains from helping gainfully self-employed claimants stay in business: for example, in reduced unemployment benefit.

A more flexible approach

22. The Department rejected this idea when we put it to them. The Minister explained that UC is “designed effectively on a monthly framework”.⁶⁸ The Department has justified this decision by stating that the vast majority of employed UC claimants are paid monthly. The payment period for UC therefore aligns with their income from employment. Neil Couling told us that because UC is paid on a household basis (ie. one payment to members of a couple), a longer than monthly reporting period for claimants would be prohibitively complex to implement. Within a household “you might have a partner who is working

63 NFU ([UCR 0199](#)), Gingerbread ([UCR 0198](#)), LITRG ([UCR 0196](#)), Bright Blue ([UCR 0194](#)), People Plus ([UCR 0180](#)), IPSE ([UCR 0174](#)), ERSA ([UCR 0166](#)), Policy in Practice ([UCR 0160](#)), Community ([UCR 0134](#)), [Q280](#) (Andrew Clark), [Q256](#) (Sally Beadle), [Q264](#) (Richard Betton), [Q272](#) (Mark Hooper)

64 [Q183](#) (Deven Ghelani)

65 NFU ([UCR 0199](#))

66 Child Poverty Action Group ([UCR 0202](#))

67 Resolution Foundation ([UCR 0229](#))

68 [Q346](#) (Alok Sharma)

and is employed”, alongside a self-employed person. Moving to a longer reporting period for the self-employed people would be like “mixing oil and water [...] it would just build in so much complexity that I would not know how to do it”.⁶⁹

23. Under the Surplus Earnings Rules, however, DWP itself contradicts the assertion that UC is, and can only be, based on actual earned income on a monthly basis. Andy Chamberlain, Director of IPSE, explained that the Surplus Earnings Rules permit carrying income over, to ensure people do not get overpaid. Losses can also be carried forward. He suggested that the Department might equally address underpayment through factoring in a longer time period. It seems, however, “less willing” to build in this flexibility. He contended that “if they can do it for [the Surplus Earnings Rules], they should be able to do it the other way around too”.⁷⁰

24. In sticking rigidly to a monthly reporting period for self-employed Universal Credit claimants, the Department risks attempting to force square pegs into round holes. At worst, it could lead to viable, successful businesses collapsing. This is the antithesis of the entrepreneurial, dynamic economy that the Government wants to support. The Department must not let an unyielding commitment to monthly reporting undermine the laudable goals of Universal Credit: supporting claimants to stay in and progress in work. Its own Surplus Earnings Rules show that a more flexible approach is possible.

25. We recommend the Department allow reporting periods of up to a one year for self-employed claimants who receive irregular monthly pay. The decision on whether to allow a longer reporting period should be made on a case-by-case basis by Jobcentre Plus’s self-employment specialist Work Coaches. It should be based on evidence of need: for example, production of Universal Credit records, invoices or accounts demonstrating irregular or seasonal payment schedules.

Tax implications

26. MIF calculation includes a notional deduction for tax and National Insurance, set at a level “the Secretary of State deems appropriate”.⁷¹ The effect of this will vary between claimants. Most self-employed people pay their tax either annually or six monthly. Their income in the months that tax is actually paid will be calculated for UC purposes by deducting the tax payment to leave a net income figure. In those months, claimants’ incomes could fall under the MIF as a result of actual tax and NI payments. In the other months of the year, however, they might benefit from the MIF being lower than it would otherwise be due to the “notional” tax deductions.⁷²

27. LITRG told us that for some claimants, opting for a Budget Payment Plan (BPP) with HMRC could be beneficial.⁷³ BPPs allow self-employed people to manage their finances by making smaller, regular payments towards their tax bills: for example, paying on a weekly or monthly basis. For UC claimants, signing up to a plan could help them spread their tax payments to avoid dipping below the MIF in particular months. LITRG explained, however, that whether this is an appropriate choice will vary from claimant to claimant

69 [Q347](#) (Neil Couling)

70 [Q239](#) (Andy Chamberlain, see also Mark Hooper)

71 SI 376/2013

72 LITRG ([UCR 0220](#))

73 LITRG ([UCR 0220](#))

and be highly dependent on individual circumstances. Jobcentre Plus offers advice to claimants on managing their money as they adjust to Universal Credit, either through JCP for less complex cases or via external organisations with the relevant expertise.⁷⁴

28. IPSE pointed out that current MIF arrangements mean claimants will be required to put aside a proportion of their income each month to ensure they can pay their tax bill in the month it arrives. They argued that the current structure of the MIF makes it less likely that claimants will be able to do this. This is because claimants with fluctuating incomes are “very likely to be significantly worse off” under UC than they were previously. A more flexible approach to calculating income for UC purposes could help to address this issue. IPSE explained:

It is easy to see how [monthly reporting] will negatively impact [claimants’] ability to save in order to pay tax. They will need that money to survive. However, if they are unable to pay their tax on time, they will incur fines from HMRC, worsening their situation further. If more flexibility could be introduced into the MIF to allow for fluctuating incomes, this problem would be diminished, making it easier to save for tax payments.⁷⁵

29. We also heard concerns about the implications for claimants of a lack of alignment between HMRC and DWP systems. The RSA explained that UC will require different information than that HMRC asks for when sole traders complete their self-assessment returns: for example, in terms of reporting losses.⁷⁶ Several witnesses suggested this could confuse claimants, and increase their administrative burden. The RSA therefore recommended that DWP and HMRC should seek in the longer term to improve alignment between their reporting systems.⁷⁷

30. Self-employed people, like employees, pay tax on their annual incomes. Longer reporting periods will give some claimants more money than they would otherwise have. This will help them manage and meet their tax obligations. Many more could benefit, however, from expert, proactive advice on their individual finances, including tax arrangements and alternative payment options. DWP and HMRC should take a joined-up approach to enabling this and to ensuring tax and reporting arrangements do not become unduly complex for claimants. We recommend the Department require Work Coaches, during the Gainful Self-employment test, to discuss with claimants the relationship between tax and Universal Credit. This should include asking if they would like to set up a Budget Payment Plan, signposting towards further information, and if necessary referring them to specialist advice on whether a plan would be appropriate and how to apply. In the longer term, HMRC and DWP should explore how they can harmonise their approaches to collecting data from the self-employed. This might include, for example, exploring how data already submitted to DWP could be used in pre-populating their tax self-assessment forms.

