



Post-Covid Policy: Child Poverty, Social Security and Housing

Introduction

The coronavirus pandemic has disrupted the life of every child and their family in the country. Families with children have been among the hardest hit,¹ with job losses and increased costs of living from children being off school causing many families to struggle financially.² The crisis has made life much harder for low-income households, those already living in insecure housing and at risk of homelessness, and those with precarious immigration status.

Even before the pandemic hit, there were 4.2 million children living in poverty in the UK – making up 30% of all children in the country.³ Many families were already vulnerable to income shocks, following a decade of sustained cuts to social security support.⁴ Growing up in poverty restricts a young person's life chances, from affecting their well-being to their educational attainment and future life chances. The coronavirus crisis has no doubt exacerbated these impacts of child poverty, which has steadily increased over the past four years, pushing many families to breaking point.⁶ As government, schools and communities have attempted to support children and families through the changing crisis, emerging issues around the digital divide and children's access to learning, the number of families living in unsuitable accommodation, and the already-precarious financial situation of many families has highlighted how deep levels of disadvantage run within our society.

The government has acted quickly to protect people's livelihoods during the pandemic, through initiatives like the Coronavirus Job Retention Scheme and the Self-Employed Income Support Scheme, which have helped

¹ The Trussell Trust in early June reported that the number of families with children receiving emergency food parcels has almost doubled compared to the same period last year. See <https://www.trusselltrust.org/2020/06/03/food-banks-busiest-month/>

² Findings from a survey conducted by CPAG UK during lockdown and school closures found that more than half of parents and carers who responded reported being moderately to extremely concerned about money. See https://cpag.org.uk/sites/default/files/files/The-cost-of-learning-in-lockdown-UK-FINAL_0.pdf

³ Households Below Average Income, Statistics on the number and percentage of people living in low income households for financial years 1994/95 to 2018/19, Tables 4a and 4b. Department for Work and Pensions, 2020. See <https://www.gov.uk/government/collections/households-below-average-income-hbai-2>

⁴ Action for Children research showed that, going into the crisis, the majority of children in the UK (8.6 million children – around 63%) were in families with savings less than the average monthly income (less than £1500), meaning they had little or no savings to shield them from the impact of the crisis on their household finances. Action for Children (April 2020), *Analysis of the Family Resources Survey (2015/16-2017/18)* see <https://www.actionforchildren.org.uk/news-and-blogs/press-releases/2020/april/most-uk-children-a-pay-cheque-away-from-going-without-essentials-like-food/>

⁵ According to The Children's Society's estimates, 1.7 million children aged 10-17 are already living in a household with problem debt and an estimated 2.1 million children of the same age are living in a household where there has been difficulty paying the bills. See https://www.childrensociety.org.uk/sites/default/files/debt_trap_report_may_2014.pdf

⁶ The End Child Poverty coalition in May called on the Government to take seriously how the steady four-year rise in child poverty – predominantly in working families – has pushed families to breaking point, and to commit to an ambitious strategy to end child poverty in the aftermath of Coronavirus, which will have deepened child poverty and drawn more families below the poverty line. See <https://www.endchildpoverty.org.uk/children-cut-adrift-as-poverty-leaves-covid-generation-facing-a-perilous-future/>

to safeguard millions of people's jobs. However, apart from the national Free School Meals voucher scheme, there has been no additional support for children and families. Furthermore, as these schemes begin to wind down over the coming months, more families will turn to the social security system for support as they struggle with loss of earnings, school closures, potential threats of eviction and homelessness, and poor health. It therefore is critical that the government invests in social security, housing and crisis provision to ensure that families are adequately supported through this period of post-Covid recovery. Children's rights should be at the heart of recovery plans, and the UNCRC should underpin the government's post Covid-19 approach so that reforms are in the best interests of children.⁷

