

ACTION

**‘CARROT AND STICK’ APPROACH TO SELF-ISOLATION:
ISOLATION SUPPORT PAYMENTS AND MANDATION**

Date: 13 September 2020 From: Oliver Munn
Deadline: 15 September 2020

SUMMARY

1. Ensuring infected individuals and their close contacts isolate is one of our most powerful tools for controlling transmission. However, evidence suggests low compliance levels currently, with only 20% fully complying with self-isolation guidance. **If infected people and their close contacts do not self-isolate the virus will continue to spread.** The recent increase in infection nationwide, not concentrated in specific locations, demands a national response that can be implemented quickly. We recommend a combined carrot-and-stick approach that pairs **increased financial support** for those self-isolating with a **new legal obligation to self-isolate.**

Commented [VP(1)]: Actually we simply don't know because it isn't being followed up

RECOMMENDATION

2. That you agree that:
- a. Individuals who are required to self isolate under existing guidelines and who meet the benefits-linked eligibility criterion will be entitled to financial support through an **Isolation Support Payment of £46/day;** and
 - b. A **legal duty** should be placed on individuals instructed to self-isolate, with fines for non-compliance and an enforcement approach described below.
3. In addition, two questions are posed below in paragraphs 18 and 21, namely:
- a. Do you wish to set the **fine for non-compliance with self-isolation** at £1,000 in line with the current border quarantine fine or do you wish to increase both substantially as a signal of the importance of complying?
 - b. Do you wish to create a working group to develop **digital enforcement approaches?**

Commented [VP(2)]: See the point from SPI-B. This is about not making self isolation a negative, rather than about an actual incentive. We should combine looking after the lowest paid and most vulnerable by giving decent support, with a requirement on businesses to support their staff with proper pay for the period of isolation.

Commented [VP(3)]: We need to address the question of how to stop this being a reason for people not to get tested. It need to be seen as very antisocial/unacceptable not to get tested (and then we need to accept that currently it is very difficult for people to get tested in some areas – that needs to be fixed as part of this)

Commented [WC4]: Reinforcing Patrick's point; if a legal duty on individuals there should also be on employers.

Commented [WC5]: The problem with fines for those testing positive is it is an incentive not to test. Borders is different; they cannot claim they did not arrive. For lower paid £1000 is a serious whack.

Commented [VP(6)]: See ;point above – we only know this from a behavioural survey. The truth is that T&T is simply not collecting the data on adherence and so we don't know what the true figures are

BACKGROUND

4. A recent study (referenced by SAGE) estimated that **only 20% of those with Covid symptoms in England reported that they had fully complied with the self isolation guidance.**¹ They noted that rates of self-isolation by other household members and contacts were likely to be even lower.

¹ Smith LE, Amlôt R, Lambert H, Oliver I, Robin C, Yardley L, Rubin GJ. Factors associated with adherence to self-isolation and lockdown measures in the UK; a cross-sectional survey. medRxiv. 2020 <https://www.medrxiv.org/content/10.1101/2020.06.01.20119040v1> Public Health (in press).

5. We know that financial circumstances are an important driver of non-compliance. **Self-reported ability to isolate is three times lower for those with incomes of less than £20,000 or savings of less than £100.**² A DHSC/Vivaldi analysis of care home workers in England found that providing sick pay reduced the number of staff who worked whilst they should have been self-isolating, leading to infection rates among residents that were 13% lower than when sick pay was not provided.

Commented [VP(7)]: So provision of sick pay should be mandatory?

6. We are currently piloting financial support in Blackburn, Pendle and Oldham, at the equivalent level of Statutory Sick Pay, or £13 a day. The local authorities involved consider this to be too low to improve self-isolation rates and take up for the payment has been very low, with only [12] people signed up across the 3 LAs. **Whilst there is substantial evidence that financial support can increase compliance rates, the amount provided must be sufficient to keep the very poor from needing to work.**

Commented [8]: DHSC to confirm the latest number

Commented [VP(9)]: Essentially it probably needs to be financially neutral to self isolate.

7. In the UK, many employer sick pay policies do not cover leave due to self-isolation. **Various countries** have legislated to ensure that self-isolation is covered by their sick leave laws. In some European countries (Finland, the Netherlands), workers receive their full rate of pay while self-isolating, while in others (France, Spain) they receive their usual sick pay rate. The UK offers neither. Other countries have introduced isolation support payments of various kinds: for example, several Australian states offer a non-means tested lump sum of A\$1,500, roughly two weeks' minimum wage, to those asked to self-isolate who have no income or sick leave entitlements.

