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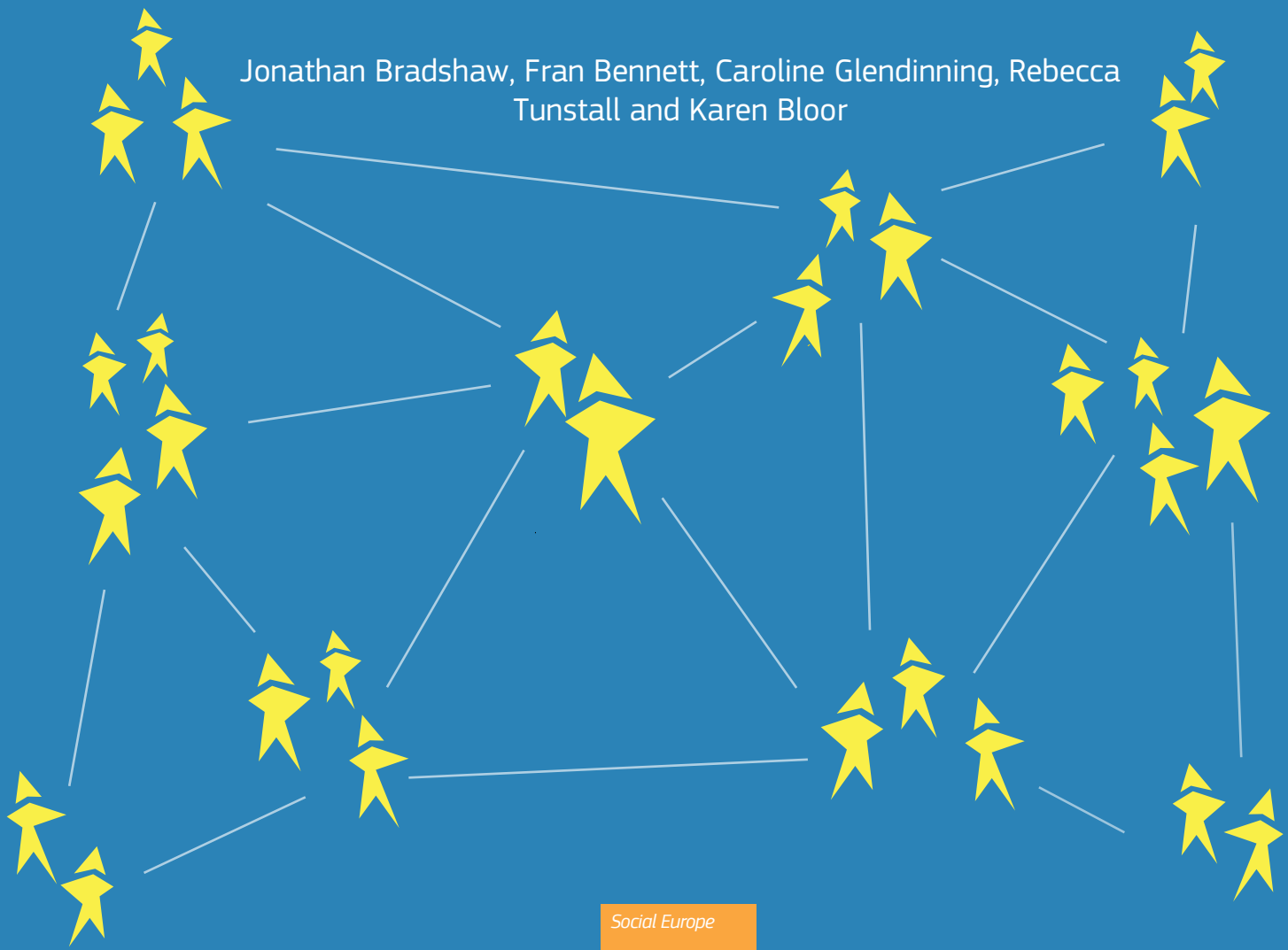
EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Social protection and inclusion policy responses to the COVID-19 crisis

United Kingdom

Jonathan Bradshaw, Fran Bennett, Caroline Glendinning, Rebecca Tunstall and Karen Bloor



Social Europe

EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate D — Social Rights and Inclusion
Unit D.2 — Social Protection

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European Social Policy Network (ESPN)

ESPN Thematic Report: Social protection and inclusion policy responses to the COVID-19 crisis

United Kingdom

2021

Jonathan Bradshaw, Fran Bennett, Caroline Glendinning, Rebecca Tunstall and Karen Bloor

Directorate-General for Employment, Social Affairs and Inclusion

2021

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

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SUMMARY

Between Monday 3 February 2020 and Sunday 18 April 2021, the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in the UK, it was 6,512. The total number of deaths per 100,000 people was 151 for the EU-27 versus 188 in the UK.

The UK response to the pandemic has not been a roaring success. From the start the pattern has been measures introduced too little, too late, which were too centralised and too privatised; and policy has been the victim of repeated U-turns. The UK has been hit particularly hard. Following a resurgence of infections over the winter, around 1 in 5 people have so far contracted the virus, 1 in 150 have been hospitalised, and 1 in 550 have died, the fourth highest mortality rate in the world. And GDP fell 9.9 per cent in 2020, the largest decline in the G7. There have been large losses in household income, especially at the bottom end; an increase in poverty and deprivation; and a huge decline in national well-being. Meanwhile, Brexit has exacerbated our problems and is expected to reduce GDP by an additional 6%.

However, some measures introduced to mitigate the impact of the pandemic have proven to be successes – for example: the furlough scheme; the uplift in Universal Credit and Working Tax Credit; the 'Everyone in' policy for rough sleepers; the scientific contribution; and the vaccination roll-out is delivering well. The NHS hospitals have performed miracles and just about coped with the increase in demand for acute care beds and critical care.

The furlough scheme and other measures have protected much employment and many incomes. The latest unemployment rate (for December 2020-February 2021) was 4.9%, only 1.0 percentage point higher than pre-pandemic levels. Non-pensioners' real household income grew by 0.1% on average. The main means-tested benefit has not collapsed.

Other measures have been less successful – for example, the test, track, and trace scheme; discharging COVID-19 patients to care homes; and many policies from the Department of Education – on exams, school meals, and the digital gap. There has been damage to the travel industry, hospitality, and the arts.

The UK government's response to the crisis could be described as an attempt to shield the population from the weaknesses of the pre-existing social protection scheme and from the effects of the governance and political culture of the UK over the last decade.

The movement of large numbers of new claimants on to the minimum income scheme have revealed to a new audience the inadequate level of income support, especially in comparison with the furlough payments. The most obvious gap in the social security responses to the pandemic crisis has been the absence of help specifically targeted at families with children. Home schooling whilst working has not been recognised as an issue.

The pandemic has demonstrated the widespread nature of housing affordability problems.

The need for major structural and funding reforms of English long-term care remains acute. Intermittent government announcements promise the publication of proposals before the end of 2021, but no timetable has been given.

When this is over, we will face the impact of long COVID, a huge pent-up demand for cancer, heart and other less acute health care, and growing inequalities in education. Later in 2021 it is expected that unemployment will rise by 500,000. Poverty and inequality will certainly have increased. We will also be facing the largest deficit in the public finances for many years, with a government elected on a manifesto of not raising the rates of the three major forms of taxation/contribution.

But the pandemic response has revealed how much the UK's social protection system needs reform; a positive change in public attitudes towards those on benefits; a realisation of the value of the work of low-paid 'key workers'; and a pulling together of communities in the face of illness and inequality. The Government should 'build back better' on this foundation.

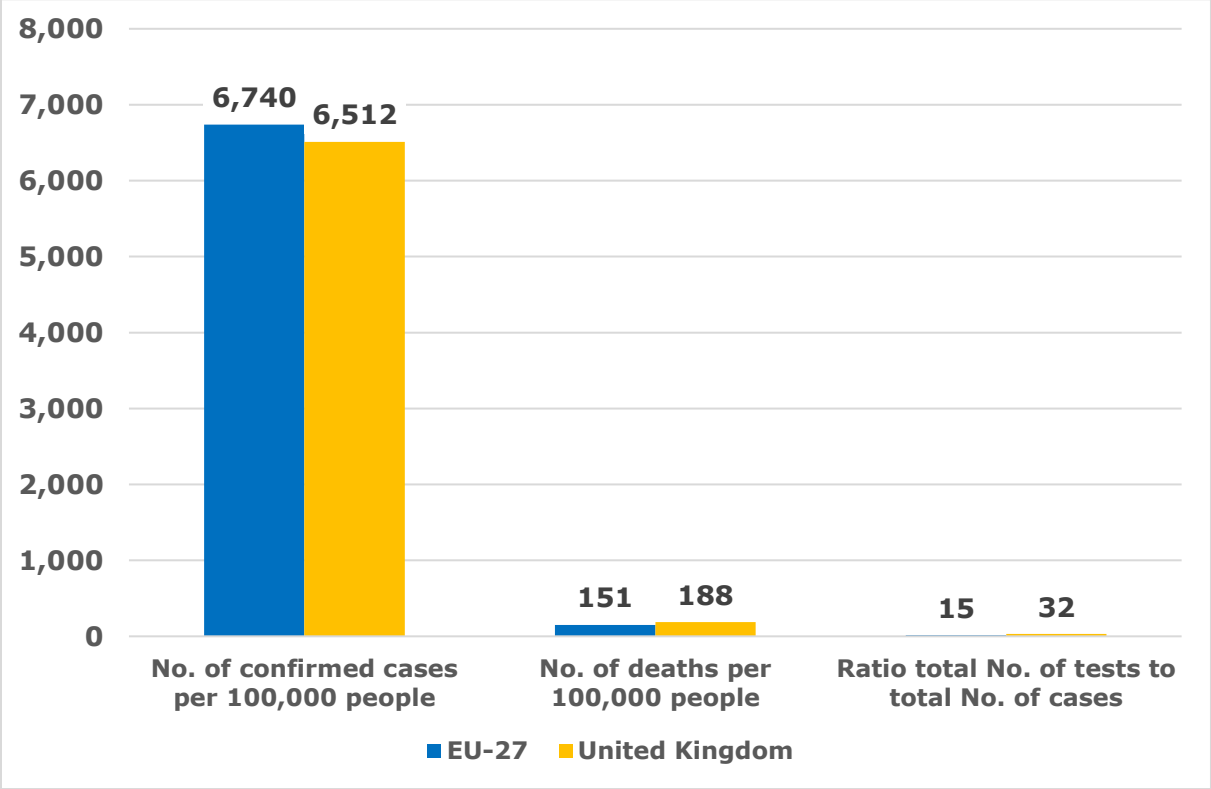
This report focuses on UK-wide measures in particular. Lockdowns have been organised at England and devolved nations level. In some cases, especially in Scotland, devolution has resulted in different measures being taken, or in previous policies as a different baseline.

1 TRENDS OF THE PANDEMIC AND SOCIAL AND ECONOMIC IMPACT[1]

1.1 Epidemiological situation

During the 63 weeks considered for these three indicators (from Monday 3 February 2020 to Sunday 18 April 2021), the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; In the United Kingdom, it was 6,512. The total number of deaths per 100,000 people was 151 for the EU-27 versus 188 In the United Kingdom. The ratio of the total number of COVID-19 tests conducted to the total number of confirmed cases was 15.3 for the EU-27 and 31.7 for United Kingdom.

Figure 1: Total number of COVID-19 cases and deaths per 100,000 people & ratio of total number of COVID-19 tests to total number of cases, 3 February 2020 to 18 April 2021 (EU-27 and UK)

