



# MIND THE GAPS

## REPORTING ON FAMILIES' INCOMES DURING THE PANDEMIC

7 May 2020

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This is the fourth in a series of weekly 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* briefing series will feature different issues each week and return to issues that need urgent attention where necessary.

### **People are accruing housing costs when they cannot move**

The EWS has received a number of case studies involving people who are unable to move house due to Covid-19, and who are accruing rent arrears so their housing may be at risk. Some people have already signed a new tenancy agreement and are therefore liable to pay rent for two properties at the same time, and in some situations they cannot secure their future housing because they are unable to pay the rent at present. In other cases, people have already served notice or been served notice on one property but cannot vacate because of the crisis.

*A client in a care home signed a new tenancy agreement on 20 February but needed a Scottish Welfare Fund community care grant before they could move in. This was not granted until 20 March by which time he was unable to move due to Covid-19. The local authority has said that they will not pay the rent because he has not yet moved in, putting his future housing at risk.*

*A client was given notice to vacate Service Family Accommodation (accommodation provided for the Armed Forces) because her marriage had broken down. She was not able to vacate at the end of the notice period due to Covid-19. She is now being charged 'damage for trespass' charges but the DWP is refusing to pay these housing costs because she does not have permission to occupy. The adviser reports that this is a common issue in service families, which is being exacerbated by Covid-19.*

*A client signed up to a new tenancy (in the same local authority) but can't move in due to Covid-19. She will have an overlapping liability of rent for an indeterminate amount of time. She may not be granted a two homes payment of housing benefit, and even if she is that would only be for a maximum of four weeks. She could apply for a discretionary housing payment but there is no guarantee she would receive one.*

*A local authority has reported concerns regarding people who are subject to the 'bedroom tax'. Social landlords have been asked to pause any non-urgent house moves to help limit the spread of coronavirus. Families who are subject to the 'bedroom tax' are therefore unable to downsize in order to make their rent more affordable.*

### **Claimants in receipt of a personal independence payment (PIP) are being refused an extension**

The government has announced that for those claimants in receipt of PIP who were due to have a review or a reassessment of their claim, an automatic extension of their award will be granted for three months as no reviews or reassessments are taking place at this time. However, the EWS has received evidence that claimants who were required to appeal to a Tribunal to obtain their PIP award are being refused the extension, causing severe financial difficulties. The DWP has stated that they cannot change an award made by a Tribunal. CPAG's view is that this is arguably wrong, and we are considering what action can be taken to ensure the DWP keep their promise to extend awards. We have also received cases where the DWP started the review process for a PIP award prior to the announcement of the automatic extension, but an assessment has been delayed because of the current restrictions in place and the claimant's benefit has stopped as a result.

*A private tenant who has a learning disability and mental health problems lives alone. She is vulnerable and her prescriptions are limited to avoid overdose. Her mental health has been affected by the lockdown. Her housing benefit doesn't cover her rent (as it is capped by the local housing allowance) and she usually uses her personal independence payment to make up the shortfall. Her PIP award expired on 23 March so she will struggle to make ends meet. The DWP has refused to extend the PIP award by three months (as per the government announcement) because the award was made by a Tribunal.*

*A claimant receives carer's allowance for looking after his wife, who receives personal independence payment. The PIP award is due to expire, and they were reassured by the government announcement of a three-month extension. When they contacted the DWP, they were told they were not eligible for the extension because the PIP award was made by a Tribunal. The PIP award and the linked carer's allowance claim, worth about £550 a month, will stop until such time as the PIP claim is renewed.*

*A client with significant mental health issues has a PIP claim due to expire on 26 April. Their daughter contacted the DWP to check there would be an extension but was told the client wouldn't get one as a "new claim had been made". The DWP said a new claim had started when the client submitted her completed PIP2 form, which is part of the renewal process. The DWP won't share internal guidance on this issue, nor confirm if/when an assessment on the "new claim" will be made. They were told that the client would be contacted by someone in the vulnerability team but it is not clear how this fits into the claim process and what will be achieved as a result.*