Commented [VP(10)]: That seems totally sensible

Commented [VP(11)]: Perfect

PROPOSAL 1: ISOLATION SUPPORT PAYMENT

8. We recommend an **England-wide financial support scheme** – an Isolation Support Payment – targeted at the poorest members of society who would otherwise face a difficult choice between self-isolating as directed and keeping their heads above water. The scheme would be **delivered by Local Authorities** using funding provided by **MHCLG**.

Commented [VP(12)]: Could it not also be linked to obligatory sick pay for those in regular employment as other countries have done? Then save state payment for the gig economy, lowest paid etc?

9. **Those eligible must be in receipt of Universal Credit** or similar benefits: Working Tax Credits, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support or Pension Credit, or Housing Benefit. This eligibility criterion is narrow and risks excluding some of the individuals we would want to reach. To combat this, the scheme could also be made available to those earning below £18,000 before tax (set as the bottom quartile of income). Such an

² Atchison CJ, Bowman L, Vrinten C, Redd R, Pristera P, Eaton JW, Ward H. Perceptions and behavioural responses of the general public during the COVID-19 pandemic: A cross-sectional survey of UK Adults. medRxiv. 2020 Jan 1. <https://www.medrxiv.org/content/10.1101/2020.04.01.20050039v1>

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approach would apply to [x] times more people than the lead approach and therefore cost [x] times as much.

Commented [13]: @nicholas.thurgood@cabinetoffice.gov.uk to insert numbers

10. The Isolation Support Payment would be **set at £46 per day**. This is the daily equivalent of a 37-hour working week at the national living wage (37 hours x £8.72). The maximum amount payable would be £644 for a 14-day self-isolation period, although in practice few people need to isolate for more than 10-11 days given the time taken to process test results and trace **contacts**.
11. The cost of this scheme has been modelled by DHSC as **£17–70m per month** depending on the incidence of Covid 19, with the upper bound reflecting an incidence rate four times higher than today's. The Barnett formula will apply in the usual way to any additional funding provided to departments in relation to this intervention. At the upper end, the monthly cost would be approximately **9% of the cost of Eat Out to Help Out and 1% of the monthly Coronavirus Job Retention Scheme ('furlough') cost**.
12. We anticipate that Local Authorities could begin delivering the scheme within 14 days. The scheme does not create an ongoing liability to the Exchequer. It will be time-limited and focussed on the immediate winter period, with an end-date of 31 January 2021. Ministers will be able to review ahead of that date whether they wish to extend the scheme length. Details of the end-date will be built into the announcement so that it is clear that it is not a long-term measure. More details on the proposal including costs, timescales and fraud prevention considerations can be found in Annex A.

Commented [VP(14): Yes but that shouldn't be the aim. The aim should be to get there as fast as possible and therefore have as close to full isolation. We also need very clear on 10 vs 14 day isolation period rules

Do you agree that individuals who are required to self isolate under existing guidelines and who meet the benefits-linked eligibility criterion should be entitled to financial support through an Isolation Support Payment of £46/day, as detailed above and in Annex A?

13. An alternative approach would be a UK-wide scheme. A UK-wide scheme administered via local authorities would require all three Devolved Administrations to sign up to a local authority delivery model. Alternatively, we could explore whether a UK-wide scheme could be delivered by HMRC or DWP. However, such an approach would likely meet strong opposition from the Treasury who would fear it could turn into an ongoing benefit that would be difficult to wind down. If a UK-wide scheme were preferred, further consultation with other departments, UKG devolution colleagues and officials in the Devolved Administrations would be required, likely delaying announcement and launch.

PROPOSAL 2: MANDATING SELF-ISOLATION

14. **Compliance with self-isolation is low.** 82% of individuals self-isolating report leaving their house during the isolation period. Through local Directors of Public Health, we are also aware of numerous incidents of businesses telling their self-

isolating employees to come into work, even when those employees have recently tested positive.

Commented [VP(15)]: Why not hit those firms with a very large fine?