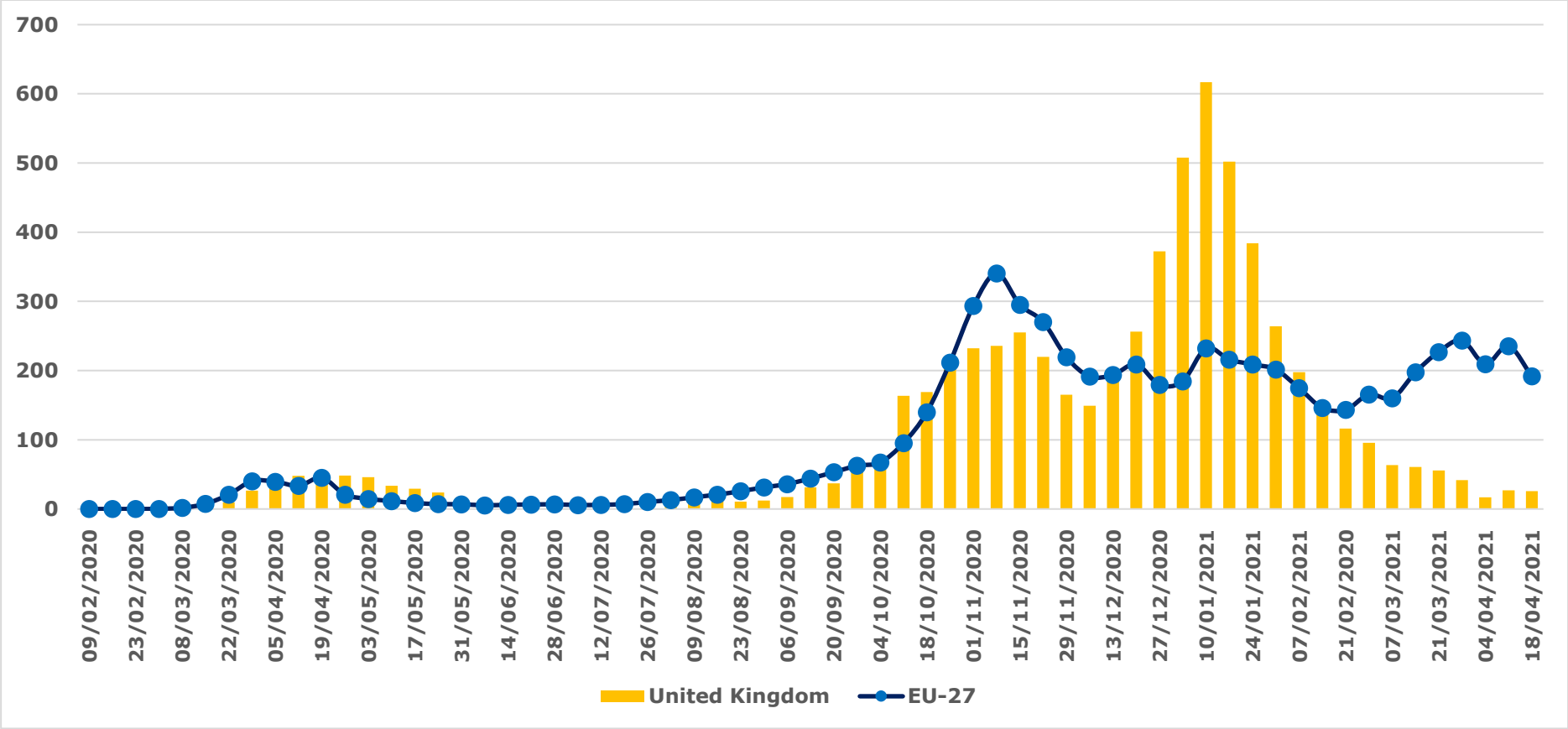


Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021

[1] Except if otherwise specified, the indicators presented in Sections 1.1 and 1.2 were calculated by the ESPN Network Core Team on the basis of data coming from two data sources: Our World in Data (OWID: https://ourworldindata.org/coronavirus-source-data) and the statistical office of the European Union (Eurostat: https://ec.europa.eu/eurostat). These indicators were calculated for all the 35 ESPN countries for which data were available. All of them are presented in Annex B of the following report: Isabel Baptista, Eric Marlier, Slavina Spasova, Ramón Peña-Casas, Boris Fronteddu, Dalila Ghailani, Sebastiano Sabato and Pietro Regazzoni (2021), *Social protection and inclusion policy responses to the COVID-19 crisis. An analysis of policies in 35 countries*, European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This report also provides additional explanations on the data sources used and the calculation of the indicators. In addition, Annex B of the report provides the country results related to all ESPN countries included in the two international data sources used (see Tables B1.1, B2.1 and B3.1 for Figure 1, Table B1.2 for Figure 2, Table B2.2 for Figure 3, Table B3.2 for Figure 4, Tables B4.1, B4.2 and B4.3 for Figure 5, Table B5 for Figure 6, Tables B6.1-3 for Figures 7a-c, and Tables B7.1-3 for Figures 8a-c). The full report and its various annexes can be downloaded here.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of confirmed COVID-19 cases per 100,000 people reached 191.8 for the EU-27. In the United Kingdom, it was 25.8.

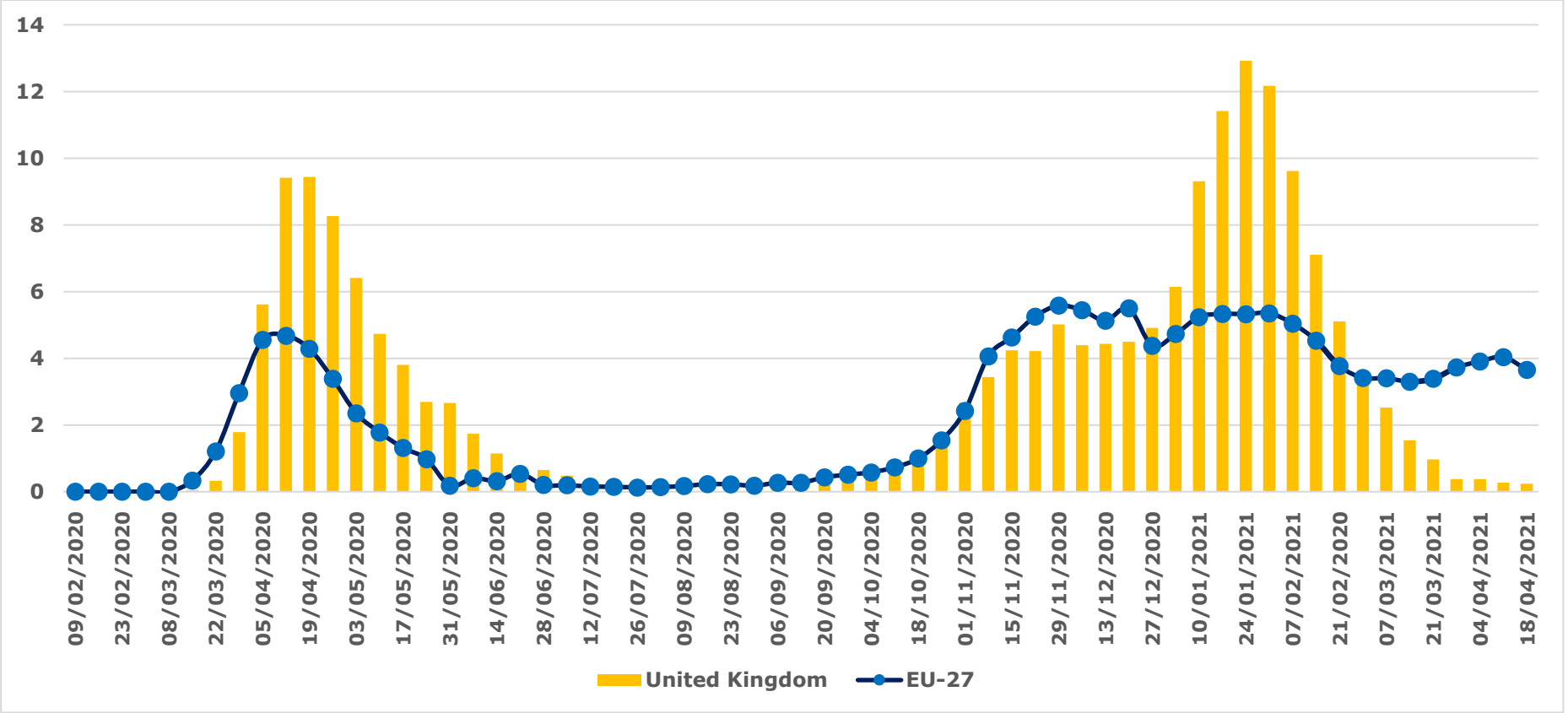
Figure 2: Weekly evolution - Number of confirmed COVID-19 cases per 100,000 people from 3 February 2020 to 18 April 2021 (EU-27 and UK)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 deaths per 100,000 people reached 3.66 for the EU-27 as a whole. In the United Kingdom, it was 0.24.

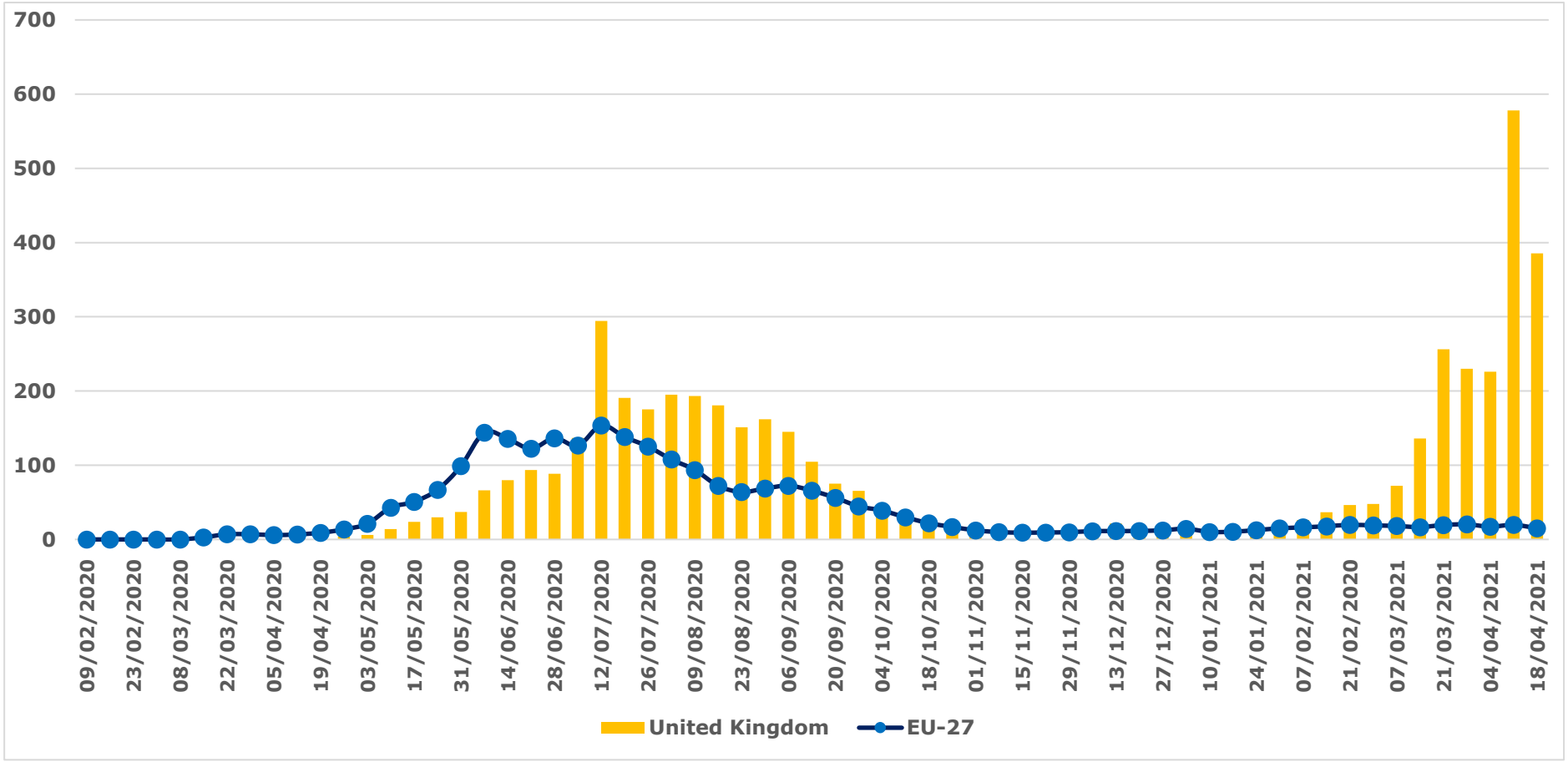
Figure 3: Weekly evolution - Number of COVID-19 deaths per 100,000 people, 3 February 2020 to 18 April 2021 (EU-27 and UK)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 tests per new confirmed COVID-19 cases was 15.2 for the EU-27. In the United Kingdom, it was 385.4.

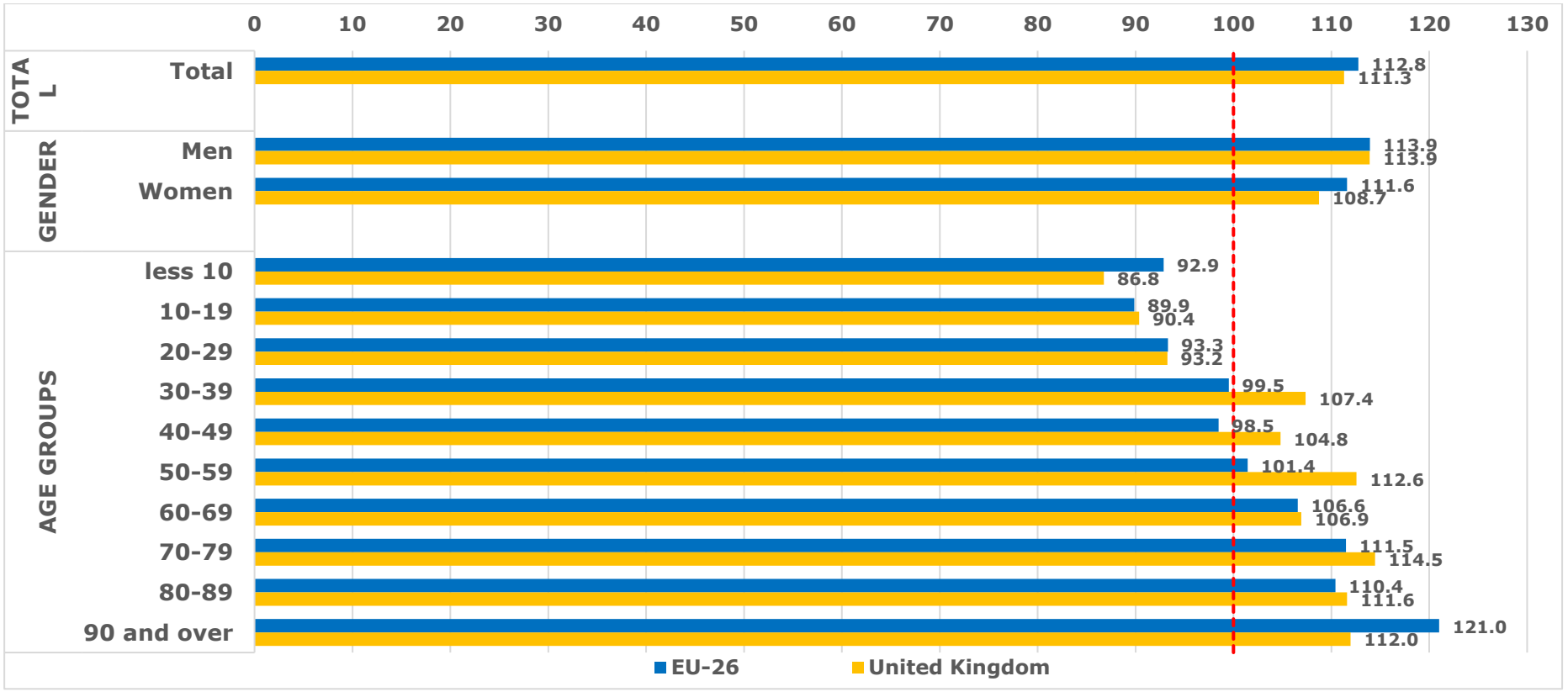
Figure 4: Weekly evolution - Number of COVID-19 tests per new confirmed COVID-19 case, 3 February 2020 to 18 April 2021 (EU-27 and UK)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021. Full quote for these testing data: Hasell, J., Mathieu, E., Beltekian, D. et al. (2020). "A cross-country database of COVID-19 testing". Sci Data 7, 345 (2020) (https://www.nature.com/articles/s41597-020-00688-8).