Short term asks

Social security

Benefits

Covid-19 has had a particularly damaging impact on the estimated four million children and young people already living in poverty in the UK.⁸ Families are struggling with the additional costs of raising children, made worse by children being at home due to school closures and some parents experiencing a sudden loss of income due to job losses or not being able to work because of childcare responsibilities.⁹ We welcome the steps already taken by government to uprate the Universal Credit standard allowance and Working Tax Credit by £20, a measure which should be made permanent, however children's benefits must also be included in this package of support, particularly as households with children tend to face higher costs. We are therefore calling on government to provide emergency support for families with children, **with a £10 increase in Child Benefit as the top priority¹⁰ plus the removal of the benefit cap and the two-child limit.** The increase in Child Benefit, which already goes to 12.7 million children, will particularly help families who will be just below the threshold for entitlement to means-tested benefits but will nevertheless be facing financial hardship because of the pandemic. **To provide an additional boost to those families on the lowest incomes, we are also calling for a £10 increase to Child Tax Credit and the child element of Universal Credit.**

If families are to gain from increases in benefits during this period, **the benefit cap needs to be removed.** In the case of UC and Tax Credits, **the two-child limit will also need to be removed.** Claims that the benefit cap incentivises work or that the two-child limit encourages responsible family planning are redundant in the context of mass unemployment and families claiming benefits for the first time.

The crisis has seen a surge in new Universal Credit claimants as 2.4 million households have applied for UC since the beginning of March.¹¹ Universal Credit should support families instead of pushing them towards a financial crisis. Yet the five-week wait for an initial payment can leave families without enough money to pay bills or to provide food for their children, while the awarding of Advance Payments as loans exacerbates this through deductions to future payments. **Advance payments should be given as grants and therefore be non-repayable, rather than as loans, to provide an effective safety net for families in the aftermath of the CV-19 crisis.**

Many people transitioned from legacy benefits onto Universal Credit during the crisis though have ended up worse off as a result – **there needs to be clearer communication and support for people transitioning into new systems, so they can navigate an already-complicated welfare system without additional stress or anxiety.** For those claimants who have moved to UC in error, for example claimants in receipt of severe disability premium or claimants who moved to UC following advice from the DWP, **steps must be taken to transition these claimants back to legacy benefits as soon as practically possible.**¹²

⁷ In the 30th year since the UN Convention on the Rights of the Child (UNCRC) was first adopted by the United Nations, CRAE's annual *State of Children's Rights in England* report takes a look back at the past year to assess how well the government is respecting children's rights. See <http://www.crae.org.uk/publications-resources/state-of-childrens-rights-2018/>

⁸ Data published by the Standard Life foundation shows that 42% of families with children, and lone parents in particular, are in serious financial difficulty or struggling to make ends meet, compared to 24% of other households.

⁹ See CPAG *Mind the Gaps*, April 2020 <https://cpag.org.uk/sites/default/files/files/policypost/CPAG-mind-the-gaps-briefing-16-April.pdf>

¹⁰ Increasing child benefit by £10 a week would cost £127 million a week, which is less than 4% of the weekly cost of the Job Retention Scheme.

¹¹ <https://www.tuc.org.uk/research-analysis/reports/protecting-workers-jobs-and-livelihoods>

¹² For examples of cases of claimants moving to UC in error, see the [CPAG Mind the Gaps](#) briefing series

Free School Meals

We welcomed the Department for Education's extension on 16 June of the Free School Meals scheme into the summer holidays. The government should now prioritise improving the issues around accessing the voucher scheme, which many parents have struggled to cash-in.¹³ Furthermore, the summer holiday vouchers will only be available to those eligible for Free School Meals at the end of the summer term, meaning newly eligible families will be left without support over the break. **We recommend that the government extends the Free School Meal (FSM) voucher scheme to include cash payments where possible, to improve flexibility and accessibility to a lifeline that can save families up to £400 per child per year.**

Although some temporary measures have been implemented during the Covid-19 crisis as a result of litigation,¹⁴ generally children whose parents have a No Recourse to Public Funds condition on their immigration status cannot access benefits-based Free School Meals (even if the child is British). **The Department for Education should change eligibility to Free School Meals to ensure that children without recourse to public funds who are living in poverty continue to have access to Free School Meals beyond the current crisis, regardless of their parents' immigration status.**

Covid-19 has caused significant changes to family finances, so **government should also provide more support for newly eligible parents to register for Free School Meals, so families are not still left facing crisis.** There are also many families who are outside the Free School Meal eligibility threshold who are now struggling to provide regular meals for their children. **We recommend that the DfE conduct an urgent review of Free School Meal eligibility, with a view to extending eligibility to capture working families who currently fall outside of the maximum income thresholds.** Furthermore, we would ask the department to share data over the coming months on how many new families and how many children whose parents have No Recourse to Public Funds have signed up to Free School Meals during the crisis, to understand the levels of need across the country.