15. **The evidence on the impact of mandation is weak.** The principal argument in favour of mandation is that it would drive up compliance among those instructed to self-isolate and the principal argument against is that it would discourage people from getting tested and sharing their contacts. The evidence underlying each of these arguments is limited:

- a. A Behavioural Insights Team (BIT) survey found a modest benefit to mandation, with a 2 percentage point increase in intention to comply with self-isolation instructions if mandation were in force. However, we know that survey evidence on intention to comply varies largely from actual behaviour.
- b. Dido Harding and her clinical advisers have long worried that mandating compliance with self-isolation could reduce the number of symptomatic individuals who choose to get tested, particularly in the hardest-to-reach communities (non-English speakers, those who work in the grey economy, etc.), as well as reducing the willingness of those testing positive to share their contacts. There is some evidence to support this – a BIT survey found 93% of individuals would order a free test if there was a fine equalling £1,000, or up to a week's income, for breaching self-isolation if they tested positive. 7% would not.

16. **However, our current policy that mandates quarantine but not self-isolation risks appearing inconsistent.** While overseas travelers currently face the threat of fines if they breach quarantine, those who have tested positive face no penalties if they breach self-isolation, despite the fact that the latter are many times more likely to be infectious than the former. **The UK is an international outlier** in not having made self-isolation mandatory already – Australia, Italy, France, Germany, as well as all East Asian comparators with highly effective Test & Trace systems, legally oblige individuals to self-isolate, with varying penalties and enforcement regimes. There are presentational and communication benefits to introducing mandation, signalling to the public how important it is and how seriously they need to take the requirement.

17. We recommend the introduction of a **legal duty on individuals to comply with self-isolation instructions** when they've tested positive or are informed by NHS Test and Trace that one of their close contacts has tested positive. Regulations to this effect could be announced on Thursday, coming into force the following

Commented [VP(16)]: And businesses? Singapore took a strong line on business responsibility and duty of care for their employees

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Monday. These regulations would also make it a legal obligation to provide accurate data to contact tracers, with penalties for incorrectly naming people as contacts.

Do you agree that a legal duty should be placed on individuals instructed to self-isolate?

18. The proposed penalty should be in line with the fine for breaching border quarantine. This is currently £1,000, although there would be an alternative approach where the fines for breaching border quarantine and self-isolation were both set much higher as a means of signaling the importance of complying. For example, Canada's Quarantine Act sets fines of up to C\$750,000 (£450,000) or 6 months in prison for breaching border quarantine. In practice, the fines levied in Canada have tended to be much lower.

Do you wish to set the fine for non-compliance with self-isolation at £1,000 in line with the current border quarantine fine or do you wish to increase both substantially as a signal of the importance of complying?

19. In addition, it is crucial that we step up **communications and enforcement to businesses** around self-isolating employees. It is a serious breach of existing health and safety law punishable by fines in the tens of thousands of pounds to ask self-isolating employees to come into work, yet Directors of Public Health report numerous such incidents across the country. We must ensure that businesses understand that self-isolating employees can work from home but cannot under any circumstances go to workplaces.

Commented [VP(17)]: So we should push for some examples to be made

Enforcement

20. To **enforce** this new mandate, we recommend that:
- a. Test and Trace call handlers call all self-isolating people every day to check that they're complying;
 - b. If the call handlers have reason to believe they are not complying (e.g., due to suspicious background noise or landlines going unanswered), they would inform the LA and/or police who would make visits to homes and workplaces, referring breaches to the police for the issuing of Fixed Penalty Notices;
 - c. In addition, we will seek to have investigated and prosecuted high-profile cases of non-compliance such as celebrities being caught out by the press or social media posts.

Do you agree with the enforcement approach laid out above?