74 DWP, [Press release: new budgeting support for Universal Credit claimants](#), February 2017; DWP, [Personal budgeting support and Alternative Payment Arrangements](#), April 2018

75 IPSE ([UCR 0219](#)),

76 RSA and Crunch ([SGE 0062](#))

77 RSA and Crunch ([SGE 0062](#)), see also IPSE ([UCR 0174](#)), PeoplePlus ([UCR 0180](#)), ERSA ([UCR 0166](#))

3 Supporting new businesses

31. Newly self-employed UC claimants are entitled to a “Start-up Period” during which the MIF does not apply. During the Start-up Period claimants are assigned a Work Coach who is specially trained to support the self-employed. They can also be referred to additional, expert support to help them develop their business, either via the New Enterprise Allowance (NEA)—the Department’s specialist support programme—or other external providers.⁷⁸ The Department explained that the Start-up Period is intended to recognise that it takes time for new businesses to become profitable, and to allow claimants to dedicate their time in that period to getting their business up and running. The length of the Start-up Period is one year. At the end of that year the MIF applies.⁷⁹

Supporting the low-paid self-employed in Jobcentre Plus

32. The Department’s specialist support scheme for the self-employed, the New Enterprise Allowance (NEA), was introduced in 2011. It is delivered by expert external providers. Although initially aimed at out-of-work JSA claimants, the NEA has expanded since its introduction (“Phase 2”). Since 2017, low paid UC claimants with established businesses—those likely to be affected by the MIF—have also been eligible. Participants in the NEA receive a mentor to offer them advice and support on developing their business. They can apply for a start-up loan if their business is less than two years old. The Department told us that there are 24,000 spaces for existing self-employed available up until March 2019, when the NEA contracts end.⁸⁰ Up until September 2017 just 60 claimants had accepted a space. The Department expects this number to increase as UC full service rolls out nationwide.⁸¹ It told us it is “exploring options” regarding its post-2019 provision for the self-employed.⁸² It also explained that it has introduced “specially trained Work Coaches” in Jobcentre Plus to offer further support to claimants.⁸³

33. Witnesses told us that additional support for low-paid self-employed people is vital to support claimants who are struggling to reach the MIF. The Mone Review, commissioned by the Department for Business, Energy and Industrial Strategy, found that mentoring is “invaluable” and “can make the difference between someone starting successfully in business or not”.⁸⁴ The Prince’s Trust explained that young people they had supported had told them that the presence of a mentor had made the greatest difference to their business’s success. Mark Hooper, founder of IndyCube, which provides co-working and support to freelance workers, told us that experience of self-employment in a relevant area was the key qualification for any mentor.⁸⁵ He did not feel that Jobcentre Plus’s own Work Coaches were the right people to provide this. While they could be upskilled to advise claimants on business plans and assess business viability, he suggested there was also need for Jobcentre Plus to be able to refer claimants to mentors with direct experience in their area of work.⁸⁶ IPSE’s Andy Chamberlain agreed. He noted that the New Enterprise Allowance had been very helpful in this respect, and welcomed its extension to claimants

78 DWP ([UCR 0186](#))

79 DWP ([UCR 0186](#))

80 DWP, [New Enterprise Allowance data](#), December 2017 (data correct to September 2017)

81 DWP, [New Enterprise Allowance data tables](#), December 2017, table 10

82 [WQ129846](#)

83 DWP ([UCR 0186](#))

84 Baroness Mone OBE, [Boosting enterprise in more deprived communities](#), p.43

85 [Q298](#) (Mark Hooper). See also Andy Chamberlain ([Q300](#)), Lindsay Owen ([Q301](#)), Andrew Clark ([Q303](#))

86 [Q298](#) (Mark Hooper),

with existing businesses. He had concerns, however, about whether it could accommodate all of the people who needed it—even without the additional pressure of a large number of self-employed UC claimants.⁸⁷

34. The introduction of the Minimum Income Floor could greatly increase demand for Jobcentre Plus’s self-employment support services. Its Work Coaches have an important role to play: determining eligibility for self-employed Universal Credit, checking progress, and referring to external support. The Department must ensure it has sufficient internal expertise on self-employment to deliver these functions effectively. But Work Coaches—even with expertise—are no substitute for dedicated mentors with experience in the claimants’ business areas. In many cases, this can be the difference between business success and failure.

35. We recommend the Department continue to offer specialist support for self-employed claimants earning below the Minimum Income Floor when the current NEA contracts end in 2019. As part of this, it should commit to providing access to specialist mentors with direct experience in their area of work for claimants assessed as having potentially viable businesses who are earning below the Minimum Income Floor. It should also commit to expanding its own internal nucleus of expertise in Jobcentre Plus, ensuring it has sufficient numbers of self-employed Work Coaches to meet the demand for their skills.