### **Claimants in receipt of severe disability premium are transitioning on to universal credit in error**

The EWS has received case studies of claimants who are in receipt of severe disability premium (SDP), and therefore should not claim universal credit (UC), being advised to or making a universal credit claim in error.<sup>1</sup> CPAG suspects that this may be because the DWP has redeployed huge numbers of staff to cope with the vast

<sup>1</sup> Following a court ruling claimants in receipt of severe disability premium are prevented from moving to universal credit as part of the 'natural migration' process to avoid them becoming financially worse off. This is known as the [SDP gateway](#).

number of new applications for UC in recent weeks, and these staff may have less knowledge of the SDP gateway than staff experienced with dealing with these issues. Claimants may also be struggling to access independent advice in the current lockdown. For claimants who have made a claim for UC in error and are financially worse off as a result, they are likely to face significant delays and administrative hurdles to rectify the situation, as these case studies illustrate.

*A disabled mum of four in temporary accommodation was claiming tax credits, housing benefit and personal independence payment. She was unable to continue working due to her disability and she was advised to claim UC despite having SDP in her housing benefit. After seeking advice, the UC claim has been withdrawn but HMRC refuse to reinstate the previous tax credits claim or allow a new claim despite receiving a housing benefit award letter evidencing that she is in receipt of SDP.*

*A disabled man was claiming housing benefit with SDP included when he stopped work as he couldn't cope with the demands of his job. He claimed jobseeker's allowance (he claimed JSA rather than UC, as he was receiving SDP) but it was later terminated. The DWP had belatedly realised that they needed evidence that SDP was included in his housing benefit award. They terminated his JSA claim without contacting the client or the local authority first.*

*A disabled single mother of four was working part time and claiming tax credits, personal independence payment and housing benefit with the SDP. She stopped work due to her disability and was advised by the DWP to claim UC despite SDP being included in her housing benefit. When she got advice, the client withdrew her UC claim and started an income support claim instead. She asked for her tax credits to be reinstated and HMRC insisted she make a new claim, rather than reopening the previous claim. The new claim still hasn't been processed, even though she has submitted a housing benefit award letter which confirms she receives the SDP.*

### **Claimants of legacy benefits are considering moving to UC because of the temporary increase in amounts**

The EWS has received cases studies of claimants on legacy benefits considering making a claim for UC because of the temporary increase to the UC standard allowance, without being aware of the financial implications in the long term.<sup>2</sup> Once claimants of legacy benefits have made a claim for UC they cannot then move back. This situation is made worse by the current lockdown restrictions which make it more difficult for people to access welfare rights advice.

*A single client with no dependants was working and claiming housing benefit. He has stopped working due to coronavirus and could claim JSA alongside housing benefit, but because the standard allowance of UC is increasing and JSA is not, he would be better off claiming UC at the current rates, which are a temporary measure. This may not be the case once the increase to the UC standard allowance is taken away, at which point he will not be able to make a claim for legacy benefits.*

*A client who is currently receiving JSA and housing benefit is considering claiming UC because he has heard he would be £20 a week better off. However, this may not be the case once the temporary increase to the UC standard allowance is removed, and the client may find himself subject to more stringent conditionality in UC than JSA.*

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<sup>2</sup> On 20 March the Chancellor announced that the UC standard allowance would be uprated by £20 a week for a temporary period (until April 2021) to help claimants manage financially during the coronavirus crisis.

By failing to uprate legacy benefits at a similar rate to UC the government has created an incentive to move on to UC that may not be the best option for claimants in the long term. Claimants who move on to UC in this way will also lose their right to transitional protection.<sup>3</sup>

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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.

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<sup>3</sup> Transitional protection is an extra transitional amount that is added to an existing claimant's benefit entitlement in situations where they would be worse off financially by moving to UC. It only applies when a person has been moved to UC via 'managed migration' so will not cover individuals making a new claim for UC as a result of Covid-19.