No Recourse to Public Funds

Many migrant families who have not yet qualified for permanent residency in the UK have No Recourse to Public Funds, which stops them accessing essential support like Universal Credit, Tax Credits and Housing Benefit, even if they cannot work during the CV-19 crisis. Since they cannot access most benefits, improvements to the social security system do not provide additional support to this group. Families with NRPF are more likely to be from BAME communities and working in 'key worker' or frontline roles, including as NHS cleaners or in social care, and are more likely to be single-parent households.¹⁵ During and in the immediate aftermath of the Covid-19 crisis, **we call on the government to suspend NRPF policies without further delay so that families can access the lifeline of social security under the same conditions as everyone else.**¹⁶ Individuals and families who need support now should not be forced to jump through bureaucratic hoops to get NRPF conditions lifted, such as through the Change of Conditions process, which can be time-consuming and difficult to manoeuvre, and is not permanent.

Housing

Even before COVID-19, the chronic shortage of suitable housing meant that thousands of children in homeless families have been living in unsuitable and insecure housing. The latest figures¹⁷ show that in

¹³ Some schools provide vouchers for supermarkets that are local to the school but not local to families who may live further away (because they were late entrants or have children with special education needs, for example). Some vouchers are valid for large supermarket chains, which families without cars struggle to access, or in shops that are more expensive meaning vouchers did not stretch far. We have heard from families that receiving direct payments allow for greater flexibility and dignity. See <https://www.childrenssociety.org.uk/sites/default/files/emergency-support-evidence-note-3.pdf> and <https://cpag.org.uk/policy-and-campaigns/report/cost-learning-lockdown-family-experiences-school-closures>

¹⁴ During CV19, children whose parents have NRPF can temporarily get free school meals if their household earnings are less than £16,190 per year and if they are Zambrano carer; their family is receiving local authority support under Section 17 of the Children's Act 1989; the family has leave to remain with NRPF on the basis of family or private life grounds.

¹⁵ See the Children's Society's *A Lifeline for All* report, <https://www.childrenssociety.org.uk/sites/default/files/a-lifeline-for-all-summary.pdf>

¹⁶ The Home Affairs Select Committee in its June report on Covid-19 preparedness echoed this recommendation, stating that: "The Government should immediately make arrangements for the temporary lifting of NRPF conditions during the COVID-19 pandemic. The Government should also direct local authorities to provide support where required by others who are destitute (or at risk of destitution) and who would otherwise be prohibited from accessing public funds, and it should provide funding to allow this to happen". See <https://committees.parliament.uk/publications/1448/documents/13243/default/>

¹⁷ MHCLG, Live tables on homelessness, The latest data tables on homelessness, Last updated 21 May 2020
Table TA1 - Number of households in temporary accommodation at the end of quarter by type of TA provided

England at the end of 2019 there were 62,580 households with children housed in temporary accommodation. The number of children living in temporary accommodation has been steadily increasing in recent years, and stood at 128,340 at the end of 2019. This includes children living in B&Bs, hostels, housing of multiple occupancy, converted office blocks on industrial estates private sector accommodation leased by local authorities and nightly paid, privately managed accommodation. Much of this accommodation is unsuitable and unsafe for children.¹⁸

Covid-19 has highlighted the dangers of overcrowded and insecure housing during a major public health emergency. The Lancet has highlighted the risks for children growing up in unsuitable and cramped living conditions, in terms of their health, safety, development and education, and their increased vulnerability and marginalisation due to Covid-19.¹⁹