The length of the Start-up Period

36. The Minister explained to us in the Department’s view, a one year Start-up Period “makes sense”.⁸⁸ The Department did not, however, offer any evidential basis for this view. Business owners and organisations that offer support to the newly self-employed told us it is not realistic to expect new business owners to be earning above the MIF at the end of their first year.⁸⁹ We heard about Scott, a young person who in 2016 had opened his own tattoo parlour with support from the Prince’s Trust and the welfare system. Scott had experienced serious mental health issues and expected to be on Employment and Support Allowance (ESA) for some time. He built his business while claiming ESA and Disability Living Allowance (DLA). He has been in business for two years and is no longer claiming ESA—but the Prince’s Trust told us this would not have been possible without the support he received for “multiple years” from the welfare system.⁹⁰ The RSA’s research suggested that his experience of how long it takes to build a profitable business is not unusual. This is not necessarily due to any fault on the business owner’s part, and does not by itself indicate the business is unviable. The RSA’s analysis of the Understanding Society survey—a large longitudinal study of UK households—suggested that at the end of one year in business, average monthly earnings from self-employment are just over £600—less than half of the MIF. This increases only a small amount in year two. By year three, those businesses still trading bring in average earnings much closer to the MIF. This increases thereafter (see Figure 1).⁹¹

87 [Q300](#) (Andy Chamberlain). See also ERSA [\(SGE 0082\)](#)

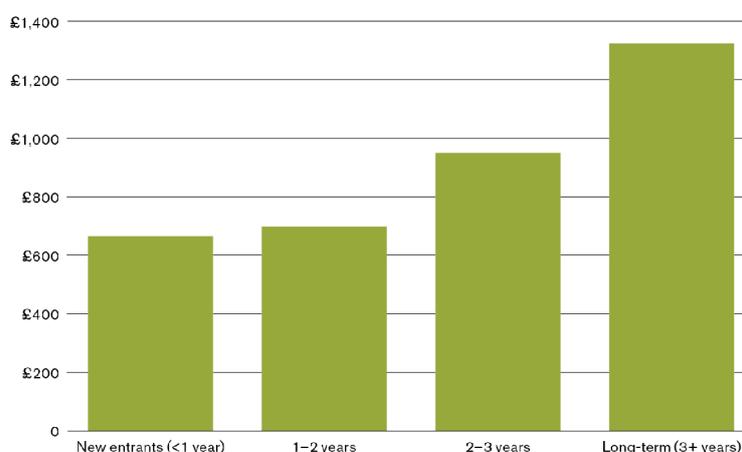
88 [Q348](#) (Alok Sharma)

89 [Q251](#) (Andrew Kozman) [Q255](#) (Luke Johnstone), [Q289](#) (Mark Hooper), PeoplePlus [\(UCR 0180\)](#), Ms Suzy Currell [\(UCR 0183\)](#), IPSE [\(UCR 0174\)](#), [Q272](#) (Andy Chamberlain, Mark Hooper), [Q275–278](#) (Lindsay Owen), City of Lincoln Council [\(UCR 0173\)](#), Julie Jackson [\(UCR 0172\)](#), ERSA [\(UCR 0166\)](#), Michelle Newbold [\(UCR 0157\)](#), Community [\(UCR 0134\)](#), NFU [\(UCR 0199\)](#), Prince’s Trust [\(UCR0190\)](#)

90 Prince’s Trust [\(UCR0190\)](#)

91 RSA, [The entrepreneurial audit, February 2017](#), p.9

Figure 1: Average monthly earnings from self-employment by duration in self-employment. Data from 2011–2015.



Source: [RSA analysis of Understanding Society survey \(waves 3–6\)](#)

37. The length of the Start up Period, combined with the MIF, may risk cutting off support to potentially viable businesses before they have had a chance to get off the ground.⁹² The Employment Related Services Association (ERSA), a trade body for employment support providers, suggested that the one year Start up Period was “flawed and has not been designed with an understanding of the trajectory of a small business in mind”.⁹³ The Department suggested in response that claimants might take-up part-time work to support their self-employment if they wanted to remain in business.⁹⁴ We heard, however, that this would detract from the considerable time commitment needed to get a business up and running—especially in the early years.⁹⁵ The Department’s own research illustrates the time needed to run a business: one in three respondents reported working over 36 hours per week.⁹⁶ Taking a job alongside could also lead to claimants no longer being classified as GSE, meaning they are subject to full work search requirements. Mark Hooper told us that a one year period means that claimants who are not earning close to the MIF will start looking at winding their business up after nine months. This created a situation where claimants are almost “thinking about failing before [they] start”. He emphasised this will encompass the vast majority of new businesses. Even those that go on to be successful are unlikely to reach the MIF by the end of year one.⁹⁷ Benedict Dellot, the RSA’s Associate Director of Economy, Enterprise and Manufacturing, told us that as current arrangements stand, UC:⁹⁸

May serve to sink businesses that may become viable in time, and we don’t want to have that situation. We should be conceiving of Universal Credit as a springboard as well as a safety net, and balancing that would be important.

92 [Q251](#) (Andrew Kozman) [Q255](#) (Luke Johnstone), [Q289](#) (Mark Hooper), PeoplePlus ([UCR 0180](#)), IPSE ([UCR 0174](#)), [Q272](#) (Andy Chamberlain, Mark Hooper), [Q275–278](#) (Lindsay Owen), City of Lincoln Council ([UCR 0173](#)), ERSA ([UCR 0166](#)), Community ([UCR 0134](#)), NFU ([UCR 0199](#)), Prince’s Trust ([UCR 0190](#))

93 ERSA ([UCR 0166](#))

94 [Q363](#) (Neil Couling)

95 [Q259](#) (Luke Johnstone), [Q289](#) (Mark Hooper)

96 DWP, [Self-employment Working Tax Credits claimant survey and qualitative follow-up research](#)

97 [Q272](#) (Mark Hooper)

98 [Q336](#) (Benedict Dellot), RSA, [The entrepreneurial audit, February 2017](#), p.9

38. The Department could not tell us how many UC claimants had progressed through the Start-up Period, or supply any data on sustainment rates. PeoplePlus, a provider of NEA specialist self-employment support, told us that they had seen business sustainment rates drop substantially within their UC caseload. They explained that in the two years they have been running UC pathfinders they had supported 425 self-employed claimants. All had been on UC for at least 24 months. Amongst PeoplePlus’s pre-UC caseload, 70% of business start-ups survived to twelve months. That rate was halved amongst the UC claimants: just 35% were still in business at twelve months, and 22% at fifteen months. Feedback from the claimants had been “mainly regarding the MIF, with many having to give up their business once it applies, despite having orders and potential”. They suggested that the “cliff-edge” nature of the MIF means it is “all or nothing” for most claimant groups.⁹⁹

39. We heard that in addition to the effects of failure on individual claimants, the relatively short Start-up Period also represents a potential waste of resources. PeoplePlus emphasised that their participants’ low sustainment rates were in spite of those claimants receiving intensive support and advice from specialists; arguably a privileged group within the UC self-employed caseload. PeoplePlus supplies this support at an average unit cost of £3,500 per participant.¹⁰⁰ In 2015/16, the NEA cost DWP £20.3 million to run.¹⁰¹ The Mone Review highlighted success is even less likely for claimants who do not receive specialist support, particularly where they are starting from a position of long-term disadvantage.¹⁰² Yet there are costs attached to these claimants as well: both in UC payments, and in any additional self-employment support that is provided to them through the Flexible Support Fund.

