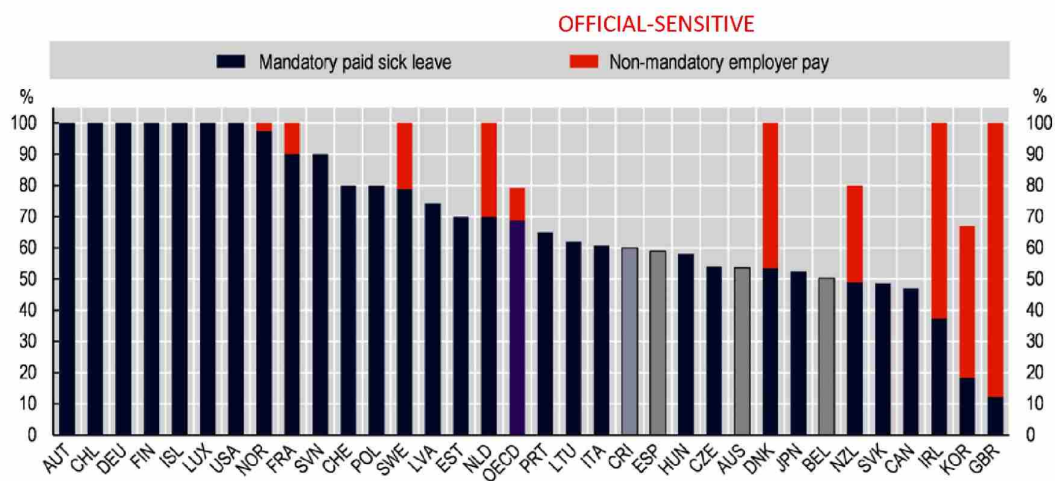


15. We think it is likely that take-up of the scheme has been depressed by the Coronavirus Job Retention Scheme (CJRS), which opened in April. Given the resurgence of the pandemic, we now think there is a strong case to extend SSPRS until at least the end of the financial year:
- a. As only 0.5% of employers have claimed the maximum, many can still benefit from the scheme.
 - b. SSPRS is low cost: if the 10% claim rate does not increase, SSPR spend is likely to peak at around £50–60m by the end of March. Even if the claim rate were to increase significantly, e.g. to 40%, total AME spend would total £190 –250m.
 - c. Given the criticism of SSP, there would be significant presentational risk to closing the scheme in the middle of the second wave.
16. We therefore recommend keeping the scheme open until at least the end of the financial year, with a review point at the end of January. We don't propose making this new end date public to retain maximum room for manoeuvre. DWP SoS has agreed to this approach. **Do you agree?**

Possible permanent changes to SSP

17. You should also note that Covid-19 has led to more permanent calls to reform SSP. DWP need to respond to a consultation they published last year on work and health, which committed to reforming SSP, including by removing the £120 Lower Earnings Limit (LEL), and enabling workers below the LEL to get SSP at 80% of their salary.
18. We understand that DWP SoS wants to respond to this consultation before the end of 2020. Details of her proposals are still being finalised but it could include a commitment to removing the LEL and a commitment to more structural reform. There will clearly be careful handling required to square any changes with the relatively restrained SSP policy adopted by the government during the pandemic, and we will advise you in due course on the contents and timing of any response.

Annex A: OECD Analysis of Sick Pay income replacement rates, by country (2020)



Annex B: Behavioural Insights data on drivers of non-compliance (NHS T&T, November 2020)

A poor understanding of the why self-isolation is required, and the difference it can make is a key barrier to compliance:

- 17% of people **did not identify staying at home** as an activity you should do when having C-19 symptoms
- 14% of people **do not believe** they need to isolate (as they are asymptomatic or have mild symptoms)
- Only 31% of people are **confident that T&T will be effective** in reducing the spread of coronavirus

Having a key necessity for support, whether mental, physical or financial also leads to individuals breaking self-isolation:

- 15% of people are breaking self isolation due to **mental health concerns**
- 12% are breaking isolation **to go to work**
- 12% for a **non-covid medical need**
- 11% to **provide care for others**

Given that self-isolation is now a legal duty, it is important that the requirement is enforced. Data from 14th-16th October indicates that:

- 17% of those contacted did not self-isolate, 35% self-isolated for seven days or fewer
- 19% self-isolated for 8-13 days, 11% **self-isolated for 14 days or longer**
- **18% were self-isolating when contacted**
- 13% reported 'did not know'