The excess mortality ratio for 2020 is the total number of deaths (without distinction of causes) in the year 2020 expressed as a percentage of the previous 4-year (2016-2019) annual average of the total number of deaths. For the EU-26 average (no data for Ireland), the ratio of the total population is 112.8% while it is 111.3% In the United Kingdom. For the EU-26, it is 113.9% for men and 111.6% for women. In the United Kingdom, these gendered ratios are 113.9% and 108.7% respectively. Excess mortality is higher among older age groups. For those aged 90 years and more it reaches 121.0% for EU-26 and 112.0% for United Kingdom.

Figure 5: Excess mortality - Total number of all deaths in 2020 as percentage of the 2016-2019 annual average (including gender and age breakdowns (EU-26 and UK)

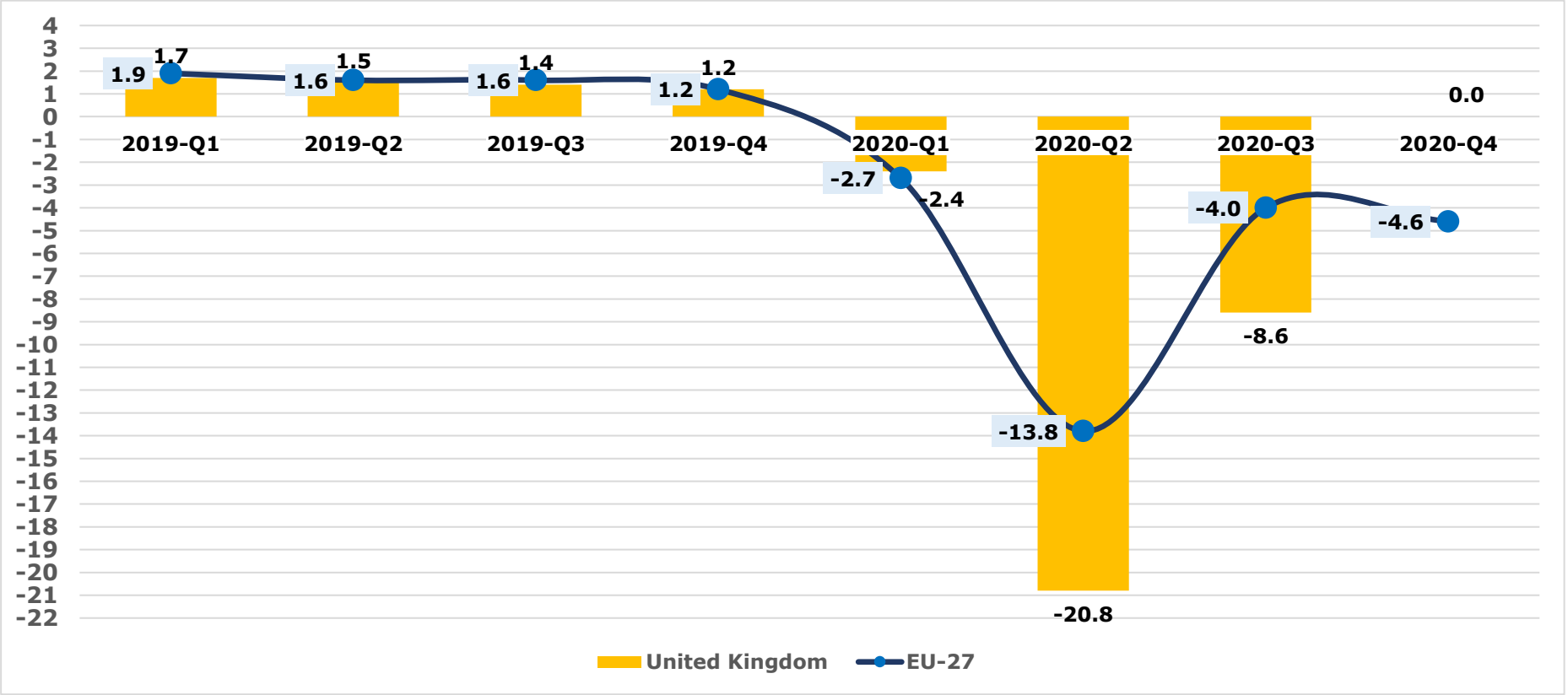


Source: Eurostat - indicator [DEMO_R_MWK_10__custom_560457] Deaths by week, sex and 10-year age groups - downloaded 26 April 2021. For Bosnia and Herzegovina: Agency for statistics of Bosnia and Herzegovina (data received upon request on 19 April 2021).

1.2 Economic and (un)employment situation

In the EU-27, GDP in the fourth quarter (2020-Q4) of 2020 fell by 4.6% compared to the fourth quarter of 2019 (2019-Q4). In the United Kingdom, data are not (yet) available.

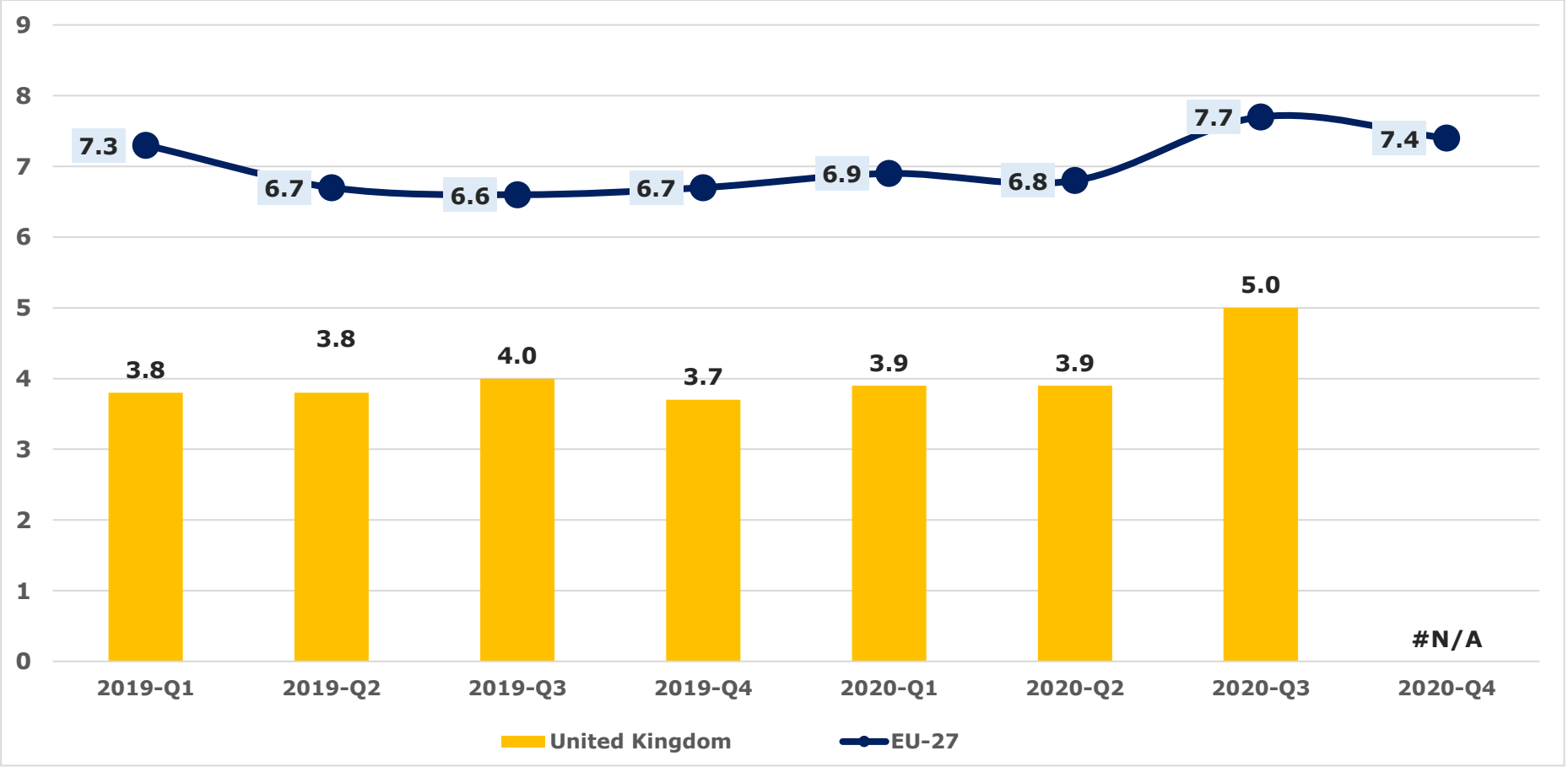
Figure 6: Gross domestic product at market prices, chain-linked volumes prices adjusted, percentage changes in quarter compared with same quarter in previous year (2019-2020, EU-27 and UK, %)



Source: Eurostat -GDP and main components (output, expenditure and income) - indicator [NAMQ_10_GDP__custom_507806] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 for people aged 15-64 years is 7.4%. In the United Kingdom, the data are not (yet) available.

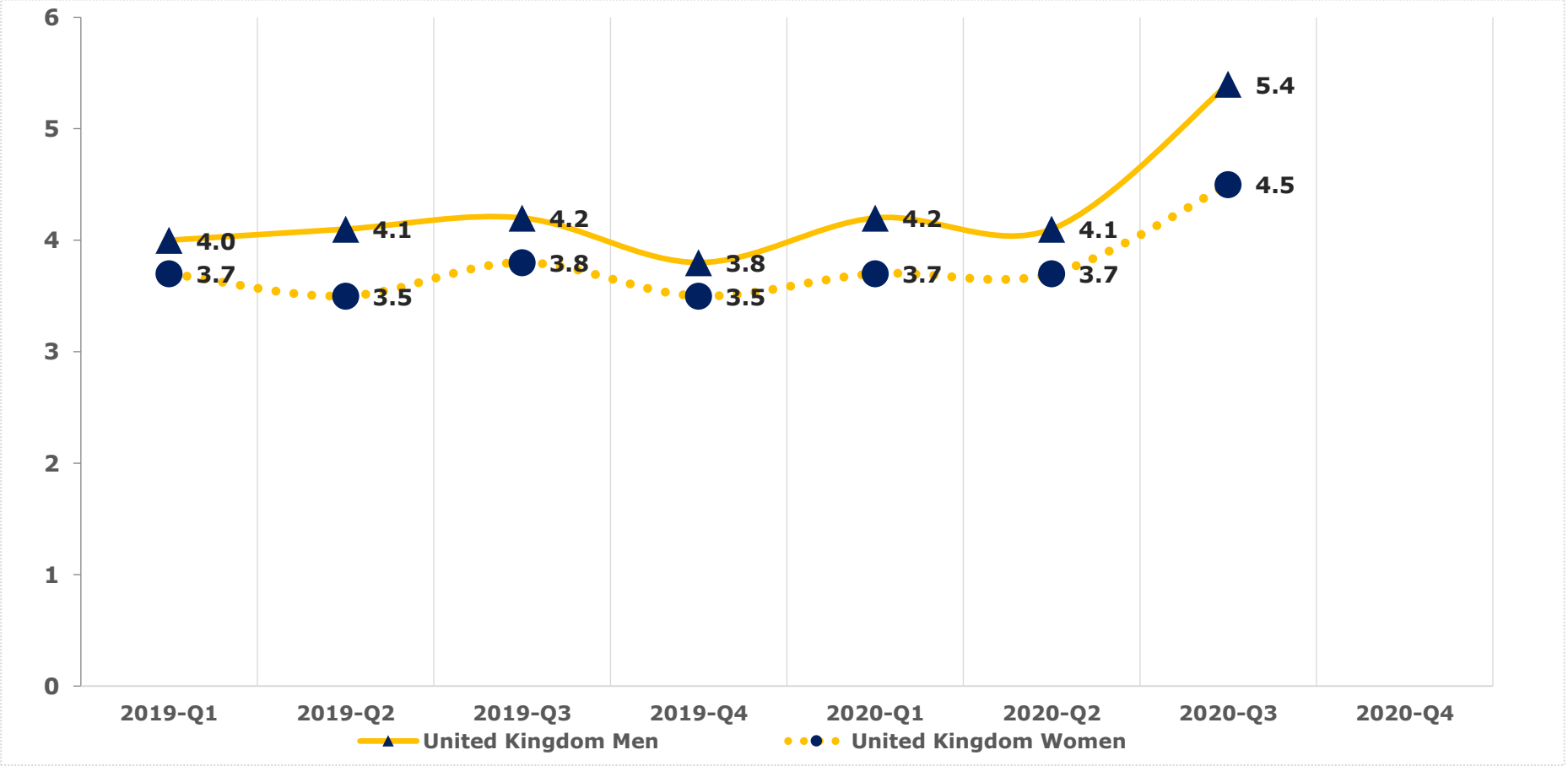
Figure 7a: Seasonally-adjusted unemployment rate, quarterly data, total population aged 15-64 (2019-2020, EU-27 and UK, %)



Source: Eurostat LFS - indicator [lfsq_urgan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 for people aged 15-64 years is 7.1% for men and 7.7% for women. In the United Kingdom, these figures are not (yet) available.

