



# MIND THE GAPS

## REPORTING ON FAMILIES' INCOMES DURING THE PANDEMIC

26 June 2020

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This is the eighth in a series of regular briefings, *Mind the Gaps*, which highlight some of the gaps in support that exist for children and families affected by the Covid-19 pandemic. Evidence of these gaps is drawn from our Early Warning System (EWS) which collects case studies from frontline practitioners working directly with families on the problems they are seeing with the social security system.

The issues outlined in this briefing are a selection of some of the 'top issues' emerging through the EWS. It is important to note that these briefings are not designed to capture everything we are seeing; instead the *Mind the Gaps* series will feature different issues in each briefing and return to issues that need urgent attention where necessary.

### Parents with no childcare being told to take unpaid leave

With schools and childcare providers closed, many parents are unable to work. Guidance for the UK Government's Job Retention Scheme states that employees who need to look after children can be furloughed,<sup>1</sup> but some employers have been reluctant to use the scheme if the work is still available, expecting parents to take unpaid leave instead, with disastrous effects on families' incomes. This is particularly affecting lone parents.

*A lone parent has been expected to work at home during Covid-19. She has a young daughter at home who requires constant supervision. She has been able to work online and to provide support by email but is unable to work on the phone as it would not be appropriate for her daughter to overhear some of the conversations. She has been told that she is expected to work 12-14 hours including phone calls (she normally works 21 hours) and if she cannot she will have to take unpaid leave or reduce her hours until schools return. This will push the family into poverty.*

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<sup>1</sup> <https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme#employees-you-can-claim-for>

*A lone parent with two children normally works 16 hours a week but has been unable to work since late March as her relatives who normally provide childcare are all NHS workers. Her employer is clear that the shifts are there if she can work and has not dismissed her, but has said that they can't furlough her in the circumstances.*

*A parent with two children who had been furloughed has now been told that she is expected back at work at the beginning of June. When she explained that she doesn't have any childcare, she was told that she will have to take unpaid leave.*

## People excluded from claiming benefits – students

In our [first Mind the Gaps](#) briefing we highlighted groups that were excluded from claiming universal credit (UC) despite experiencing a sudden loss of income as a result of the crisis.

Students who are not disabled and have no dependants are not usually entitled to UC. They often supplement their student income with casual type work. The irregular nature of this work means that many of these student workers were not furloughed, so have no replacement income. As we are reaching the end of the academic year, many will not receive any further student income until September. Additional money was made available to universities and colleges in Scotland to supplement their discretionary funds, which can be paid to students, and funds for the academic year 2020/21 are being paid to academic institutions early to allow them to provide support to students over the summer.<sup>2</sup> However this is not the case across other parts of the UK.

*A full-time student with no health problems or dependants received his last payment from Student Awards Agency Scotland at the beginning of May and will not receive another until September. He normally works in a shop over the summer but it is closed due to Covid-19. He applied for UC but was refused because he is a student. He has no income and no means of paying his rent.*

*A student was working but had to stop in December 2019 due to ill health and so was awarded statutory sick pay. He is now going to claim contribution-based employment and support allowance (ESA), but this will not cover his rent. He already received his last student loan payment and won't get his next payment until his course starts again in September. He is not entitled to UC as he is a student.*

*A single student has returned to her council tenancy in Scotland after her full-time course in England was suspended. She is not entitled to UC as a student and cannot afford to pay rent on her tenancy in England, resulting in demands for payment from her landlord.*

## More families are being affected by the benefit cap

In the [fifth Mind the Gaps briefing](#), we highlighted that up to 40,000 households may be affected by the benefit cap as a result of Covid-19. Our own estimates suggest that 12,500 more households will now be affected by the benefit cap due to the standard allowance uprating, and many more due to the increase in local housing allowance. We can also expect some 10,000 additional families to be subject to the cap because of job loss or furlough pay bringing their earnings below the threshold for exemption. There will also be a number of new claimants who will be affected by the cap.