The extension of the Covid-19 eviction ban to the end of August has been welcomed, after growing concerns that thousands of households could be evicted from their home if the eviction ban was lifted on 25 June as planned, as people face job losses and rent arrears. However, more is needed to prevent households becoming homeless once the eviction ban comes to an end. **During and after the Covid-19 emergency, all families, including homeless families living in temporary accommodation and those with NRPF, must be protected against eviction and have access to suitable self-contained accommodation.** Housing organisations are calling on the government to take more long-term measures to address debt and rent arrears incurred by Covid and for stronger guarantees against evictions caused by the pandemic. In order to do so, there also needs to be greater funding for those who are destitute and homeless because of their migration status – **a suspension of the NRPF condition would reduce public health risks and pressures on homelessness services by enabling vulnerable people to access welfare benefits.**²⁰

Legal protections against eviction and homelessness due to Covid-19 should be strengthened by scrapping Section 21 ‘no fault’ evictions, and temporarily suspending the use of Section 8 (Housing Act 1998) evictions or making it a discretionary, rather than mandatory, ground for eviction.

Local authorities should be provided with the necessary resources to identify and support households living in unsafe temporary accommodation and provide them with alternative suitable self-contained accommodation where necessary. **Local Housing Allowance should be increased to the 50th percentile so that renters are supported to pay actual rent costs and do not face eviction and homelessness.**

Crisis Support

Local Welfare Assistance (LWA) schemes, which replaced key aspects of the discretionary Social Fund, provide an existing mechanism for councils to support low income households to keep them afloat in times of financial crisis. In the current crisis, with the voluntary and community sector facing unprecedented levels of demand, LWA offers an effective intervention to support people from being pulled under. However, a combination of reduced funding, lack of guidance from Government, and the absence of a statutory requirement for local authorities to deliver this type of service has left local welfare provision in many areas hollowed out: one in seven local authorities in England do not have a LWAS in place.

The government’s announcement in March 2020 of a £500 million hardship fund for local authorities and the additional £63 million given in June for LWA are welcome, but will not go far enough, especially as funding for local welfare provision has declined by 55% in real terms in England since 2010.²¹ Furthermore, although the expected spending on local welfare assistance during Covid will increase to £1.85 per capita in England (following the government’s announcement of new funding), this is still very low compared with the rest of the UK.²²

¹⁸ Children’s Commissioner for England, *Bleak houses. Tackling the crisis of family homelessness in England*, August 2019

¹⁹ D. Rosenthal, M. Ucci, M. Heys, A. Hayward, M. Lakhanpau, ‘Impacts of COVID-19 on vulnerable children in temporary accommodation in the UK’ *The Lancet*, Comment, Published Online, March 31, 2020 [https://doi.org/10.1016/S2468-2667\(20\)30080-3](https://doi.org/10.1016/S2468-2667(20)30080-3)

²⁰ The LGA on 12 June called on central government to suspend NRPF

<https://www.local.gov.uk/councils-call-suspension-no-recourse-public-funds-during-covid-19-crisis>. See also The Children’s Society’s #ALifelineforAll campaign and report: <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/a-lifeline-for-all>

²¹ <https://www.childrenssociety.org.uk/sites/default/files/leave-no-family-behind-may2020.pdf>

²² <https://cpag.org.uk/sites/default/files/files/policypost/Cash-in-a-crisis-FINAL.pdf>

The UK Government should urgently make a funding allocation of £250 million to higher-tier local authorities in England for use in the year 2020/21. This would represent a 'levelling-up', bringing total funding more closely in line with comparable emergency support schemes in Scotland (the Scottish Welfare Fund), Wales (the Discretionary Assistance Fund) and Northern Ireland (Discretionary Support), and enable local authorities to meet growing levels of need. An additional £25 million (equivalent to 10% of the additional funding) should be provided to ensure that each local authority has capacity to administer their LWA scheme effectively, and that local authorities without a scheme can re-establish one. **This funding should have accompanying guidance, which sets out strong expectations for how the money should be spent.** Wherever possible, local authorities should have LWAS that provide families with direct cash payments, rather than in-kind support. They should relax the qualifying criteria of schemes in response to Covid-19 and schemes should be promoted widely, with the application process made as simple as possible, and records of applicants and their awards maintained. There is a high risk that if guidance is not provided, the money will be used for other local authority spending, and we will continue to see low levels of spending on LWA schemes.