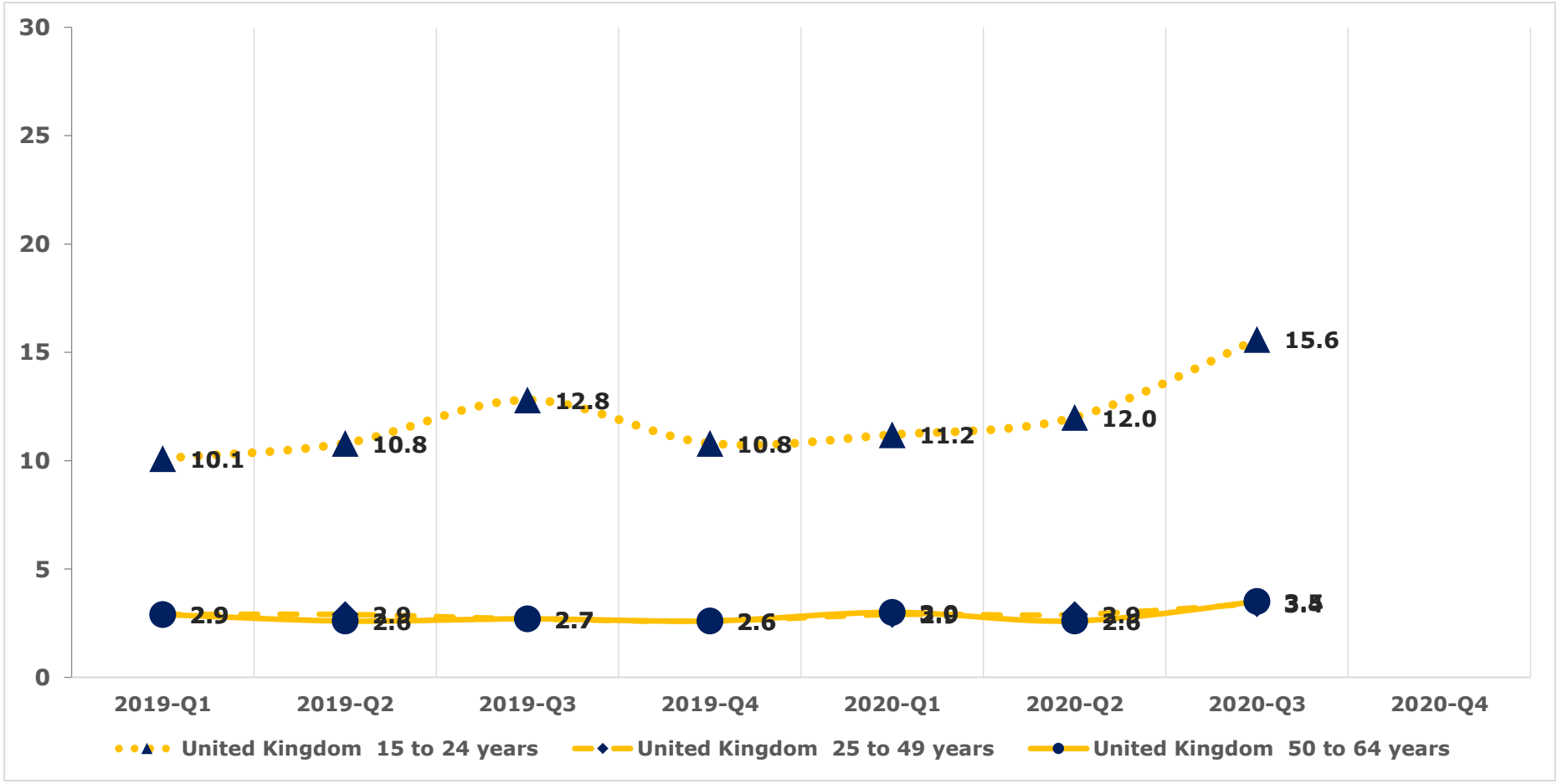
Figure 7b: Seasonally-adjusted unemployment rate, quarterly data, total population aged 15-64 – by gender (2019-2020, UK, %)



Source: Eurostat LFS - indicator [lfsq_urgan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 is 16.9% for the 15-24 age group. In the United Kingdom, the data are not (yet) available or are unreliable data due to small sample sizes.

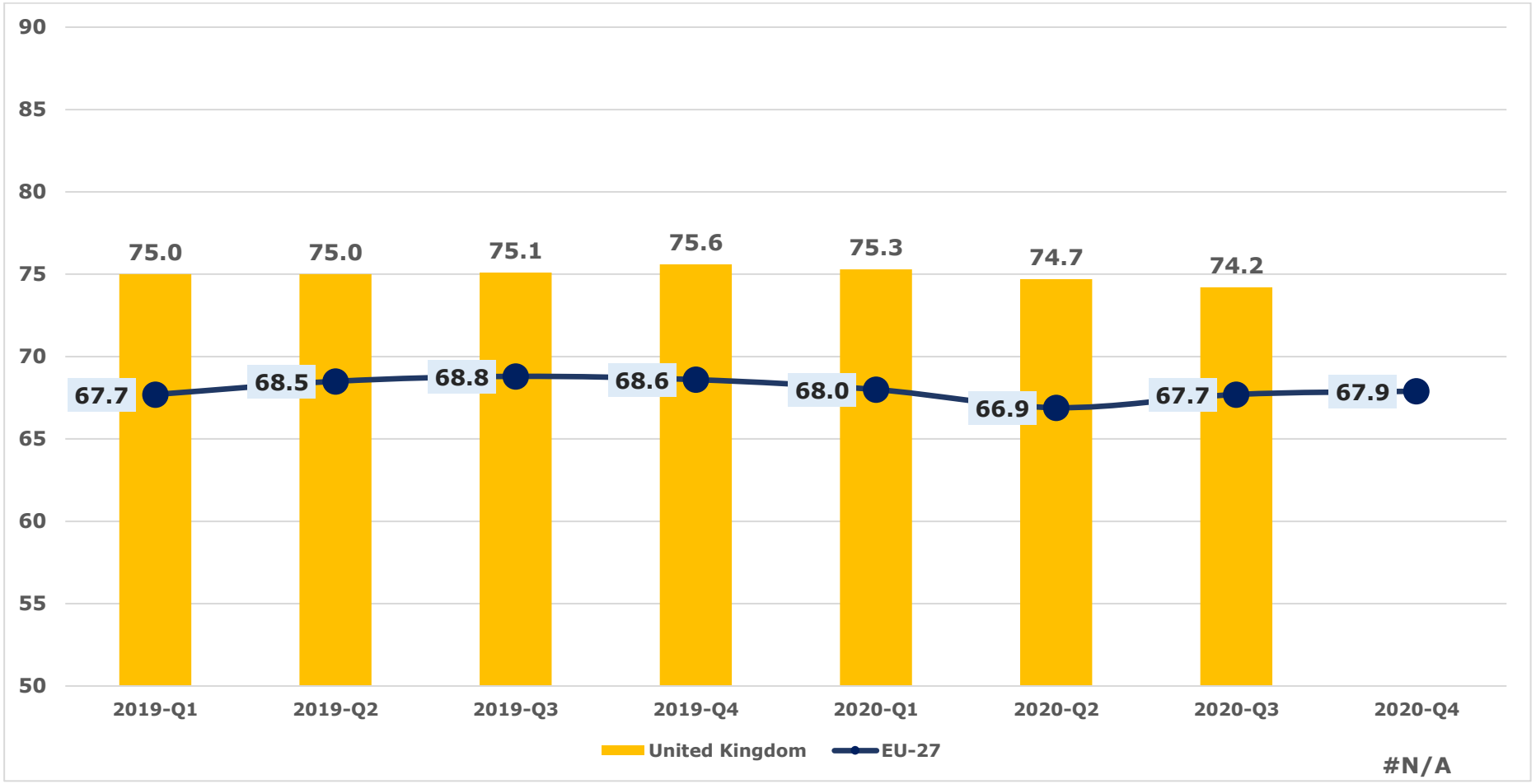
Figure 7c: Seasonally-adjusted unemployment rate, quarterly data, total population aged 15-64 – by age group (2019-2020, UK, %)



Source: Eurostat LFS - indicator [lfsq_urgan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the employment rate for people aged 15-64 in the EU-27 is 67.9%. In the United Kingdom, the data are not (yet) available.

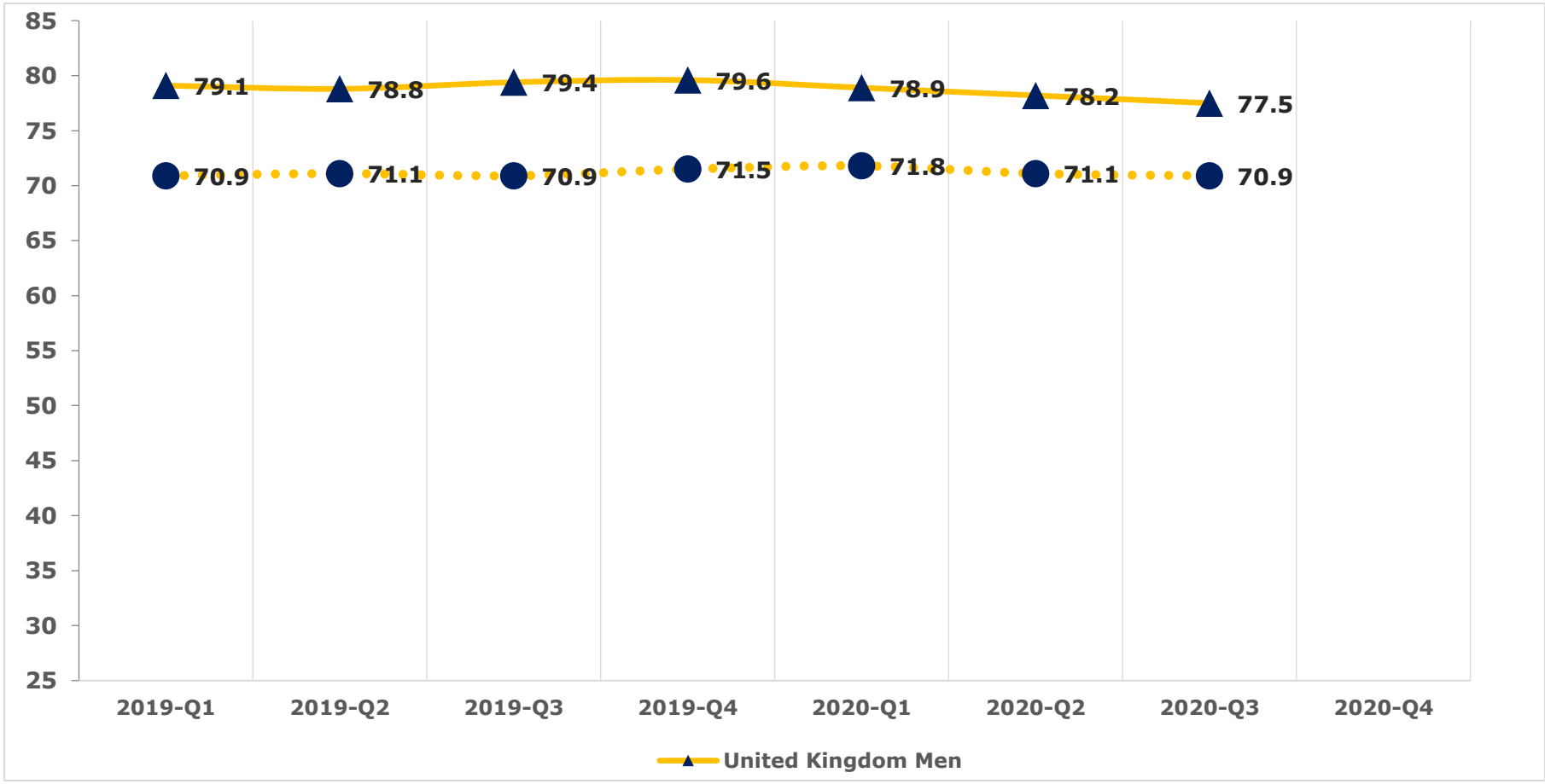
Figure 8a: Seasonally-adjusted employment rate, quarterly data, total population aged 15-64 (2019-2020, EU-27 and UK, %)



Source: Eurostat LFS - indicator [lfsq_ergan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the employment rate in the EU-27 is 73.0% for men and 62.8% for women. In the United Kingdom, these figures are not (yet) available