40. Witnesses overwhelmingly told us that the Department should extend the Start-up Period. This would give claimants a reasonable chance to get their business off the ground.¹⁰³ We heard several options for how this could be done. IPSE and LITRG favoured an extension for all claimants: pushing the point at which the MIF applies back to two or three years after starting a business.¹⁰⁴ Others suggested a longer start-up period for claimants who might be expected to make slower progress. Gingerbread, a charity representing single-parent families, suggested the people they support would be one such group.¹⁰⁵

41. Some witnesses recognised a blanket extension—whether applying to all claimants or to specific claimant groups—might not be politically attractive or financially feasible. A second common suggestion, therefore, was that the MIF should be tapered in gradually, removing the twelve month “cliff edge”. IPSE suggested tapering up to the full rate after three years, in line with the RSA analysis of self-employment earnings.¹⁰⁶ We heard that if

99 PeoplePlus ([UCR 0180](#))

100 PeoplePlus ([UCR 0180](#))

101 [WQ135721](#)

102 Baroness Mone OBE, [Boosting enterprise in more deprived communities](#)

103 [Q251](#) (Andrew Kozman) [Q255](#) (Luke Johnstone), [Q289](#) (Mark Hooper), PeoplePlus ([UCR 0180](#)), Ms Suzy Currell ([UCR 0183](#)), IPSE ([UCR 0174](#)), [Q272](#) (Andy Chamberlain, Mark Hooper), [Q275–278](#) (Lindsay Owen), City of Lincoln Council ([UCR 0173](#)), Julie Jackson ([UCR 0172](#)), ERSA ([UCR 0166](#)), Michelle Newbold ([UCR 0157](#)), Community ([UCR 0134](#)), NFU ([UCR 0199](#)), Prince’s Trust ([UCR 0190](#))

104 IPSE ([UCR 0174](#)), LITRG ([UCR 0196](#)), Joseph Rowntree Foundation ([SGE 0030](#)), Community ([UCR 0134](#)) Prince’s Trust ([UCR 0190](#))

105 Gingerbread ([UCR 0198](#))

106 IPSE ([UCR 0174](#))

this was combined with changes to the MIF and dedicated it could make a great difference to the chances of newly self-employed claimants getting their businesses up and running successfully.¹⁰⁷

42. PeoplePlus suggested that the Department could retain a level of discretion in deciding who is eligible for an extension. This could be based, for example, on evidence of progression such as increasing turnover, advertising, and orders.¹⁰⁸ This would help to address the Department's concern that self-employment provides an easy way of avoiding benefit conditionality. Benedict Dellot told us that this would not necessitate a great change from the system currently in place in Jobcentre Plus. Claimants have to go to Jobcentre Plus during the one year period to prove they are gainfully self-employed and "presumably, that would still apply if you extended it".¹⁰⁹

43. IPSE, the Resolution Foundation and LITRG all cautioned that it is difficult to reach a precise figure for the cost of any changes to the Start-up Period.¹¹⁰ The Resolution Foundation used the Department's research on self-employed Working Tax Credit claimants to reach an estimate.¹¹¹ They found that extending the Start-up Period to two years for all claimants (ie. a non-discretionary approach) would cost the Department around £150 million per year by the time UC is fully rolled out. LITRG warned, however, that this headline cost does not tell the full story. They suggested the Department should consider carefully the amount saved by introducing the MIF at one year, against the "sunk" costs of support to people who give up self-employment that could, after another year or two, be profitable.¹¹² We also heard the Department should be alert to the wider benefits of investing in entrepreneurship. More support for new business owners could, in the long-term, lead to claimants moving off benefits entirely and even employing others, bringing increased tax receipts and contributing to economic growth.¹¹³ We heard, for example, from Luke Johnstone, who started his frozen smoothie business with support from the Prince's Trust while claiming tax credits. His business has been a success: his products are stocked in several large supermarkets, and he no longer needs tax credits. He explained:¹¹⁴

I started my business on working tax credits and I am now off working tax credits and forecast to make a turnover of £1.5 million this year [...] Looking back, I was on working tax credits for two years, so it took me two years of working tax credits to get my business to the point where I was running a successful company. Prior to that, I also spent one year getting myself into personal debt to even get the business off the ground. In total, I think it took me two and a half years before I was earning National Minimum Wage and it took me four and a half years before I turned a profit.

107 PeoplePlus ([UCR 0180](#)), City of Lincoln Council ([UCR 0173](#)), ERSA ([UCR 0166](#)), IPSE ([UCR 0174](#))

108 PeoplePlus ([UCR 0180](#))

109 Q336 ([Benedict Dellot](#))

110 [Q181](#) (David Finch), LITRG ([UCR 0220](#)), [Q287](#) (Andy Chamberlain)

111 Resolution Foundation ([UCR 0229](#))

112 LITRG ([UCR 0220](#))

113 PeoplePlus ([UCR 0180](#))

114 [Q251](#) (Luke Johnstone)