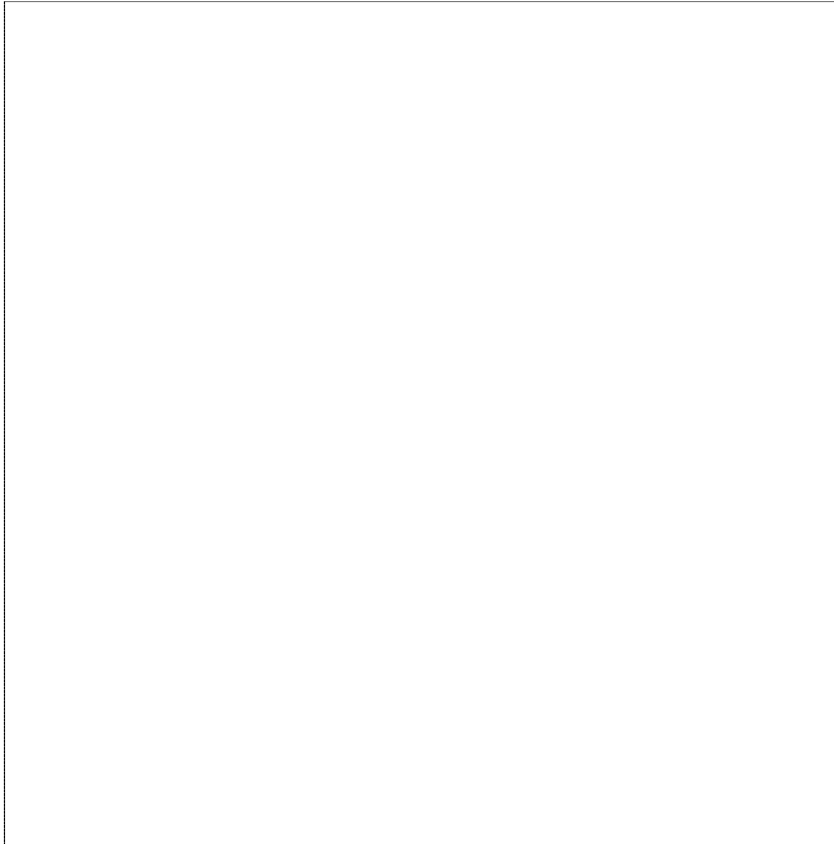
21. Stepping up enforcement further could involve **digital approaches to verifying self-isolation**, such as using mobile phone data and GPS tagging. This approach has been used in South Korea, Taiwan and Singapore but not yet in Europe. In the UK, it risks being vulnerable to legal challenge and would be technically challenging to

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implement. If you are keen to investigate these options further, we would convene a working group to investigate technical options (video calls v. apps v. wearables...), buy the technology and work on solving the legal challenges. The timeframe to announcement would likely be of the order of 4-6 weeks.

Do you wish to create a working group to develop digital enforcement approaches?

PRIME MINISTER'S COMMENTS:



cc: Simon Case
Martin Reynolds
Stuart Glassborow
Imran Shafi

Patrick Curry
James Slack
Jamie Davies
Ed Lister
Dominic Cummings
Munira Mirza

Cleo Watson
Lee Cain
Jack Doyle
Ben Gascoigne
Meg Powell-Chandler

David Frost

NR

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ANNEX A - ISOLATION SUPPORT PAYMENT: OPERATIONAL MODEL AND COSTINGS

Eligibility

1. To be eligible for the proposed new Self-Isolation Payment, an individual must:
 - a. have been asked to self-isolate by NHS Test and Trace. This applies where:
 - i. the individual has tested positive for COVID-19;
 - ii. the individual is part of the same household as someone who has tested positive for COVID-19; or
 - iii. the individual has been identified and contacted by Test and Trace as a recent non-household contact of someone who has tested positive for COVID-19 (N.B. This will not include individuals identified through the new Test and Trace App).
 - b. be employed or self-employed;
 - c. be unable to work from home and will lose income as a result;
 - d. not be provided with financial support during the self-isolation period by their existing employer(s); and
 - e. be currently receiving Universal Credit, Working Tax Credit, Employment Support Allowance, Jobseeker's Allowance, Housing Benefit and/or Pension Credit

Geographic scope and delivery

2. Given the increasing distribution of positive cases across the country, as demonstrated in the government's hexmap, we propose that a financial support scheme be rolled out England-wide from the end of September.
3. As MHCLG holds relationships with and has mechanisms by which to distribute funds to Local Authorities, we propose a delivery model whereby MHCLG oversees the distribution of hardship funds to all local authorities in England. The amount granted to each Local Authority will be based on levels of deprivation. Any funds provided to Local Authorities which are not distributed by the end of the scheme would be recouped by MHCLG.

Payment Amount

4. The Isolation Support Payment will be **set at £46 per day** up to a maximum of £644. We know that a proportion of recipients will be simultaneously eligible for Statutory Sick Pay (£13.70/day). But many of those eligible for the Isolation Support Payment will not be SSP-eligible, including self employed individuals and many workers in the gig economy.
5. In the North-West trial, the payment level was set at £13/day. This is therefore a significant increase. The level has been calculated with reference to the £8.72 National Living Wage multiplied by the average working week (37 hours) and divided by 7 for a daily rate.

6. In line with the pilot, the Isolation Support Payment will be considered taxable income but will not be subject to National Insurance contributions.