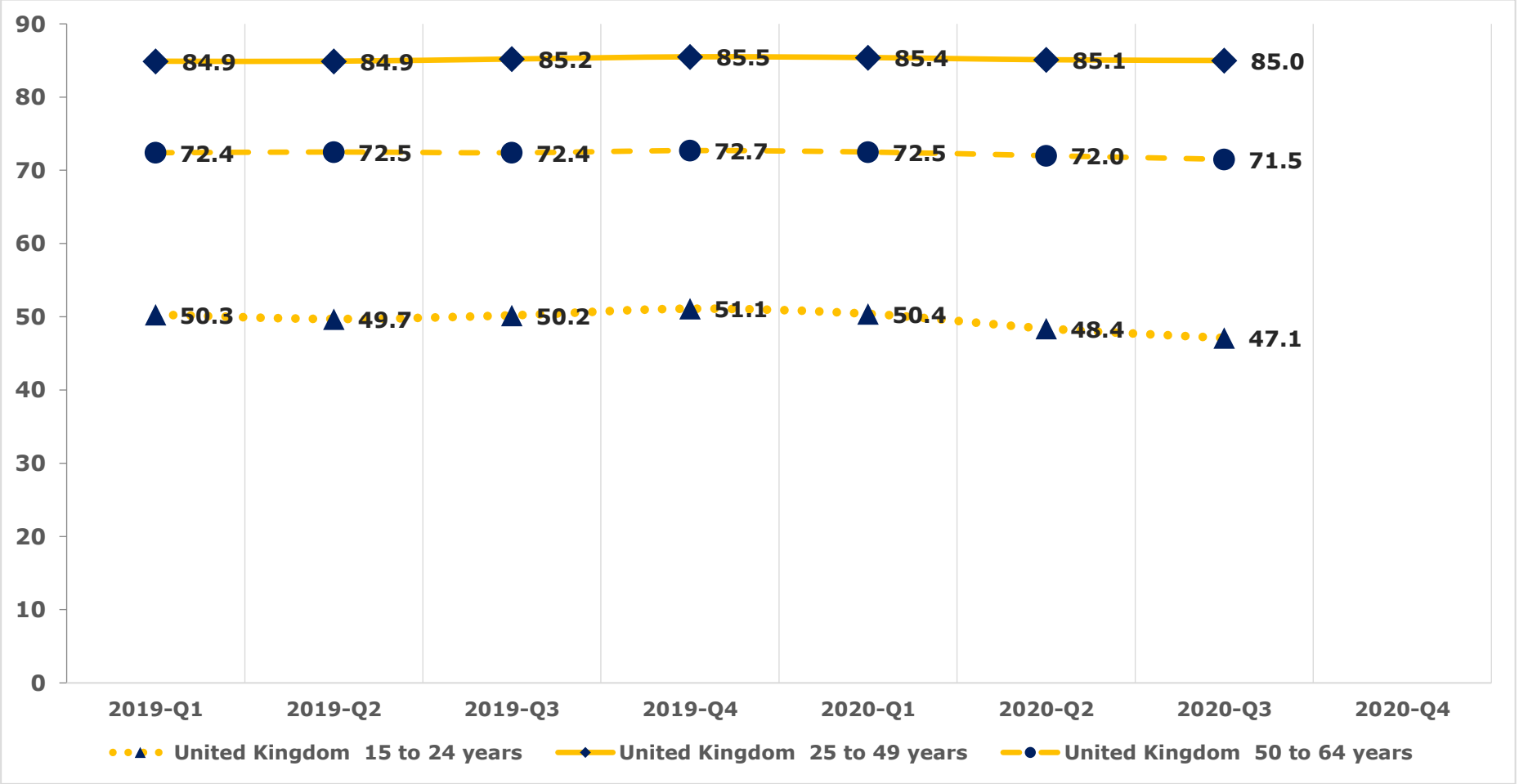
Figure 8b: Seasonally-adjusted employment rate, quarterly data, total population aged 15-64 – by gender (2019-2020, UK, %)



Source: Eurostat LFS - indicator [lfsq_ergan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the employment rate in the EU-27 is 31.1% for the 15-24 age group. In the United Kingdom, these figures are not (yet) available.

Figure 8c: Seasonally-adjusted employment rate, quarterly data, total population aged 15-64 – by age group (2019-2020, UK, %)



Source: Eurostat LFS - indicator [lfsq_ergan] - downloaded 26 April 2021.

1.3 Poverty, inequality and social exclusion situation

There are as yet no official national poverty and inequality indicators covering the period of the pandemic. The latest available *Households below Average Income,* published on 25 March 2021, covers 2019/20 - up to the end of March 2020.[2] So, the data covering the pandemic will not be available until 2022 and the quality is uncertain given the constraints on survey fieldwork.

Before COVID-19, we can be fairly confident that poverty among children and the working-age population was increasing.[3] This was certainly the case in 2019/20 when the benefits freeze, and other austerity measures, continued to be rolled out. There is also evidence that not just poverty rates but also poverty gaps were increasing.[4]

Estimates about the impact of the pandemic are complicated by two main factors. First, poverty thresholds have been falling – both the 60% median at-risk-of poverty threshold and the so-called 'anchored' measure of a poverty threshold fixed in real terms at a certain date. Second, the COVID-19 measures described below will have mitigated the impact of falling incomes in 2020/21 and even in some cases improved them – especially the £20 (€23) per week increase in the standard allowance of Universal Credit and basic Working Tax Credit rate. So, it is probable that poverty rates and possibly also poverty gaps will have fallen during the pandemic whereas incomes will have fallen. This is certainly the pattern for child poverty estimated by the Resolution Foundation.[5]

The ONS has recently shown that real mean incomes of the lowest quintile in the UK fell by 8% for households with children and by 10% for households without children between 2004/05 and 2019/20.[6] The number of households on Universal Credit (the minimum income benefit) had increased from over 1 million to 4.2 million by May 2020.[7] By December 2020, nearly 6 million people were claiming it,[8] twice the number claiming pre-pandemic.[9] The Resolution Foundation[10] has estimated that there are more benefit users experiencing income losses than gains since the pandemic.

The rates of minimum income protection are well below the poverty threshold. There is a mass of evidence about the growth of deprivation, child hunger, growing indebtedness,[11] use of food banks[12] and general despair.[13]

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[2] https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2020

[3] Joseph Rowntree Foundation (2021): https://www.jrf.org.uk/report/uk-poverty-2020-21

[4] Lee, T. (2020) *Dragged Deeper*, Child Poverty Action Group: https://cpag.org.uk/sites/default/files/files/policypost/Dragged_deeper_How_families_are_falling_further_and_further_below_the_poverty_line.pdf

[5] Resolution Foundation, Tweet, 9 February 2021

[6] https://www.ons.gov.uk/releases/theeffectsoftaxesandbenefitsonhouseholdincomedisposableincomeestimatefinancialyearending2020

[7] https://www.gov.uk/government/publications/universal-credit-statistics-29-april-2013-to-9-july-2020/universal-credit-statistics-29-april-2013-to-9-july-2020

[8] https://www.gov.uk/government/collections/universal-credit-statistics

[9] https://www.resolutionfoundation.org/publications/the-debts-that-divide-us/

[10] Resolution Foundation, Tweet, 11 February 2021

[11] https://commonslibrary.parliament.uk/research-briefings/sn02885/ and https://commonslibrary.parliament.uk/research-briefings/cbp-9060/

[12] Single parent families in particular – see https://www.equallyours.org.uk/gingerbread-report-tackling-single-parent-poverty-after-the-coronavirus/ for information on single parent hardship in the pandemic

[13] British Red Cross (2021) *The Longest Year*: https://www.redcross.org.uk/-/media/documents/about-us/research-publications/emergency-response/the-longest-year-life-under-local-restrictions.pdf; Office for National Statistics (2021) *Coronavirus and the social impacts on Great Britain: 6 April 2021*, https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/6april2021

The Social Metrics Commission (SMC), established to develop a new poverty measure, reported on poverty in COVID-19, based on YouGov polling in March-May 2020.[14] It found a disproportionate impact on those in deeper poverty, with those over 50% below the poverty line 15% points more likely than those over 20% above it to have had a negative labour market outcome. The Legatum Institute, using 'now-casting' and the SMC's measure, estimated in November 2020 that almost 700,000 people, including 120,000 children, had fallen into poverty because of the crisis; older people were least badly hit.[15]

What has happened to inequality is also difficult to estimate. Inequality had been fairly stable, at least as measured by the Gini coefficient, over recent years. There is no doubt that the pandemic has had a greater impact on the incomes of those at the bottom of the income distribution than higher up. So, it is likely that we shall see an increase in income inequality as a result of COVID-19. Households on higher incomes have been saving and those on lower incomes, especially families with children, have faced higher costs, especially because of school closures and the consequences of social distancing.[16] This has spatial effects, in particular larger falls in spending in the south, especially London, but Scotland and Wales having pre-crisis spending levels by November 2020.[17] The Institute for Fiscal Studies published a New Year message about the inequalities revealed and/or exacerbated by COVID-19,[18] and the Social Mobility Commission found 56% of adults believed inequality had worsened during the pandemic.[19] By January 2021, 27% of families with children were living on a lower income than in February 2020, compared with 17% of households without children.[20] Inequalities between high and low paid, and graduates and non-graduates, are worse; the self-employed and others in insecure and non-traditional employment have been hit especially hard; and on average pensioners have reported becoming better off, whilst the young have borne the brunt of job and income loss.

[14] https://socialmetricscommission.org.uk/wp-content/uploads/2020/08/SMC-Poverty-and-Covid-Report.pdf
[15] https://li.com/reports/poverty-during-the-covid-19-crisis/; one of the features of the SMC's poverty measure is that it averages incomes over 3 years, to counter the impact of falling median income in a time of crisis
[16] https://www.resolutionfoundation.org/publications/pandemic-pressures/ and https://www.resolutionfoundation.org/publications/caught-in-a-covid-trap/
[17] https://www.aberdeenstandard.com/docs?editionId=165cd0a1-bfbb-421b-a8e8-9f4e6a3c994b (based on Money Dashboard app, a budgeting tool linked to bank account data)
[18] https://www.ifs.org.uk/inequality/the-ifs-deaton-review-of-inequalities-a-new-years-message/; see also https://www.ifs.org.uk/inequality/inequalities-in-education-skills-and-incomes-in-the-uk-the-implications-of-the-covid-19-pandemic/ (March 2021)
[19] https://www.gov.uk/government/news/most-people-believe-inequality-has-increased-due-to-the-pandemic
[20] https://cpb-eu-w2.wpmucdn.com/blogs.bristol.ac.uk/dist/3/599/files/2021/03/Bearing-the-brunt.pdf

2 SOCIAL PROTECTION AND INCLUSION MEASURES IN RESPONSE TO THE PANDEMIC[21]

This section provides a brief description of the main measures related to social protection and social inclusion that have been put in place to help mitigate the financial and social distress produced by the economic downturn caused by the pandemic. It is based on readily available data and evidence. For each measure, it provides the following:

a) Short description of the measure.

b) Category: Is it a flat benefit, a conditional benefit, both a flat and a conditional benefit, or neither a flat nor a conditional benefit?

c) Timing: When did the measure start/end? Has it been extended?

d) Depending on the category:
   - Amount and duration (for flat measures).
   - Range (minimum-maximum), duration and conditionality (thresholds) (for conditional measures).

   (If the measure is neither flat nor conditional, this is "Not applicable").

e) Targeted population: what is/are the target(s), i.e. the parts of the population/ labour force/ sectors targeted by the measure? In case data and evidence are readily available, estimated number of people targeted and/or applicants.

f) Beneficiaries: What is the number of recipients of the measure (if relevant and available)?

g) Novelty (was the measure new or an already existing one that was adjusted?).

2.1 Measures related to unemployment benefits[22]

2.1.1 Unemployment benefits

a) Short description of the measure: There is a flat-rate contributory unemployment benefit (Jobseeker's Allowance, JSA), paid at the same basic rate as UC (and means-tested JSA). For 2021/22, it is £74.70 (€85.16) per week for those aged 25 or over (lower for younger claimants) and paid for six months only. The £20 (€23) /week plus uplift in Universal Credit does not apply to it, despite one argument for this being to address income loss for those newly unemployed. Research showed that despite the economic impact of COVID-19 and suspension of conditionality, many claiming benefits in late May/early June 2020 were connected to work, including looking for work.[23]

   There have been no changes to contribution-based unemployment benefit ('New Style' Jobseeker's Allowance) - except that for 3 months from the end of March to the end of June 2020 claimants did not have to be available for, or look for, work (see 2.5.1). No new claims can be made for means-tested Jobseeker's Allowance; claims must instead be for Universal Credit (UC) (see below). 13,500 extra (temporary) work

[21] Unless otherwise indicated, information taken from government websites (see www.gov.uk), House of Commons Library briefings (see https://commonslibrary.parliament.uk/research/, especially http://researchbriefings.files.parliament.uk/documents/CBP-8894/CBP-8894.pdf) and Hick, R. and Murphy, M. (2021) 'Common shock, different paths? Comparing social policy responses to COVID-19 in the UK and Ireland', *Social Policy and Administration* 55(2), 312-325. The temporary measures mentioned in this report refer to the situation as of 15 April 2021. Their duration may have been extended since then.

[22] An early but comprehensive review of COVID measures and their impact by Brewer and Gardiner was published: https://www.iser.essex.ac.uk/research/publications/526273; and the Social Security Advisory Committee reviewed social security measures in November 2020: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935735/a-review-of-the-covid-19-temporary-measures-occasional-paper-24.pdf

[23] http://hub.salford.ac.uk/welfare-at-a-social-distance/claiming-but-connected-to-work/

coaches were recruited by March 2021 to work in Jobcentres, doubling the numbers to cope with increased numbers of claimants; 80 new temporary Jobcentres are being opened.[24]

b) Category: Flat benefit, varying amount according to age.

c) Timing: N/a – except conditionality suspended end March – end June 2020.

d) Amount and duration: Flat benefit (unchanged in pandemic, apart from usual annual uprating with inflation measure in April 2021 alongside other benefits).

e) Targeted population: It is hard to say how many people are targeted by contribution-based JSA, or its modified form (with conditionality suspended), as this depends on the level of unemployment. See below for number of recipients. Because of its contribution conditions, JSA is more likely to be claimed by those with standard work contracts and is not available to the self-employed. But it does not rule out non-standard workers and some may qualify in part due to credits.

f) Number of recipients: The claimant unemployment rate (as a proportion of the population aged 16 to 64) in November 2020 was 6.6%. This rate had increased by 0.2 percentage points in the latest month and substantially compared to November 2019 (3.1%). There were 2.67 million people claiming unemployment-related benefits in the UK in March 2021, an increase of 1.4 million over the year.[25] (They may be wholly unemployed, or with low earnings.) The vast majority of people unemployed as a result of the COVID-19 pandemic have claimed UC, though claims for contribution-based JSA had increased by over 250,000 by May 2020.[26] UC can be paid on top of contribution-based JSA to anyone who qualifies. But many people in couples losing their job could be disqualified from UC because of a partner's earnings/savings. Indeed, a study showed this was the case for many applicants refused UC.[27] Nearly half of those rejected for benefit were earning too much, or their partner was, and for nearly a quarter this was true of savings. Nearly 3 in 4 rejected thought this unfair. Of those who only tried to claim UC, nearly two-thirds had not considered applying for contribution-based JSA/Employment and Support Allowance (ESA), so may have missed out. Another group (over 16%) said they were given the impression they should claim UC, not [contribution-based] JSA/ESA. But particularly for partners in couples, contribution-based JSA is key. Claims have risen during the pandemic, as noted, but to nothing like the same extent as those for UC. The policy emphasis has been on UC.[28] Advice organisations report confusion, with people often thinking they can only claim one benefit or the other, rather than both, in part due to simplified government guidance. Meanwhile, the furlough scheme had to be introduced to help with individual income loss, as there is no earnings relation in unemployment benefits in the UK.

g) Novelty: JSA is now solely contribution-based (except for those still on income-based (means-tested) JSA) and lasts for six months. But there is no earnings-related element. The only new element was the temporary suspension of conditionality.

