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Dear Rachel

## **ENFORCEMENT OF THE NATIONAL MINIMUM WAGE IN THE SOCIAL CARE SECTOR**

In July the Government made an announcement concerning the enforcement of the National Minimum Wage in the social care sector. This followed concerns that were raised regarding the impact of historical financial liabilities for back pay related to “sleep-in” shifts in the sector. I am writing to update you on the progress that the Government is making on the issue.

The Government is committed to continuing the development of measures to address the challenges of historical back pay liabilities for sleep-in shifts. In undertaking this work, it is our ultimate ambition to ensure that workers receive arrears that they are due; whilst maintaining stability in the sector and avoiding adverse impacts for the vulnerable people that are cared for, and the care workers themselves.

The Government has made an announcement concerning the work conducted over the summer to analyse the social care market. We have also made an announcement on enforcement arrangements for the sector. I have attached the detail of this announcement to this letter.

I will place copies of it in the library of the House.

*Best wishes  
Margot*

**MARGOT JAMES MP**

Minister for Small Business, Consumers & Corporate Responsibility

## **ANNOUNCEMENT ON NMW ENFORCEMENT OF "SLEEP IN" SHIFTS**

The Government is committed to creating an economy that works for everyone, and ensuring workers are paid fairly according to the law, including the National Minimum Wage.

The Government has been working with representatives of the social care sector over the summer to understand how liabilities of back pay for "sleep-in" shifts impact the provision of care for vulnerable people. The organisations that were able to participate have allowed the Government to form a clearer picture of the likely impact on the social care sector, recognising that the timescales involved meant that many were not able to contribute. Government recognises the pressures these liabilities are placing on providers of social care, and the Government is exploring options to minimise any impact on the sector.

Any support that Government provides directly to external organisations may be subject to the approval of the European Commission under EU State aid rules. The conditions for offering any Government support to private organisations will always need to be made on the basis of a strong understanding of the market and a clear justification for action, based on need and value for money considerations. This means any intervention will need to be proportionate and necessary. The Government intends to continue to strengthen the evidence base, engaging more widely with the social care sector to build on the work begun over the summer, and have discussions with the European Commission as required.

While this work is conducted, HMRC will follow an interim enforcement approach for employers in the social care sector. The approach will include HMRC providing additional time and support, where appropriate, to providers to enable employers to review their own compliance in relation to "sleep-in" shifts and ensure workers receive arrears owed.

Guidelines on this new approach will be published in the next month. The measures announced on 26 July will remain in place for up to another month until the new enforcement approach is launched.