44. The Start-up Period should give newly self-employed claimants time and space to focus on making the best of their new business and reaching the Minimum Income Floor. But the evidence underpinning the Department's belief that just one year is long enough is inadequate. Viable, ultimately successful businesses frequently take more than a year to get going. For many claimants the short Start-up Period could create an insurmountable barrier to getting up and running, and getting off benefits. This is not only detrimental to claimants; it is a questionable use of the Department's resources. Specialist and Jobcentre Plus-commissioned support costs public money. The Department should not undermine its own investment by cutting off support to potentially viable businesses before they have had the chance to get off the ground. Doing so flies in the face of the entrepreneurial spirit the Government wants to nurture, presenting a barrier to economic growth, job creation and increased tax receipts. *We recommend the Department permit extensions to the Start-up Period of up to three years. This should be accompanied by a tapered introduction of the MIF beginning at the end of year one and rising to the full amount at the end of the extended start-up period. As with extensions to Minimum Income Floor reporting periods, this should be offered on a case-by-case basis. In making the decision, Work Coaches should check for evidence of progression and viability, including achieving expected increases in earnings each year. Work Coaches should then ensure during each reporting period that the claimant is continuing to demonstrate business growth and progress.*

Conclusions and recommendations

Introduction

1. The Department's ability to adapt Universal Credit for the large and growing self-employed workforce will be a key determinant of its success. But UC was not designed with the self-employed in mind, and the Department's new rules are uncharted territory. Their impact is highly uncertain. They could affect the cost of Universal Credit substantially—in either direction. They are, therefore, an ideal opportunity to make use of the “test and learn” philosophy underpinning Universal Credit. It is remarkable that the Department has no plans to produce any analysis of the effects of the changes (bar a tiny qualitative study) until at least late 2019. If they do not test, then they cannot hope to learn. *We recommend the Department commission and publish ongoing evaluation of the effect of the new self-employment rules on Universal Credit claimants. In light of its previous research the first such evaluation should be commissioned when there are sufficient claimant numbers to permit a sample of around 1,000. This research should examine how claimants are responding to the Minimum Income Floor, including whether claimants who have opted to close their business have been successful in finding other work.* (Paragraph 11)

Income volatility and the Minimum Income Floor

2. The Minimum Income Floor does not deliver parity of treatment between the self-employed and employees. It is designed with little regard for the reality of self-employed work. Self-employed people risk missing out on important support not because their income is inadequate, but because it is volatile—varying from month to month. The Government aspires to support entrepreneurship and economic dynamism. The Minimum Income Floor, as currently configured, is a very real risk to both. (Paragraph 17)
3. In sticking rigidly to a monthly reporting period for self-employed Universal Credit claimants, the Department risks attempting to force square pegs into round holes. At worst, it could lead to viable, successful businesses collapsing. This is the antithesis of the entrepreneurial, dynamic economy that the Government wants to support. The Department must not let an unyielding commitment to monthly reporting undermine the laudable goals of Universal Credit: supporting claimants to stay in and progress in work. Its own Surplus Earnings Rules show that a more flexible approach is possible. (Paragraph 24)
4. *We recommend the Department allow reporting periods of up to a one year for self-employed claimants who receive irregular monthly pay. The decision on whether to allow a longer reporting period should be made on a case-by-case basis by Jobcentre Plus's self-employment specialist Work Coaches. It should be based on evidence of need: for example, production of Universal Credit records, invoices or accounts demonstrating irregular or seasonal payment schedules.* (Paragraph 25)

5. Self-employed people, like employees, pay tax on their annual incomes. Longer reporting periods will give some claimants more money than they would otherwise have. This will help them manage and meet their tax obligations. Many more could benefit, however, from expert, proactive advice on their individual finances, including tax arrangements and alternative payment options. DWP and HMRC should take a joined-up approach to enabling this and to ensuring tax and reporting arrangements do not become unduly complex for claimants. *We recommend the Department require Work Coaches, during the Gainful Self-employment test, to discuss with claimants the relationship between tax and Universal Credit. This should include asking if they would like to set up a Budget Payment Plan, signposting towards further information, and if necessary referring them to specialist advice on whether a plan would be appropriate and how to apply. In the longer term, HMRC and DWP should explore how they can harmonise their approaches to collecting data from the self-employed. This might include, for example, exploring how data already submitted to DWP could be used in pre-populating their tax self-assessment forms.* (Paragraph 30)

Supporting new businesses

6. The introduction of the Minimum Income Floor could greatly increase demand for Jobcentre Plus's self-employment support services. Its Work Coaches have an important role to play: determining eligibility for self-employed Universal Credit, checking progress, and referring to external support. The Department must ensure it has sufficient internal expertise on self-employment to deliver these functions effectively. But Work Coaches—even with expertise—are no substitute for dedicated mentors with experience in the claimants' business areas. In many cases, this can be the difference between business success and failure. (Paragraph 34)
7. *We recommend the Department continue to offer specialist support for self-employed claimants earning below the Minimum Income Floor when the current NEA contracts end in 2019. As part of this, it should commit to providing access to specialist mentors with direct experience in their area of work for claimants assessed as having potentially viable businesses who are earning below the Minimum Income Floor. It should also commit to expanding its own internal nucleus of expertise in Jobcentre Plus, ensuring it has sufficient numbers of self-employed Work Coaches to meet the demand for their skills.* (Paragraph 35)
8. The Start-up Period should give newly self-employed claimants time and space to focus on making the best of their new business and reaching the Minimum Income Floor. But the evidence underpinning the Department's belief that just one year is long enough is inadequate. Viable, ultimately successful businesses frequently take more than a year to get going. For many claimants the short Start-up Period could create an insurmountable barrier to getting up and running, and getting off benefits. This is not only detrimental to claimants; it is a questionable use of the Department's resources. Specialist and Jobcentre Plus-commissioned support costs public money. The Department should not undermine its own investment by cutting off support to potentially viable businesses before they have had the chance to get off the ground. Doing so flies in the face of the entrepreneurial spirit the Government wants to

nurture, presenting a barrier to economic growth, job creation and increased tax receipts. *We recommend the Department permit extensions to the Start-up Period of up to three years. This should be accompanied by a tapered introduction of the MIF beginning at the end of year one and rising to the full amount at the end of the extended start-up period. As with extensions to Minimum Income Floor reporting periods, this should be offered on a case-by-case basis. In making the decision, Work Coaches should check for evidence of progression and viability, including achieving expected increases in earnings each year. Work Coaches should then ensure during each reporting period that the claimant is continuing to demonstrate business growth and progress. (Paragraph 44)*