[24] https://www.gov.uk/government/speeches/its-key-for-jobcentres-to-help-people-back-to-their-feet; https://www.gov.uk/government/news/boost-for-jobseekers-as-new-jobcentres-offer-more-frontline-support
[25] https://commonslibrary.parliament.uk/research-briefings/cbp-8898/ (April 2021)
[26] House of Commons *Hansard*, Debates 4 May 2020, col. 421
[27] http://hub.salford.ac.uk/welfare-at-a-social-distance/wp-content/uploads/sites/120/2020/10/Rapid-Report-3-Unsuccessful-claimants.pdf
[28] See blog by Rod Hick, 22 May 2020: https://blogs.bath.ac.uk/iprblog/2020/05/22/covid-19-and-the-bypassing-of-contributory-social-security-benefits/

2.1.2 Getting people back to work: employment schemes[29]

a) **Short description of the measure:** The new Kickstart Scheme[30] aims to create 6-month work placements for certain young people. For each successful placement, the government covers the National Minimum Wage for a six-month period, at 25 hours per week, and gives a further grant. The Job Entry Targeted Support (JETS)[31] scheme gives extra support for those out of work for some time, including CV and interview coaching. Job Finding Support (JFS)[32] is 'light-touch' voluntary digital-based support for those unemployed for a shorter period, aiming to help them build interview skills, find local vacancies and get back to work through a minimum of four hours' personal support. Restart is a new scheme aimed at the adult long-term unemployed on UC.[33] The Flexible Support Fund in GB (grants to help people back to work) is being increased.

b) **Category:** Neither – not a benefit, but employment help and one-off grants.

c) **Timing:** Kickstart was launched in July 2020. In the Budget on 3 March 2021, the Government said it would provide additional funding for work placements and training for 16- to 24-year-olds.[34] JETS was launched in October 2020. JFS was announced as part of the Plan for Jobs in July 2020 and started from 11 January 2021. Restart was announced in November 2020 and is due to start in summer 2021. The increase in the Flexible Support Fund was announced in July 2020.

d) **Amount and duration:** Kickstart, JETS and Job Finding Support are the main schemes to date to help people get back to work, on top of the usual activity by work coaches in Jobcentres (largely carried out remotely over 2020/21 because of COVID-19). Kickstart is a £2 (€2.28) billion scheme; it attracts a grant of £1,500 (€1710) per placement for set-up costs and to cover the development of employability skills. JETS costs £238 (€271) million. Restart will cost £2.9 (€3.3) billion.[35] JFS will cost some £40 (€45.6) million.[36] The Flexible Support Fund is being increased by £150 (€171) million. The Government says it will provide labour market support worth £2.6 (€2.9) billion in 2021/22.[37]

e) **Targeted population:** Kickstart is intended to create 'hundreds of thousands' of work placements for young people aged 16-24 on Universal Credit and deemed to be at risk of long-term unemployment (so far in GB).[38] JETS is for those out of work for three months ('hundreds of thousands'). The JFS is for those in GB on benefits for under 13 weeks. Restart is aimed at those adult UC claimants out of work for at least 12 months. The Flexible Support Fund is aimed at providing financial support for jobseekers and increasing the capacity of the Rapid Response Service which comes into operation following redundancy announcements.[39]
The pandemic has hampered the roll-out of Kickstart.[40] This is a scheme to create 120,000 roles. Youth unemployment rose to 14.5% between August and October 2020, with 597,000 people aged 16 to 24 unemployed, up from 11% in the same period in 2019. Job Finding Support aims to help over 150,000 jobseekers in GB. Restart aims to help over 1 million long-term UC claimants, and to offer a job to

[29] https://commonslibrary.parliament.uk/research-briefings/cbp-8965/
[30] https://www.gov.uk/government/collections/kickstart-scheme
[31] https://www.gov.uk/government/news/nation-s-job-hunt-jets-off
[32] https://jobhelp.campaign.gov.uk/job-finding-support-if-youre-out-of-work/ and DWP, *Touchbase*, 5 February 2021 (part of the Plan for Jobs, delivered through contracted providers)
[33] https://commonslibrary.parliament.uk/research-briefings/cbp-8965/
[34] https://commonslibrary.parliament.uk/research-briefings/cbp-9154/
[35] https://commonslibrary.parliament.uk/research-briefings/cbp-8965/
[36] https://www.recruiter.co.uk/news/2020/07/recruitment-industry-benefits-plan-jobs-support-service
[37] https://commonslibrary.parliament.uk/research-briefings/cbp-8965/ citing HM Treasury, November 2020
[38] https://commonslibrary.parliament.uk/research-briefings/cbp-8965/
[39] https://www.theyworkforyou.com/wrans/?id=2020-07-09.HL6661.h&s=speaker%3A25001
[40] Denied by DWP Secretary of State in oral evidence, Work and Pensions Committee, 3 February 2021

everyone unemployed for over 12 months.[41] The numbers targeted by the increased discretionary Flexible Support Fund depend in part on announced redundancies. Because these schemes are for unemployed workers on benefits, and these include means-tested as well as contribution-based benefits, the types of workers who qualify for them are not applicable.

f) **Beneficiaries:** The latest data from the Department for Work and Pensions (DWP) shows that, as of 25 February 2021, almost 4,000 young people had begun Kickstart placements. Over 30,000 Kickstart roles had been approved and made available.[42] But the Alliance for Full Employment said only three out of every 1,000 under-25s jobless for at least six months have been taken on.[43] Following criticism from small businesses, firms who wish to create just a handful of roles will now have the option of applying direct to the DWP. Previously, small firms who wanted to create fewer than 30 Kickstart jobs had to group together or use a 'gateway' provider as an intermediary. More than 600 gateways have now been approved, but small businesses complained that the process was slow and difficult, leading to reform.[44] By 5 December 2020, over 800 jobseekers per day had been referred to the new 12-month JETS scheme since its October 2020 launch.[45] The JFS only started on 11 January 2021; Restart will only begin in summer 2021. Figures on numbers of Flexible Support Fund beneficiaries are published but it is not clear how many more are being helped due to the increase in funding.

g) **Novelty:** Each of these schemes is new, although they are similar in some ways to previous employment schemes, except for the Flexible Support Fund, which already existed.

2.1.3 Getting people back to work: training and education

a) **Short description of the measure:** More funding for the existing National Careers Service and for traineeships is amongst measures to boost work search, skills, and apprenticeships. A National Skills Fund to help adults was announced, including 'skills bootcamps' (courses for 12-16 weeks).[46] Free online courses are on offer.[47] Policies for training and skills[48] include the Lifetime Skills Guarantee offering free college courses.[49] Higher education loans will be made more flexible (e.g. doing courses in segments). More funding is to be provided for SMEs taking on apprenticeships, with greater flexibility in their training.[50] Places on the Sector-based Work Academy Programme are being increased. (Wales has a similar programme to SWAPs.)[51] Train and Progress (TaP) enables Universal Credit claimants in the intensive work search group to do longer (12-week) full-time courses, including access to the level 3 offer.[52]

b) **Category:** Neither – not a benefit, but training and education schemes.

c) **Timing:** More funding for the National Careers Service and for traineeships was announced in July 2020. The National Skills Fund was announced in November 2020.

[41] https://secureservercdn.net/160.153.137.40/ope.c3a.myftpupload.com/wp-content/uploads/2021/02/Kickstart-Kickstart-Restart-Restart.pdf
[42] Parliamentary Question 165550, 12 March 2021
[43] https://affe.co.uk/budget-2021-sunak-must-out-match-the-looming-unemployment-tragedy-or-betray-a-generation/
[44] BBC News, 25 January 2021: https://www.bbc.co.uk/news/business-55790439
[45] https://www.gov.uk/government/news/jets-fuels-support-for-more-than-40-000-jobseekers
[46] https://www.gov.uk/guidance/national-skills-fund
[47] 'An hour to skill' campaign encouraging one hour of study per week: https://theskillstoolkit.campaign.gov.uk/
[48] https://commonslibrary.parliament.uk/research-briefings/cbp-9120/
[49] https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth ; and https://www.gov.uk/government/news/hundreds-of-free-qualifications-on-offer-to-boost-skills-and-jobs
[50] https://www.gov.uk/government/news/major-expansion-of-post-18-education-and-training-to-level-up-and-prepare-workers-for-post-covid-economy
[51] House of Commons *Hansard*, Written Statements 8 February 2021, cols. 6WS-8WS
[52] DWP *Touchbase*, 7 May 2021; press release, 1 April 2021. Those on level 3 skills bootcamps can do 16 weeks

The Lifetime Skills Guarantee was announced in September 2020 (along with other announcements),[53] outlined in a White Paper in January 2021, and will operate from April 2021. Free online courses are available from 2021. TaP started in April 2021.

d) **Amount and duration:** The National Skills Fund will be worth £2.5 (€2.85) billion, starting in this parliament, and includes the Level 3 offer (£95 (€105) million). The Lifetime Skills Guarantee will restore funding approximately halved since 2009/10.[54] TaP will initially be available for six months.

e) **Targeted population:** Much of the investment in training is targeted at young people, seen as particularly vulnerable in the crisis and fallout from that, although some is more general, in the light of the changing labour market; and in the past apprenticeships (especially at the advanced level) have also been taken up by older people in existing jobs. The Lifetime Skills Guarantee is for adults aged 24 and over without an A-level or equivalent (Level 3) in England.[55] (Level 3 qualifications are accessible to younger people via the adult education budget instead.) 'Skills bootcamps' are for adults aged 19 and over, focus on specific skills, and are currently only available in some areas of England, but will be expanded in 2021.[56]

   Places on the Sector Based Work Academy Programme are set to increase from 40,000+ to 80,000 in the next financial year. The Lifetime Skills Guarantee will offer 400 free courses.[57] But over a million low-paid employees will not benefit from it as they have a Level 3 qualification already, according to one report.[58] The government says 'millions' will benefit from the new TaP scheme. Because these are training and education programmes, the types of work contract tend to not be applicable. However, like employment support, training/education may be targeted at claimants.

f) **Beneficiaries**: It is too early to have much data on, or to evaluate, training schemes put in place during the pandemic. But the Learning and Work Institute has said a promised expansion in traineeships is yet to materialize.[59] The Institute for Employment Studies gives the Government good marks for support in finding work but urges it to do more to stimulate demand.[60]

g) **Novelty:** Much of this provision represents extensions of existing schemes[61] and builds on the Augar Review[62] of post-18 education by adding funding etc., including apprenticeships and the Sector Based Work Academy Programme, although the National Skills Fund is new, as are the free on-line courses and the exact form of the Lifetime Skills Guarantee, as well as the extension of length of courses for claimants.