Long term asks

The coronavirus crisis has been extremely damaging for children, at all stages of their life. Children in their early years are missing out on important interactions that support their development, school age children are missing a key chunk of their education that may be impossible to catch up on and we know that young people entering the job market for the first time are likely to suffer. Children growing up in poverty will feel these impacts most.

The social security system, the housing system and crisis support delivered at a local level have a key role in supporting children and families to recover from the crisis, which may take years. While the government has acted quickly to establish measures to support people financially during this crisis, children and families have been noticeably absent from this support package. Gaps in the social security system and cuts to crisis support have meant that some families have been left without any financial support or form of safety net.

As well as supporting people to recover from the pandemic, these parts of our social infrastructure have an important role to play in the economic recovery from the pandemic. Research shows that cash transfers, in the form of benefit payments, are far more effective in stabilising the economy than changes to the tax system.²³ Spending on social security, housing, and crisis support should not be seen as a cost but as an investment – spending now, as a way of stimulating the economy, and most importantly as a way of preventing an unprecedented rise in child poverty, will reap rewards in the long term.

Social security

Benefits

Going forward, the government must conduct a review of the social security system, as part of a broader child poverty strategy. As we begin to recover from the crisis a review is essential to both evaluate the strengths and weaknesses of the initial government response to the crisis, and also understand the problems with the social security system that existed prior to the pandemic.

This review must evaluate all aspects of social security policy and consider the extent to which policies are reducing and preventing child poverty. Where policies are not achieving this aim, they must be redesigned accordingly.

²³ Smith, J., Leslie, J., Pacitti, C., and Rahman, F. (2019) Recession Ready? [Assessing the UK's macroeconomic framework](#), Resolution Foundation

It is envisaged that such a review would need to be far reaching to be effective, encompassing the range of social security policies that play a role in supporting children and families. **It would also require cross-government working to be effective and ensure reforms in one policy area are not undermined in another, ideally as part of a broader child poverty strategy.**

As a starting point, two key areas to address within the current system include:

- 1) **The adequacy of the benefits system:** the current benefit system does not provide sufficient resources to children and families to meet their basic needs. By 2021/22 £40 billion a year will have been taken out of the social security budget,²⁴ and families with children have been bearing the brunt of these cuts. Unsurprisingly, child poverty has been steadily rising during this period.

Priority areas include:

- **The adequacy of children's benefits:** including Child Benefit, and targeted benefits such as Child Tax Credit and the child element of Universal Credit. As outlined above, benefits that effectively cut off support for certain children and their families, such as the two-child limit and the benefit cap, must also be urgently reviewed.
- **The adequacy of adult benefits:** recognising that when parents are poor, children are poor. Young parents, who currently receive lower rates of benefits than parents over the age of 25, despite facing the same costs, must be given the same levels of support.
- **Childcare costs and housing costs:** these are key expenses for families with children. Leaving childcare and housing to the market is not providing children and families with the secure, quality, affordable services that they need. The current model of providing inadequate financial support for these costs via the social security system must be reviewed.

- 2) **The accessibility and dignity of the benefits system:** the benefit system is currently not accessible to many who need support from it, and for those who do manage to access it, their experience can be one of shame and punishment. This urgently needs to change.

