

The Rt Hon Chloe Smith MP  
Secretary of State for Work and Pensions  
Department for Work and Pensions  
Caxton House, Tothill Street  
London, SW1H 9NA

20 September 2022

## **Cost of living crisis and the Minimum Income Floor**

Dear Ms Smith

Congratulations on your recent appointment as Secretary of State for Work and Pensions. As General Secretary of the trade union for the performing arts and entertainment industries, I am writing ahead of this week's mini-budget to urge you to use your new position to reform Universal Credit so that there is an adequate safety net for the self-employed during the cost of living crisis and beyond.

As an introduction, we represent over 47,000 professionals from across the creative industries – a sector that accounted for 7% of all UK jobs in September 2021, up from 6% in 2015.<sup>i</sup> Enclosed is a general fact sheet about our membership and their economic value for your reference.

The majority of our members are self-employed and portfolio workers, with unpredictable earnings that fluctuate month to month. During the COVID-19 pandemic many claimed Universal Credit for the first time. Survey figures at the time showed that as high as one in four have claimed Universal Credit, and many continue to claim as the industry recovers from the pandemic.

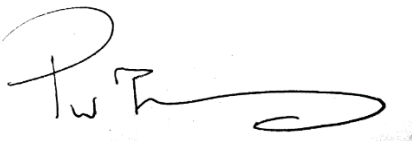
Like many people across the country, our members are suffering during the cost of living crisis. For many self-employed creative practitioners, there is no inflationary increase in earnings, and budget restrictions on businesses engaging our members for work are a downward pressure on their wages.

Our Social Security and Tax team have been in correspondence with your predecessor and officials at your Department offering a range of policy solutions to improve the structure of Universal Credit for the self-employed. We have made clear that the Minimum Income Floor (MIF) is failing them now more than ever and should be abolished. This is also the position of the Trade Union Congress as outlined in their recent report '*A replacement for Universal Credit*'.<sup>ii</sup>

At this time and in recognition of the ongoing cost-of-living crisis, we call on the government to suspend the MIF and pause start up periods until the crisis is over. By its very nature, the group affected by the MIF are low-paid self-employed individuals – claimants earning above National Minimum Wage fall outside it. The lowest-paid need extra help to weather the cost of living crisis. This approach was successfully used during the coronavirus pandemic to get money to low-paid self-employed claimants and we believe it should be used again. This would be readily achievable using similar legislation to last time.

I wish you the very best in these challenges and offer you the lived experience of our members to inform your approach going forward.

Yours sincerely



Paul Fleming

**General Secretary**

**CC: The Rt Hon Kwasi Kwarteng MP, Chancellor of the Exchequer**

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<sup>i</sup> DCMS Sectors Economic Estimates: Monthly GVA (to March 2022) - GOV.UK ([www.gov.uk](http://www.gov.uk))

<sup>ii</sup> <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>