[53] https://commonslibrary.parliament.uk/research-briefings/cdp-2020-0108/
[54] https://www.ifs.org.uk/publications/15151
[55] https://www.gov.uk/guidance/national-skills-fund
[56] https://www.gov.uk/guidance/national-skills-fund
[57] https://www.fenews.co.uk/fevoices/60054-lifetime-skills-guarantee-95-million-for-tens-of-thousands-of-adults-to-gain-new-skills-from-april
[58] https://www.personneltoday.com/hr/millions-of-low-paid-workers-dont-qualify-for-lifetime-skills-guarantee/
[59] https://learningandwork.activehosted.com/index.php?action=social&c=440&m=552
[60] https://www.employment-studies.co.uk/news/spending-review-2020-good-marks-support-find-work-more-do-raising-demand
[61] https://commonslibrary.parliament.uk/research-briefings/cdp-2020-0108/
[62] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf

2.2 Measures of job protection provided through support to the employers, employees and the self-employed

2.2.1 Coronavirus Job Retention Scheme (CJRS)[63]

a) **Short description of the measure:** The new CJRS, commonly known as the Furlough Scheme, is UK-wide, and is by far the most important and expensive COVID-19 measure. It pays employers a proportion of the salary of employees placed on leave, up to a monthly maximum of £2,500 (€2,850); employers can top this up. It is not necessary to have been furloughed before and employees keep all their employment rights, including annual and parental leave. While they are on furlough, they can take on other jobs, as long as this does not break the rules of their contract. They can also take part in training, or volunteer for an unconnected organisation.

b) **Category:** Conditional benefit.

c) **Timing:** The CJRS was initially announced on 23 March 2020 and was implemented on 20 April 2020. It has gone through several iterations (see annex) and has now been extended to the end of September 2021. Since July 2020, employers have been able to bring back workers part time, and furlough them for the rest. This continues, and employers have to pay employees' wages for any hours they work as normal. On 24 September 2020, the Winter Economy Plan confirmed that furlough would close at the end of October 2020, to be replaced by a Jobs Support Scheme that was much less generous. On 9 October 2020, the UK Government performed a U-turn and announced, in effect, furlough mark II, to operate from 1 November 2020. But on 30 October 2020, the Government decided that furlough would continue until the end of April 2021, operating on the August 2020 rules for anyone on the payroll on 30 October 2020.[64] The Budget, on 3 March, then extended the CJRS to the end of September 2021, with amended rules again, set out in graphic form in the Annex, incorporating increased contributions from employers for unworked hours of 10% in July, and 20% in August and September 2021; employees will continue to get 80% of pay up to the ceiling.[65] From 1 August 2020, employers must pay employer national insurance contributions, and pension contributions up to the auto enrolment limit.[66] For changing rules, see graphic in Annex.

d) **Range, duration and conditionality:** The CJRS pays employers up to 80% of the salary of employees placed on leave (this has varied, and is to be reduced from July 2021), up to a maximum of £2,500 (€2,850) per month; employers can top this up. There have been issues of gaps and equity between the CJRS and UC. On UC the standard allowance for 2021/22 is some £411 (€469) per month; but on the CJRS someone may receive over £500 (€570) per week. If someone is refused furlough and made unemployed, they may not even be eligible for UC because of the capital rule and joint means test (though they may be eligible for contribution-based JSA, which has no such rules). The changes in government and employer support over 2020/2021 are set out in an Annex.

e) **Targeted population:** The targets here could be seen as employers and employees. CJRS is targeted at employers whose businesses are under threat due to the

[63] For changing rules, see graphic in Annex
[64] Hick, R. and Murphy, M. (2021) 'Common shock, different paths? Comparing social policy responses to COVID-19 in the UK and Ireland', *Social Policy and Administration* 55(2), 312-325
[65] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/965777/Budget_2021_policy_costings_.pdf
[66] The auto enrolment limit relates to earnings on which employers and employees have to pay contributions towards pensions: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/947841/Coronavirus_Job_Retention_Scheme_step_by_step_guide_for_employers.pdf

coronavirus, including public health measures. It is not available to public bodies which are fully funded by the public purse; instead, they are expected to try to redeploy staff to help with the response to the pandemic.[67] Employees are eligible for furlough if they cannot work, including when this is "due to caring responsibilities resulting from coronavirus" (see 2.7).[68] People can be furloughed whether they are on a full-time, part-time, agency, flexible or zero-hour contract, but for each period of the furlough scheme they had to have been on the employer's payroll at a certain date. The Government would have found it difficult to estimate the number of people targeted by the CJRS, given the uncertainties of the economic effect of lockdowns and other restrictions, as well as the unpredictability of future public health measures. In addition, furloughing is at the employer's discretion. The self-employed are not included.

f) **Beneficiaries:** Cumulatively, one estimate in February 2021 was that at mid-December 2020, some 9.9 million jobs from 1.2 million different employers were furloughed under the CJRS.[69] At its peak, in May 2020, 30% of the workforce across the UK was furloughed, although this fell to 11% by mid-August 2020.[70] Up to 16% of the workforce was on furlough in late November 2020.[71] Nine million people were furloughed at the peak of the first lockdown and 4 million remained furloughed at the end of 2020; but October 2020 figures showed that 4 in 10 private sector employees did not have their 80% furlough wages topped up, and this was more likely for low-paid workers.[72] 4.2 million employments were on furlough at 31 March 2021 and 39% of employers had staff on furlough; 11.5 million jobs have been supported by the CJRS.[73]

When the CJRS comes to an end in 2021/22, it is expected that unemployment will rise by 900,000 (a 51% increase on the number unemployed in December 2020).[74] Rising unemployment and the removal of the £20 (€23) uplift to Universal Credit and Working Tax Credit in 2021-22[75] would also lead to a further 1.2 million people falling into relative poverty (defined as those in a household with less than 60% of median income), 400,000 of whom are children.[76] This would be the biggest year-on-year rise in poverty rates since the 1980s.

The National Audit Office examined employment support, with a particular focus on the risk of fraud.[77] And the Women and Equalities Committee criticized the lack of attention to gender, and called on the Government to conduct and publish Equality Impact Assessments of the CJRS and SEISS.[78]

g) **Novelty:** The CJRS is an entirely new scheme.

[67] E.g. see guidance for Scotland at https://www.gov.scot/publications/foi-202000029910/
[68] https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme [note that this does not amount to a right to be furloughed, as employers can refuse]
[69] https://www.statista.com/statistics/1116638/uk-number-of-people-on-furlough/
[70] https://www.gov.uk/government/news/official-figures-show-that-the-furlough-scheme-has-worked-saving-jobs-and-helping-more-than-half-of-employees-back-to-work-already
[71] https://www.ft.com/content/8afe6890-1335-4c19-8242-7a07ba6b6acc (based on ONS surveys)
[72] https://www.tuc.org.uk/research-analysis/reports/impact-pandemic-household-finances
[73] https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-6-may-2021/coronavirus-job-retention-scheme-statistics-6-may-2021. These figures include claims up to 14 April 2021, but are still provisional for March 2021, and experimental as a whole
[74] Resolution Foundation (2021) *The Living Standards Outlook 2021*: https://www.resolutionfoundation.org/publications/the-living-standards-outlook-2021/ (written before the latest extension of the CJRS, to the end of September 2021, announced in the Budget on 3march 2021)
[75] https://commonslibrary.parliament.uk/research-briefings/cbp-9131/ (originally written before the uplift to UC was extended until end of September 2021, and Working Tax Credit claimants were given £500 in April 2021)
[76] https://www.resolutionfoundation.org/publications/the-living-standards-outlook-2021/
[77] https://www.nao.org.uk/press-release/implementing-employment-support-schemes-in-response-to-the-covid-19-pandemic/
[78] https://committees.parliament.uk/publications/4597/documents/46478/default/

2.2.2 Self-Employment Income Support Scheme (SEISS)[79]

a) **Short description of the measure:** The SEISS aims to provide similar support to the CJRS, but for the self-employed with profits of £50,000 (€57,000) per year or less who were affected significantly by reduced trading or having to stop trading temporarily due to the pandemic, with an intention to continue trading.

b) **Category:** Conditional benefit.

c) **Timing:** The SEISS was operating by 13 May 2020 and paid direct cash grants to self-employed individuals for the three months from 1 March 2020 in a lump sum. On 29 May 2020, the Chancellor announced that a second grant would be provided in August 2020. The first round of the SEISS closed on 13 July 2020 and the second on 19 October 2020. The third round was announced on 24 September 2020. The fourth grant (to cover February to April 2021) and a fifth for May to September were announced in the Budget on 3 March 2021; those who became self-employed in 2019/20 are now included.

d) **Range, duration and conditionality:** The first SEISS paid up to 80% of average profits over the past three years in a lump sum worth up to £2,500 (€2,850) per month.[80] The second was worth 70% of average monthly trading profits, also paid in a single instalment and capped at £6,570 (€7,490). The third round was again 80% of average monthly profits (and paid in two tranches). The fourth is again 80%, but the fifth grant amount depends on the reduction in profits due to the pandemic.

e) **Targeted population:** The SEISS is aimed at the self-employed (an estimated 15% of the workforce)[81] reasonably believing that their profits will be adversely affected by the pandemic. Ministers describe the SEISS as being recognised internationally as generous. But strict criteria for eligibility have restricted the beneficiaries. Estimating the numbers who might qualify for the SEISS was difficult, especially given that several tax years were relevant for the calculation.

f) **Beneficiaries:** 2.6 million self-employed workers received financial support in the SEISS's first round, 2.4 million in the second and 2.2 million in the third round.[82] There are over 5 million self-employed people in the UK.[83] The Institute for Fiscal Studies (IFS)[84] has, however, pointed out that 1.8 million are excluded if less than half their income comes from self-employment or they earned over £50,000 (€57,000)/year for the relevant years; and to extend the scheme would cost £1 (€1.14) billion per quarter, only 5% of the costs of the SEISS scheme to date. Others excluded include those who are not individual self-employed people or partners but pay themselves via dividends. If self-employed women were pregnant in the relevant years, their maternity allowance did not count towards their profits, which were therefore lower; the Chancellor said many people have time away for various reasons. Over 900,000 claims for UC were made between mid-March and mid-November 2020 that were required to report self-employment earnings at some point.[85]

g) **Novelty:** The SEISS is an entirely new scheme.

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[79] https://commonslibrary.parliament.uk/research-briefings/cbp-8879/ sets out changes to the rules over time
[80] https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme
[81] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/labourmarketeconomiccommentary/may2019
[82] See https://commonslibrary.parliament.uk/research-briefings/cbp-8938/ for the latest statistics; these are from HMRC and are described as experimental, as the methodologies are still in development: https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-february-2021/self-employment-income-support-scheme-statistics-february-2021
[83] https://www.bbc.co.uk/news/business-52052123
[84] https://www.ifs.org.uk/publications/15276
[85] Written Answer, DWP, House of Commons *Hansard*, 15 January 2021

Note: Several forms of **support for businesses** have also been introduced, which contribute to protecting employment but not sufficiently clearly to be covered in this report.[86]

2.2.3 Tax measures

a) **Short description of the measure:** VAT for hospitality, accommodation and attractions was reduced to 5% from 20%.[87] The band of property value below which residential stamp duty does not have to be paid in house purchase transactions was increased from £125,000 (€142,250) to £500,000 (€570,000) (not applicable to Scotland and Wales).[88] The Government also allowed payments for taxes, including VAT[89] and self-assessment income tax,[90] to be deferred. The HMRC Time to Pay service has been scaled up, allowing businesses and the self-employed to defer tax payments over an agreed period.[91]

b) **Category:** Neither, as it is not a benefit but a tax measure.

c) **Timing:** The VAT reduction was between 15 July 2020 and 31 March 2021; the March 2021 Budget extended this to 30 September 2021, after which a 12.5% rate will apply for the rest of 2021/22. The increase in the nil rate band for residential stamp duty was from 8 July 2020 to 31 March 2021, extended until 30 June 2021 in the March 2021 Budget, with a £250,000 (€285,000) threshold after that until the end of September 2021. Tax payments were deferred until 2021. VAT deferred was 20 March – 30 June 2020. Business rates relief was given to retail, hospitality, leisure and nurseries initially until the end of March 2021 and then extended to the end of June, after which a 66% relief will apply for the rest of 2021/22.[92]

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** The VAT reduction was for certain businesses in areas particularly affected by the pandemic. (We do not cover general support for business.) The residential stamp duty reduction was for potential home-owners. The deferral of tax payments was for businesses, and in particular self-employed people struggling as a result of the pandemic. Different categories of work contract are not applicable here.

f) **Beneficiaries:** numbers affected not known for some measures. For VAT deferral, 599,500 payments were deferred from 31 March - 30 June 2020 (£33.5 (€38.2) billion).[93]

g) **Novelty:** Each of these measures was an amendment of an existing arrangement.

[86] Information is available in https://commonslibrary.parliament.uk/research-briefings/cbp-8938/
[87] https://www.gov.uk/government/publications/revenue-and-customs-brief-10-2020-temporary-reduced-rate-of-vat-for-hospitality-holiday-accommodation-and-attractions/guidance-on-the-temporary-reduced-rate-of-vat-for-hospitality-holiday-accommodation-and-attractions/
[88] https://www.gov.uk/government/publications/temporary-increase-to-stamp-duty-land-tax-nil-rate-band-for-residential-properties/temporary-increase-to-stamp-duty-land-tax-nil-rate-band-for-residential-properties/
[89] (for 20/3/-30/6/20): https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19
[90] July 2020 payment on account: https://www.gov.uk/guidance/defer-your-self-assessment-payment-on-account-due-to-coronavirus-covid-19
[91] E.g. see https://www.companydebt.com/hmrc-tax-problems/time-to-pay-hmrc/
[92] https://commonslibrary.parliament.uk/research-briefings/cbp-9154/
[93] https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics

2.3 Measures related to sickness benefits and sick pay

2.3.1 Statutory Sick Pay[94]

a) **Short description of the measure:** The rules for Statutory Sick Pay (SSP), the minimum sickness benefit that employers have to pay, changed so that if COVID-19 is involved entitlement is from the first rather than fourth day of absence.[95] The government faced calls to increase SSP above its then weekly level of £95.85 (€109.27) (2020/21) but refused.

b) **Category:** Neither flat nor conditional benefit, as this is an extension of entitlement for employees and a reintroduction of refund arrangements for some employers.

c) **Timing:** The change of start day was made in March 2020. On 28 May 2020, the Government extended eligibility to SSP to anyone who self-isolates for up to 14 days after receiving a "relevant notification" from public health bodies as part of the NHS Test and Trace scheme. The Government has also restored, from April 2020, the refunding of SSP expenditure for small and medium sized businesses (under 250 employees) for up to 2 weeks for COVID-19 illness.[96] This will continue in line with other support measures extended in the Budget on 3 March 2021;[97] the government says it will let employers know when the scheme will end.[98]

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** The targeted population is employees with COVID-19 (or who have to self-isolate – see below) who qualify for SSP. The expected number of beneficiaries would be unknown, as it would not be possible to know how many people would either catch COVID-19 or have to self-isolate, and therefore benefit from entitlement from day 1 rather than day 4 as usual. Self-employed people cannot qualify for SSP, as it is paid by employers; and those workers earning under the lower earnings limit, who do not qualify for SSP, are more likely to be non-standard workers (although they are not explicitly excluded on this criterion).

f) **Beneficiaries:** The number of beneficiaries of the entitlement to SSP from day 1 is not known.

g) **Novelty:** This is an existing benefit that was changed in terms of the starting day.