Costing

7. DHSC have modelled costs for if the scheme were limited to those meeting the benefit eligibility criteria or available universally; and if it were rolled out in Tier 2 or 3 areas versus across all of England. **All costings assume a four-month scheme running from end-September 2020 to end-January 2021.** The rate of payment modelled is £50. This is equivalent to a daily payment of £46 with an additional £4 per payment per day on top which could cover local authority set-up and administration costs. This is not based on actual assessments from Local Authorities of the cost of setting up and running the scheme, but it is likely to create sufficient budgetary flex to do so. We can seek to validate this further in consultation with Local Authorities.

Modelled costs assuming that the incidence of Covid-19 remains at current levels

	Universal		Benefit-Linked Eligibility	
Payment	Tiers 2 and 3	All-England	Tiers 2 and 3	All-England
£50	£190m	£460m	£30m	£70m

Modelled costs assuming that the incidence of Covid-19 follows profile of reasonable worst-case scenario

	Universal		Benefit-Linked Eligibility	
Payment	Tiers 2 and 3	All-England	Tiers 2 and 3	All-England
£50	£760m	£1,840m	£110m	£280m

8. Key assumptions in the costings include:
 - a. 55% of isolators are individuals who need to work away from their home. Officials do not have data on the circumstances of isolators so this has been derived using population-wide data adjusted for available evidence on how the characteristics of the isolating population may differ from the general population.
 - b. Tying eligibility to receipt of benefits would reduce the scope of the compensation programme by 85% compared to a universal scheme. While we do not have data on the circumstances of isolators, this estimate has been derived using general population data showing that 15% of the

- working age population are currently receiving Universal Credit or similar benefits.
- c. A broad assumption that all index cases and their contacts are reachable; recent data indicates that each (non-complex) index case provides approximately 3.6 contacts who would also need to isolate, and be subsequently potentially eligible for the programme.
 - d. The local authorities currently on the watchlist provide an accurate indication of the percentage of the cases in their localities.
 - e. In the reasonable worst-case scenario, measures might be taken that reduce the number of people going out to work, or the number of contacts people have. This has not been allowed for in the modelling as the interactions would be complex and depend on other policy decisions.

Length of scheme

- 9. The scheme will initially focus on securing compliance during the crucial 2020-2021 winter period. It will run for an initial period up to end-January 2021. A decision on whether to extend the scheme after the initial period can be taken by ministers at a later date.

Fraud

- 10. To ensure only those eligible sign up to the scheme, applicants will need to provide Local Authorities with proof of identity, of address, of having been instructed to isolate by NHS Test and Trace, and proof that they are in receipt of Universal Credit or Working Tax Credit, Employment Support Allowance, Jobseeker's Allowance, Housing Benefit and/or Pension Credit.
- 11. If the scheme is made available to those earning below £18,000 annually, local authorities would check these details with DWP in line with the approach taken to other means-tested benefits administered by local authorities, e.g., council tax discounts.
- 12. To ensure people are self-isolating, Test and Trace call centres will call recipients to check they are isolating, as is the present case. If the call handlers have reason to believe people are not isolating, they would inform the local authority and/or police who could conduct in-person checks.
- 13. Individuals in receipt of the Self Isolation Payment would be asked to self-certify, attesting that they are not simultaneously receiving sick pay from their employer. Test and Trace call handlers and Local Authorities could carry out checks with employers and escalate the matter to police if fraud is suspected.
- 14. There is a further risk of fraud in the proposed approach, in that people who have tested positive could falsely identify their friends and family as contacts. This

could allow those individuals to claim the payment for 14 days, when in fact they have not been in recent contact with the index case. However, we expect the risk of fraud to be low. Any named contacts would still need to meet the eligibility criteria, and, as set out above, we estimate that the benefits-linked eligibility criterion would reduce eligibility for the compensation programme by 85% compared to a universal scheme. Further, while the ability to identify and prosecute such fraud would be difficult, this must be balanced against the overall benefit of the scheme. While we assume a small proportion of fraud will be attempted and may be successful, this is mitigated by the above, at the same time ensuring the scheme remains accessible to those who need it, and simple for Local Authorities to administer.

Taxing the Payments

15. As with the trials in the North-West, the payments will be subject to taxation. There would be potential presentational and administrative benefits by removing the scheme from tax considerations altogether. However, we have assumed in design that the same approach will be taken nationally as was taken with the trials in the North-West.

Non-Utilisation of the NHS Test and Trace App

16. Individuals identified as potentially exposed contacts through the NHS Test and Trace App will not be eligible for the Self Isolation Payment. The app launches on 24 September. Currently, there is no way for local authorities to verify whether someone has genuinely been asked to self-isolate via the App. The App is not connected to the Contact Tracing system (CTAS) for user privacy reasons.