Formal minutes

Wednesday 2 May 2018

Members present:

Rt Hon Frank Field, in the Chair

Heidi Allen	Ruth George
Jack Brereton	Nigel Mills
Alex Burghart	Chris Stephens

Draft report (*Universal Credit: supporting self-employment*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 44 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Eleventh Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 9 May at 9:00

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 13 September 2017

Question number

Councillor Jane Corbett, Assistant Mayor of Liverpool and Mayoral Lead on Fairness and Tackling Poverty, Liverpool City Council, **Nicky Kingston**, Area Manager, Incomes Team, Plymouth Community Homes, **Donna Gallagher**, Universal Credit Implementation Manager, Your Homes Newcastle, **Councillor Fiona Colley**, Cabinet Member for Finance, Modernisation and Performance, Southwark Council

[Q1–46](#)

Kayley Hignell, Head of Policy (welfare, work and family), Citizens Advice, **Nicola Smith**, Advice Services Manager, Citizens Advice Southwark, **Richard Roberts**, Manager, Wirral Foodbank, **Jeremy Hewer**, Policy Adviser, Scottish Federation of Housing Associations, **Natalie Williamson**, Senior Policy Officer, Residential Landlords Association

[Q47–71](#)

Wednesday 18 October 2017

Rt Hon David Gauke MP, Secretary of State for Work and Pensions, and Neil Couling CBE, Director, Universal Credit Programme, Department for Work and Pensions

[Q72–172](#)

Wednesday 29 November 2017

David Finch, Senior Economic Analyst, Resolution Foundation, **Andrew Hood**, Senior Research Economist, Institute for Fiscal Studies, **Victoria Todd**, Senior Technical Manager, Low Incomes Tax Reform Group, **Deven Ghelani**, Director, Policy in Practice

[Q173–249](#)

Wednesday 17 January 2018

Sally Beadle, Children's entertainer, **Richard Betton**, Self-employed farmer, **Luke Johnstone**, Founder, Pack'd, and **Andrew Kozman**, Founder, Mercury Digital

[Q250–267](#)

Andy Chamberlain, Deputy Director of Policy and External Affairs, IPSE, **Andrew Clark**, Director of Policy, National Farmers Union, **Mark Hooper**, Founder and Policy Lead, indycube, and **Lindsay Owen**, Deputy Director of Policy and Evaluation, The Prince's Trust

[Q268–303](#)

Wednesday 24 January 2018

Jeane Freeman MSP, Minister for Social Security, Scottish Government, **Dawn Abell**, Social Security Policy Team Leader, Scottish Government and **Stephen Kerr**, Social Security Director, Scottish Government

[Q304–337](#)

Alok Sharma MP, Minister for Employment, Department for Work and Pensions and **Neil Couling**, Director, Universal Credit Programme, Department for Work and Pensions

[Q338–408](#)

Wednesday 18 April 2018

E; B; M; and **J**, Support Worker

[Q409–479](#)

Demelza Lobb, Technology abuse lead, Refuge; **Melissa Altman**, Director of frontline services for violence against women and girls, Advance Charity; and **Nicola Kyser-Forrest**, Homelessness Service Manager and Temporary Accommodation and Support Service Team Manager, Calderdale MBC

[Q480–514](#)

Dr Nicola Sharp-Jeffs, Director and Founder of Surviving Economic Abuse; and **Marilyn Howard**, Research Associate, University of Bristol

[Q515–529](#)

Wednesday 24 April 2018

Kit Malthouse MP, Minister for Family Support, Housing and Child Maintenance, Department for Work and Pensions, and **Neil Couling CBE**, Director General, Universal Credit Programme, Department for Work and Pensions.

[Q530–603](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

UCR numbers are generated by the evidence processing system and so may not be complete.

- 1 Accord ([UCR0021](#))
- 2 Administrator Nicholas Berry ([UCR0213](#))
- 3 Aiden Cameron ([UCR0064](#))
- 4 Albyn Housing Society ([UCR0009](#))
- 5 Albyn Housing Society ([UCR0056](#))
- 6 Alex Sheffield ([UCR0159](#))
- 7 Assn of British Insurers ([UCR0206](#))
- 8 Asylum Matters ([UCR0125](#))
- 9 BCHA Preston ([UCR0027](#))
- 10 Birmingham City Council ([UCR0132](#))
- 11 Bradford University ([UCR0006](#))
- 12 Bright Blue ([UCR0194](#))
- 13 Bristol University / Women's Budget Group ([UCR0215](#))
- 14 British Association of Social Workers ([UCR0108](#))
- 15 Centre for Social Justice ([UCR0133](#))
- 16 Centrepont ([UCR0011](#))
- 17 Chesterfield Borough Council ([UCR0012](#))
- 18 Child Action Poverty Group ([UCR0020](#))
- 19 Child Poverty Action Group ([UCR0096](#))
- 20 Child Poverty Action Group ([UCR0107](#))
- 21 Child Poverty Action Group ([UCR0202](#))
- 22 Christians Against Poverty ([UCR0130](#))
- 23 CIH ([UCR0019](#))
- 24 Citizens Advice ([UCR0141](#))
- 25 Citizens Advice ([UCR0201](#))
- 26 Citizens Advice Craven and Harrogate Districts office ([UCR0079](#))
- 27 Citizens Advice Derbyshire Districts ([UCR0088](#))
- 28 Citizens Advice Scotland ([UCR0029](#))
- 29 Citizens Advice Scotland ([UCR0221](#))
- 30 Citizens Advice Sheffield ([UCR0047](#))
- 31 Citizens Advice Waltham Forest ([UCR0178](#))
- 32 City of Lincoln Council ([UCR0016](#))
- 33 City of Lincoln Council ([UCR0173](#))