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<sup>2</sup> <https://www.gov.scot/news/summer-support-for-students/>

*A single mum had her contract reduced to zero hours as her employer refused to furlough her, so she has had no earnings during lockdown. She is now subject to the benefit cap and struggling to manage the emotional and financial strain, particularly with a child at home with special needs.*

*A woman increased her work hours in January 2020 and successfully escaped the benefit cap. However, she was furloughed due to Covid-19 and her pay is no longer enough to escape the cap. She doesn't qualify for the grace period because her increased hours have been in effect for less than 12 months. If she had been on working tax credit instead of universal credit, the cap would have depended on her work hours rather than earnings and she would have been treated as having the same work hours as immediately before the crisis for at least 8 weeks, so she would have remained exempt from the cap.*

### **Inadequate support for people who are unable to work due to illness or disability**

Clients who are unable to work due to illness or disability can have a work capability assessment to determine entitlement to employment and support allowance or an additional amount in UC. Where claimants disagree with a decision or believe an error has been made, they have a right to challenge a decision that has been made in relation to their claim via the appeals process. The appeals process in UC has two stages: mandatory reconsideration,<sup>3</sup> followed by an application to an independent tribunal. During Covid-19, we have received reports of:

- inadequate decision notices without appeal rights or reasons for the decision;
- refusal to accept further evidence at the mandatory reconsideration stage except by post or at a Jobcentre – which are currently closed; and
- some clients being too unwell to challenge decisions without face-to-face support, which it is not possible to provide at the moment.

*A client was found not to have limited capability for work so requested a mandatory reconsideration. The client received a message on their UC journal to say the decision was unchanged but no proper decision notice with appeal rights was provided.*

*A legal advocate has noticed a number of work capability assessment and mandatory reconsideration decisions with generic refusal to award points, with no mention of specific conditions during the Covid-19 crisis. He has received identical decisions for multiple clients.*

*A man is unable to work after 30 years in his job, due to a health condition. He wishes he could return to work but is not able. He and his wife have claimed UC, and he's been found not to have limited capability for work. He is challenging the decision and has additional evidence to submit, but the DWP is refusing to provide an upload link to submit it online, telling him it can only be submitted by post or at a Jobcentre Plus appointment. He is becoming increasingly depressed about his situation as he wants to work but can't, and the mandatory reconsideration process is dragging out with no prospect of resolving in the near future.*

*An adviser reports unwell claimants, who have seen their ESA end, and are too ill to engage with the UC claim or ESA appeal process without support. The lack of access to face-to-face advice is compounding these problems. They are frequently going for two months without money, even though they have no income or savings.*

<sup>3</sup> **Mandatory reconsideration** is an internal review process where DWP officials will look at a decision again in circumstances where a claimant disagrees with the decision that has been made.

CPAG has welcomed measures taken by the Government in response to Covid 19, but this briefing highlights that despite assurances that everything possible would be done to support people, the most sick and vulnerable people are still falling between the gaps.

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### **About CPAG**

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights.

### **About the Early Warning System**

Our Early Warning System helps us get a better understanding of how changes to the social security system are affecting the lives of children and families. We gather information from advisers about the experience of children and families. This intelligence informs much of our policy, research and campaigning work, and also feeds into the advice we give frontline advisers.

The [Early Warning System in Scotland](#) is supported by the Children, Young People and Families Early Intervention Fund, managed on behalf of the Scottish Government by CORRA foundation. The [Early Warning System in England, Wales and Northern Ireland](#) is made possible by the support of Oak Foundation, Barrow Cadbury Trust and The Mitchell Charitable Trust. The *Mind the Gaps* briefing series is also being supported by the Nuffield Foundation, increasing the capacity of the Early Warning System to effectively monitor the impact of Covid-19 on children and families, and identify issues with the social security response as they emerge.

Thank you to everyone who has contributed to our Early Warning System – to every adviser who has submitted a case and to rightsnet which hosts invaluable benefit forums for advisers.