Priority areas include:

- **Access to the benefits system:** it is not right that certain children are locked out of the benefit system because of their parents' immigration status. Beyond the pandemic, the Home Office should not apply NRPF conditions to parents with leave to remain in the UK where they have children under 18 years old, so these families can access benefits. Where NRPF conditions have previously been lifted, such as through a Change of Conditions process, they should not be re-applied in subsequent applications. Children and families who are EU nationals who do not have a right to reside must also be able to access the benefit system.
- **Support for claimants to make/manage a benefit claim:** there needs to be greater investment in strengthening the capacity of the system to be able to support those who are not able to manage claims online, whether this is because of additional support needs (e.g. a learning disability, English as a second language), digital skills, or lack of digital access.²⁵
- **The punitive nature of the benefits system:** the government has temporarily relaxed conditionality and introduced a more 'light touch' claims process in response to the pandemic. These steps are hugely welcome and must be considered in the long term, as the first steps towards introducing trust and dignity back into the benefits system. More widely, the effectiveness of conditionality and sanctions, particularly as it is applied to parents, must be reviewed.

Housing

COVID-19 has exacerbated the vulnerability of many households living in temporary accommodation, in insecure housing and at risk of homelessness. The post-lockdown impacts on homeless families will be significant, due to their already precarious living conditions and ongoing financial difficulties. **Government**

²⁴ T Waters, *Personal Tax and Benefit Measures* (Budget 2018), Institute for Fiscal Studies

²⁵ The government's own survey of UC claimants found that 15% do not have access to the internet at home. See DWP, Claimant Service and Experience Survey 2017 –2018, January 2019

should ensure that children and homeless families are not placed in accommodation that is harmful to their health and wellbeing, including converted office blocks and housing of multiple occupancy with shared facilities. This includes stopping children and homeless families being placed in B&Bs, including council-owned B&Bs, for longer than the 6-week legal limit.

The use of Permitted Development Rights which allows office/industrial blocks to be converted to residential use without planning permission must be scrapped.

Where temporary accommodation is used to house families, it must not have shared facilities and must be child-friendly, clean and safe, and inspected regularly. The government must ensure additional and sufficient funding to local authorities so they can fulfil their statutory duties under the Homelessness Reduction Act and provide specific support for families at risk of, or experiencing, homelessness. **Local authorities must be given the resources necessary to ensure that all homeless families have access to safe and secure housing.**

Moving ahead, there needs to be greater investment in sustainable and accessible social housing. The current crisis has demonstrated how access to green space and to play facilities is a key component of a healthy home, and all children should be able to grow up in a safe, healthy and clean environment. **Local authorities, planners and developers must have children's best interests in mind when designing and building homes and public spaces.** Children and young people should be able to participate and give their views in discussions about housing, planning and the development of neighbourhoods and public spaces. Their experiences and concerns should be listened to and acted on.

Crisis Support

When integrated with other preventative council services, effective LWA schemes can support applicants to address the underlying causes of crises, providing immediate support in the short-term, but also working to prevent their reoccurrence in the long-term. As we emerge from the coronavirus crisis, it will be crucial to examine and mitigate the longer term impact of many such voluntary sector organisations disappearing due to the financial strains caused by the crisis. It is therefore vital that **government provides improved and sustained funding for voluntary sector organisations, especially second-tier welfare advice sector.**

The CV-19 crisis has highlighted the critical importance of the voluntary and community sector working in parallel with local government to ensure those facing financial crisis receive the support they need at the point at which they need it. The need for better and long term coordination between the two sectors is critical in ensuring that those in need can move through systems of support without encountering barriers to access and without falling through the net. **However, this coordination does not just happen and the VCS sector needs to be resourced going forward to ensure that it can work effectively with local government partners and each other.**²⁶

²⁶ The Coordinated Community Support (CCS) programme supports local organisations to deliver crisis provision in four pilot areas (Swansea, Tower Hamlets, Norfolk and Oldham). During CV-19, the programme has supported partners through providing coordination capacity to bring key local groups together with the local authority to seek solutions to longstanding and new issues. In Norfolk, it supported the development and promotion of the local advice networks' online referral system, in which a range of support providers can refer clients across services; in Swansea helped ensure every food parcel being handed out also had a leaflet on how to access support via phone, text message or online; in Oldham, it set up sub-group steering meetings to coordinate responses to issues such as support for those with NRPF; in Tower Hamlets, we have supported setting up a food bank. See <https://coordinatedcommunitysupport.org.uk/content/ccs-programme-development>