- 34 Community ([UCR0134](#))
- 35 Community Housing Cymru ([UCR0124](#))
- 36 Community Housing Cymru ([UCR0181](#))
- 37 Name withheld ([UCR0161](#))
- 38 COSLA ([UCR0053](#))
- 39 Cottsway Housing ([UCR0015](#))
- 40 Coventry Citizens Advice ([UCR0090](#))
- 41 Davido Ltd ([UCR0162](#))
- 42 Deaf Connections ([UCR0001](#))
- 43 Department for Work and Pensions ([UCR0186](#))
- 44 Department for Work and Pensions ([UCR0216](#))
- 45 Donna ([UCR0060](#))
- 46 Dr Christine Davies ([UCR0062](#))
- 47 Dr Christine Davies ([UCR0193](#))
- 48 Dr J. Gene Gristock ([UCR0195](#))
- 49 East Lothian Housing Assn ([UCR0003](#))
- 50 Eastern Landlords ([UCR0031](#))
- 51 Engender and Scottish Women's Aid ([UCR0224](#))
- 52 Equity ([UCR0128](#))
- 53 Equity Tax and Welfare Rights Team ([UCR0191](#))
- 54 Equity Trade Union ([UCR0046](#))
- 55 ERSA ([UCR0166](#))
- 56 Families Need Fathers ([UCR0061](#))
- 57 Feeding Britain ([UCR0111](#))
- 58 Financial Mutual ([UCR0208](#))
- 59 First Point Basingstoke, The You Trust ([UCR0145](#))
- 60 Geoff Fimister ([UCR0002](#))
- 61 Gingerbread ([UCR0106](#))
- 62 Gingerbread ([UCR0112](#))
- 63 Gingerbread ([UCR0198](#))
- 64 Gloucester City Homes ([UCR0024](#))
- 65 Green Square Group ([UCR0041](#))
- 66 Gwent Welfare Reform Partnership ([UCR0223](#))
- 67 Gwent Welfare Reform Partnership (GWRP) ([UCR0189](#))
- 68 Gwent Welfare Support ([UCR0022](#))
- 69 Halton Housing Trust ([UCR0008](#))
- 70 Halton Housing Trust ([UCR0120](#))
- 71 Halton Housing Trust ([UCR0211](#))

- 72 Hastings & Rother Credit Union ([UCR0109](#))
- 73 Helen Bamber Foundation ([UCR0129](#))
- 74 Homeless Link ([UCR0091](#))
- 75 Housing Justice ([UCR0086](#))
- 76 Housing Systems ([UCR0182](#))
- 77 Hugh Hamilton ([UCR0052](#))
- 78 Inclusion London ([UCR0117](#))
- 79 Institute for Fiscal Studies ([UCR0192](#))
- 80 Institute of Revenues, Rating and Valuation ([UCR0122](#))
- 81 IPSE ([UCR0174](#))
- 82 IPSE ([UCR0219](#))
- 83 Islington Council ([UCR0025](#))
- 84 J Wallis-Martin ([UCR0170](#))
- 85 John Robinson ([UCR0037](#))
- 86 Jol Wardle ([UCR0169](#))
- 87 Joseph Rowntree Foundation ([UCR0136](#))
- 88 Knowsley Council ([UCR0026](#))
- 89 Lambeth Council ([UCR0099](#))
- 90 Lancashire County Council ([UCR0013](#))
- 91 Layla Moran ([UCR0156](#))
- 92 Liverpool City Council ([UCR0068](#))
- 93 London Borough of Hounslow ([UCR0105](#))
- 94 London Borough of Lambeth ([UCR0179](#))
- 95 London Councils ([UCR0030](#))
- 96 Low Incomes Tax Reform Group ([UCR0196](#))
- 97 Making Every Adult Matter (MEAM) ([UCR0200](#))
- 98 Marc Welham ([UCR0147](#))
- 99 Mark Ingram ([UCR0164](#))
- 100 Mind ([UCR0137](#))
- 101 Miss Amina Khatun ([UCR0073](#))
- 102 Miss CLARE GORST ([UCR0177](#))
- 103 Miss Hannah Krepski ([UCR0165](#))
- 104 Miss michelle newbold ([UCR0157](#))
- 105 Miss Siobhan O'Connor ([UCR0044](#))
- 106 Mr alexander brown ([UCR0131](#))
- 107 Mr Anthony BEXLEY ([UCR0127](#))
- 108 Mr Daryn Manchip ([UCR0059](#))
- 109 Mr Dave Stockley ([UCR0187](#))

- 110 Mr Jim Harrington ([UCR0033](#))
- 111 Mr Julian Jackson ([UCR0172](#))
- 112 Mr Kenneth Evans ([UCR0058](#))
- 113 Mr Michael Wood ([UCR0072](#))
- 114 Mr Neil Harrison ([UCR0152](#))
- 115 Mr Paul Archer ([UCR0049](#))
- 116 Mr Richard Lock ([UCR0212](#))
- 117 Mr Roger Godsiff MP ([UCR0217](#))
- 118 Mrs Gillian Putterill ([UCR0101](#))
- 119 Ms Fiona Kirton ([UCR0153](#))
- 120 Ms Fran Bennett ([UCR0222](#))
- 121 Ms Sally Beadle ([UCR0155](#))
- 122 Ms Suzy Currell ([UCR0183](#))
- 123 Musselburgh Citizens Advice Bureau ([UCR0110](#))
- 124 Name withheld ([UCR0070](#))
- 125 Name withheld ([UCR0074](#))
- 126 Name Withheld ([UCR0035](#))
- 127 Name Withheld ([UCR0036](#))
- 128 Name Withheld ([UCR0038](#))
- 129 Name Withheld ([UCR0040](#))
- 130 Name Withheld ([UCR0042](#))
- 131 Name Withheld ([UCR0045](#))
- 132 Name Withheld ([UCR0063](#))
- 133 Name Withheld ([UCR0065](#))
- 134 Name Withheld ([UCR0066](#))
- 135 Name Withheld ([UCR0067](#))
- 136 Name Withheld ([UCR0071](#))
- 137 Name Withheld ([UCR0076](#))
- 138 Name Withheld ([UCR0081](#))
- 139 Name Withheld ([UCR0085](#))
- 140 Name Withheld ([UCR0100](#))
- 141 Name Withheld ([UCR0119](#))
- 142 Name Withheld ([UCR0121](#))
- 143 Name Withheld ([UCR0126](#))
- 144 Name Withheld ([UCR0138](#))
- 145 Name Withheld ([UCR0143](#))
- 146 Name Withheld ([UCR0144](#))
- 147 Name Withheld ([UCR0146](#))

- 148 Name Withheld ([UCR0148](#))
- 149 Name Withheld ([UCR0150](#))
- 150 Name Withheld ([UCR0151](#))
- 151 Name Withheld ([UCR0154](#))
- 152 Name Withheld ([UCR0158](#))
- 153 Name Withheld ([UCR0163](#))
- 154 Name Withheld ([UCR0175](#))
- 155 Name Withheld ([UCR0204](#))
- 156 Name Withheld ([UCR0207](#))
- 157 National Housing Federation ([UCR0218](#))
- 158 NAWRA ([UCR0018](#))
- 159 NAWRA ([UCR0113](#))
- 160 New Charter Group ([UCR0004](#))
- 161 NFU ([UCR0199](#))
- 162 North East Homeless Think Tank ([UCR0168](#))
- 163 Onward Homes ([UCR0034](#))
- 164 Orbit ([UCR0209](#))
- 165 Papworth Trust ([UCR0087](#))
- 166 Peabody ([UCR0075](#))
- 167 Peopleplus ([UCR0180](#))
- 168 Plymouth Community Homes ([UCR0102](#))
- 169 Plymouth Community Housing ([UCR0023](#))
- 170 Policy in Practice ([UCR0160](#))
- 171 Public and Commercial Services Union ([UCR0118](#))
- 172 Radian ([UCR0115](#))
- 173 RCH Accord ([UCR0104](#))
- 174 Refugee Action ([UCR0140](#))
- 175 Residential Landlords Association ([UCR0028](#))
- 176 Resolution Foundation ([UCR0229](#))
- 177 Richard Chisnall ([UCR0176](#))
- 178 Royal Greenwich Welfare Rights Service ([UCR0048](#))
- 179 Royal Mencap Society ([UCR0184](#))
- 180 Runnymede Trust ([UCR0116](#))
- 181 SAMH (Scottish Association for Mental Health) ([UCR0080](#))
- 182 Scope ([UCR0057](#))
- 183 Scope ([UCR0197](#))
- 184 Scottish Federation of Housing Associations ([UCR0092](#))
- 185 Shelter ([UCR0093](#))

- 186 Shelter ([UCR0203](#))
- 187 South London and Maudsley NHS Trust ([UCR0188](#))
- 188 Southampton Advice and Representation Centre Limited ([UCR0055](#))
- 189 Southwark Council ([UCR0103](#))
- 190 Southwark, Hounslow and Tower Hamlets ([UCR0010](#))
- 191 Sovereign ([UCR0007](#))
- 192 St Mungos ([UCR0032](#))
- 193 St Mungo's ([UCR0077](#))
- 194 St. Augustine's Centre ([UCR0139](#))
- 195 StepChange Debt Charity ([UCR0050](#))
- 196 Tax Reform Group ([UCR0220](#))
- 197 The Children's Society ([UCR0094](#))
- 198 The Children's Society ([UCR0171](#))
- 199 The Fostering Network ([UCR0082](#))
- 200 The Highland Council ([UCR0185](#))
- 201 The Prince's Trust ([UCR0190](#))
- 202 Together Liverpool/Just Finance ([UCR0078](#))
- 203 Torus ([UCR0005](#))
- 204 Trussell Trust ([UCR0017](#))
- 205 Trussell Trust ([UCR0083](#))
- 206 Turn2us ([UCR0123](#))
- 207 UK Women's Budget Group ([UCR0214](#))
- 208 UNISON ([UCR0095](#))
- 209 VIVID ([UCR0135](#))
- 210 Wakefield and District Housing ([UCR0014](#))
- 211 WDH ([UCR0054](#))
- 212 Welfare Conditionality Project ([UCR0098](#))
- 213 WinVisible (women with visible & invisible disabilities) ([UCR0226](#))
- 214 Wirral Foodbank ([UCR0043](#))
- 215 Women's Aid Federation of England ([UCR0225](#))
- 216 Your Homes Newcastle ([UCR0084](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Universal Credit: the six week wait	HC 336
Second Report	A framework for modern employment	HC 352 (HC 966)
Third Report	Protecting pensions against scams: priorities for the Financial Guidance and Claims Bill	HC 404 (HC 858)
Fourth Report	PIP and ESA assessments: claimant experiences	HC 355
Fifth Report	Universal Credit Project Assessment Reviews	HC 740
Sixth Report	British Steel Pension Scheme	HC 828
Seventh Report	PIP and ESA assessments	HC 829 (HC 986)
Eighth Report	European Social Fund	HC 848
Ninth Report	Pension Freedoms	HC 917
Tenth Report	Assistive technology	HC 673
First Special Report	Child Maintenance Service: Government's Response to the Committee's Fourteenth Report of Session 2016–17	HC 354
Second Special Report	Self-employment and the gig economy: Government Response to the Committee's Thirteenth Report of Session 2016–17	HC 644
Third Special Report	Disability employment gap: Government Response to the Committee's Seventh Report of Session 2016–17	HC 652
Fourth Special Report	Victims of modern slavery: Government Response to the Committee's Twelfth Report of Session 2016–17	HC 672
Fifth Special Report	Employment Opportunities for Young People: Government response to the Committee's Ninth Report of Session 2016–17	HC 827
Sixth Special Report	Protecting pensions against scams: priorities for the Financial Guidance and Claims Bill: Government Response to the Committee's Third Report of 2017–19	HC 858

Seventh Special Report	A framework for modern employment: Government response to the Second Report of the Work and Pensions Committee and First Report of the Business, Energy and Industrial Strategy Committee of Session 2017–19	HC 966
Eighth Special Report	PIP and ESA assessments: Government Response to the Committee’s Seventh Report of 2017–19	HC 986