2.3.2 Employment and Support Allowance

a) **Short description of the measure:** Contribution-based ('New Style') Employment and Support Allowance (ESA) still exists in the UK, but the initial 7 waiting days were abolished for those who have COVID-19, or are meant to stay at home, or are caring for a child in the same situation. If someone is self-isolating due to COVID-19, they do not need a 'fit note' (limited capability for work); but they do need an isolation note. Face-to-face assessments are not currently done;[99] telephone or paper-based assessments are carried out, or if this is not possible claimants must stay on the (lower) assessment rate until they have one.

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[94] For background on SSP: http://researchbriefings.files.parliament.uk/documents/CDP-2020-0061/CDP-2020-0061.pdf (March 2020)
[95] https://www.gov.uk/government/news/sick-pay-from-day-one-for-those-affected-by-coronavirus/
[96] https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19
[97] DWP Touchbase 5.3.21: https://news.dwp.gov.uk/dwplz/lz.aspx?p1=MKYDU4NDI5NFM1ODI0OjAwNkVBMEJGMjQ3QTA2OTdERUQxMTU0MTI5NjcwOUFE-&CC=&p=0
[98] https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19
[99] https://www.gov.uk/government/news/face-to-face-assessment-suspension-continues-for-health-and-disability-benefits; and https://www.citizensadvice.org.uk/benefits/sick-or-disabled-people-and-carers/employment-and-support-allowance/help-with-your-esa-claim/esa-medical-assessment/

b) **Category:** Flat benefit, varying by age and stage of assessment.

c) **Timing:** The waiting days were abolished in March 2020. Face-to-face assessments were suspended for 3 months on 16 March 2020 and then indefinitely (kept under review, and then to be reintroduced following an announcement on 29 March 2021).[100]

d) **Range, duration and conditionality:** The amount of contribution-based ESA depends on someone's age (under or over 25) and whether someone is still being paid the assessment rate (actually the pre-assessment rate) or one of the main rates following assessment. But the amounts were not changed in the pandemic.

e) **Targeted population:** The targeted population is those who are affected by COVID-19 and qualify for contribution-based ESA (either employed or self-employed). Employees and self-employed people can get contribution-based ESA, though they are less likely to qualify if they are non-standard workers or have had gaps in their contribution record (though contribution credits can count towards qualifying).

f) **Beneficiaries:** Between mid-March and the end of April 2020, there were only some 20,000 claims for 'New Style' (contribution-based) ESA.[101] The full payment of these claims, like means-tested UC for those who cannot work due to incapacity, has suffered delays due to the lack of face-to-face assessment during COVID-19. The 'assessment rate', paid until after an assessment, is lower. Even when the full (work related activity, or (higher) support) rate is paid, ESA claimants – including those on income-related ESA who have not yet moved to UC – do not benefit from the uplift payable in UC and Working Tax Credit, and are missing out, despite increased costs during the pandemic.[102] Alternative methods of assessment are being considered; but the Government says now that if you cannot be assessed by telephone you must stay on the (pre-)assessment rate until you can have a face-to-face assessment (or, for contribution-based ESA for some people, after a year when benefit ends).[103] The relevant benefit amount is backdated when awarded. (There are no new claimants of income-related ESA, as they have to claim UC instead.)

g) **Novelty:** This abolition of waiting days is a minor change to an existing benefit. Its rate has not been changed (but see a) above). No new claims can generally be made for income-related ESA; people must instead claim Universal Credit (see 2.5.1).

2.3.3 Test and trace support payment (TTSP)[104]

a) **Short description of the measure:** There is also a limited lump sum payment for some people in England who have to self-isolate having been identified as a COVID-19 contact by the test and trace system or the NHS COVID-19 app and who will lose income because they cannot work from home. The Department of Health and Social Care is in charge of this scheme, with payments administered via local authorities in England. The payment is taxable but does not count against means-tested benefits. Scotland,[105] Wales[106] and Northern Ireland[107] have their own arrangements for this purpose. The criteria for the scheme were changed in March 2021 so that a parent of a child who has to self-isolate could be eligible for this payment.

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[100] https://www.gov.uk/government/news/face-to-face-assessments-to-resume-for-health-and-disability-benefits – for ESA, these will resume from May in England, Scotland and Wales
[101] House of Commons *Hansard*, Debates 4 May 2020, col. 421
[102] https://disabilitybenefitsconsortium.files.wordpress.com/2021/02/pandemic-poverty-stark-choices-facing-disabled-people-on-legacy-benefits-final.pdf
[103] https://www.gov.uk/employment-support-allowance/your-esa-claim
[104] https://www.gov.uk/test-and-trace-support-payment; and https://commonslibrary.parliament.uk/research-briefings/cbp-9015/
[105] https://www.mygov.scot/coronavirus-covid-19/
[106] https://gov.wales/self-isolation-support-scheme
[107] https://www.nidirect.gov.uk/information-and-services/coronavirus-covid-19/financial-help-and-practical-support

b) **Category:** Flat benefit, based on qualifying for one of certain means-tested benefits (and varying discretionary payments alongside the TTSP).

c) **Timing:** This payment started from October 2020 and will continue into the summer 2021.

d) **Amount and duration:** The TTSP is £500 (€570). Discretionary payments are not specific. To 12 March 2021, the government has provided £110 (€125) million of funding in England.[108] On 26 March 2021, another £12.9 (€14.7) million per month for local authorities to help those self-isolating was announced by the government.[109]

e) **Targeted population:** The payment is meant for employees and self-employed people, and what contract they have is not relevant here. Payment is meant to be largely for people receiving a limited set of means-tested benefits, although local authorities have some discretion for those on low incomes but not on means-tested benefits. The government estimated that just under 4 million people could be eligible for the payment in England, although it is hard to estimate how many people might get help via the TTSP or discretionary support because it would depend on how many have to self-isolate and cannot work from home but are either on certain means-tested benefits or might get discretionary help because they were otherwise on a low income. This suggests that a fixed budget, as given to local authorities in this case, is mistaken (see 3.3).

f) **Beneficiaries:** It is too early to evaluate this new payment fully and official statistics had not yet been published as at 12 March 2021; but there are some indications. The Test and Trace Support Payment (Self-Isolation Support Scheme in Wales)[110] is administered by local authorities, who report that only a minority of those who seek help are eligible. The Resolution Foundation says only 1 in 8 workers qualify.[111] A BBC survey of 1 March 2021 also found most rejections were because people did not qualify. Evidence from half of England's local authorities surveyed by the TUC shows only about 30% of applicants receive payment, and only 21% of applicants for discretionary payments.[112] Some 35% of councils had run out of their main funding allocation by 6 January 2021, while nearly 1 in 5 had run out of discretionary payments.
Polling showed only 17% of people with COVID-19 symptoms are coming forward to get tests, fearing that a positive test would stop them working. There has been concern about whether people are self-isolating; an ONS survey suggests 86% are doing so.[113]

g) **Novelty:** This was a completely new scheme, introduced in the pandemic.

2.3.4 Time off work to care for sick children

Generally, there is no specific new scheme for non-coronavirus related leave to care for someone (see below).[114] But if a child has COVID-19, an employee taking 4 or more days off to care should be able to get Statutory Sick Pay, now from the first day of absence (see 2.3.1).[115] If someone is ineligible for SSP, they might get contribution-based ESA, also now

[108] https://commonslibrary.parliament.uk/research-briefings/cbp-9015/ (12 March 2021 edition)
[109] https://www.gov.uk/government/news/government-increases-support-for-those-self-isolating
[110] https://gov.wales/self-isolation-support-scheme
[111] Resolution Foundation (2020) *Time Out:* https://www.resolutionfoundation.org/app/uploads/2020/12/Time-out.pdf
[112] *The Guardian,* 2 February 2021: https://www.theguardian.com/world/2021/feb/02/majority-in-england-turned-down-for-self-isolation-support-data-shows
[113] https://www.gov.uk/government/news/government-increases-support-for-those-self-isolating
[114] https://www.citizensadvice.org.uk/work/coronavirus-if-you-need-to-be-off-work-to-care-for-someone/; and https://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/annual_reviews/2020/Covid_19_policy_responses_summary.pdf, p9
[115] https://www.acas.org.uk/coronavirus/using-holiday/time-off-work-to-look-after-someone; and https://www.gov.uk/statutory-sick-pay

available from the first day (2.3.2).[116] See above for who is likely to qualify for SSP or contribution-based ESA. See 2.7 on leave for parents whose children cannot attend school or child-care.

2.4 Measures related to health insurance

2.4.1 NHS charges not imposed for visitors affected by COVID-19

a) **Short description of the measure:** The UK has a National Health Service (NHS), funded by general taxation and free at the point of use (with the exception of user charges, accompanied by many exemptions, for dental and optical care and medicines prescribed in the community). It is not an insurance scheme; everyone who is 'ordinarily resident' in the UK can access hospital care, and consultations with a GP or nurse in primary care are free to all, including visitors. Post-Brexit, short-term visitors from the EU can continue to access care through the European Health Insurance Card (EHIC) scheme. From 1 January 2021, EU citizens moving to the UK for more than six months will pay the immigration health surcharge as part of a visa application (currently £624/€708 a year for an adult).[117] The only change to health care coverage or provision as a result of the pandemic is the provision of free care (prevention or treatment) for COVID-19 for anyone in the UK. No one is charged for any COVID-19 testing, treatment, or vaccination. No immigration checks are required for overseas visitors tested, treated, or vaccinated for COVID-19 through the NHS. From 8 January 2021, additional testing before travel to the UK and on arrival has been introduced, with some associated charges, but this is a border control measure for travellers. NHS testing and treatment for anyone with symptoms remain free of charge.

b) **Category:** Flat benefit.

c) **Timing:** The extension to free health care for COVID-19 was introduced very early in the pandemic, and this is open-ended.

d) **Amount and duration**: Providing free NHS testing, treatment and vaccination for all residents of the UK (with or without permission) continues; this is not limited in cost or amount, and no end date has been proposed. Charges for private tests and quarantine in government-approved hotels have been introduced for travellers arriving in the UK since January 2021.

e) **Targeted population:** The extension to free NHS care for COVID-19 is targeted at anyone living in the UK without permission. Others 'ordinarily resident' in the UK already qualify for free NHS treatment.

f) **Beneficiaries:** Unknown.

g) **Novelty:** Free COVID-19 testing, treatment and vaccination for all is an extension of the NHS arrangement for residents in the UK to those without permission.

2.4.2 Acute hospital provision

a) **Short description of the measure:** NHS acute hospital capacity, particularly critical care capacity, is an ongoing concern, although worries early on in the pandemic that the NHS could become over whelmed have not materialised. Before the pandemic, there was a general view that the NHS workforce was already under enormous strain,[118] and this increased markedly during the pandemic, resulting in measures to increase staffing numbers and hospital capacity. Health care professionals who had

[116] https://www.theyworkforyou.com/wrans/?id=2020-12-17.131524.h&s=%27universal+credit%27#g131524.r0
[117] https://www.gov.uk/guidance/nhs-entitlements-migrant-health-guide
[118] https://www.kingsfund.org.uk/projects/positions/nhs-workforce

left the workforce, including those recently retired, were encouraged to return. Critical care capacity was increased by converting operating theatres and wards to critical care units. Non-urgent surgery was suspended in NHS hospitals, and private hospitals were 'block booked' so that cancelled or postponed NHS treatment could continue.[119] Seven 'Nightingale' field hospitals were also established at speed, co-ordinated by the armed services, to supplement acute hospital capacity, although they have been very little used. Early concerns about numbers of ventilators eased as alternative forms of oxygen delivery (notably continuous positive airways pressure, CPAP) was used more frequently. There will be substantial longer-term effects of the pandemic on NHS acute care, however, particularly from the backlog of patients waiting for care for less urgent conditions.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing:** the 'Nightingale' hospitals were established early in the pandemic, five were open by April 2020. The first of these, in an exhibition centre in London, was established in nine days, with space for up to 4,000 beds.

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** The targeted population for increasing staffing included at national level encouraging health care professionals who had left the workforce (e.g. recently retired doctors and nurses) to return. Staff from all areas of the NHS registered (hospital and primary care) and across the NHS. The **'**Nightingale' field hospitals were located in areas thought to be at risk of acute hospitals becoming overwhelmed – mainly in areas of high population.

f) **Beneficiaries:** The 'Nightingale' field hospitals have been largely unused.

g) **Novelty:** Calling back retired staff (under certain conditions) was not new. Building Nightingale type hospitals was new.

2.4.3 Vaccinations

a) **Short description of the measure:** The UK government invested early in vaccines for COVID-19, before they were demonstrated to be effective, and the vaccine rollout has been faster than in other European countries.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing:** The government has invested £11.7 (€13) billion in the purchase, manufacture and deployment of vaccines, and on supporting research to develop them.[120] Early contracts were made with companies, including purchase of 100 million doses of the Oxford/AstraZeneca vaccine, 40m doses of the Pfizer/BioNTEch vaccine and 17m of the Moderna vaccine (these three have all been licensed by the UK's Committee on the Safety of Medicines).[121] The centralised structure of the NHS has strengthened the rollout of the vaccination programme and enabled the priority ordering of population groups set out by the Joint Committee on Vaccination and Immunisation,[122] a respected advisory body, to be followed. Vaccination hubs have been established in collaboration with local GPs. Vaccination targets have been set, with an aim of vaccinating all aged over 70 by mid-February 2021, all over 50 by the end of April 2021 and all adults by the end of July 2021. The UK's COVID-19 vaccination rollout is proceeding well, and all targets have so far been met. The decision to increase

[119] https://www.bmj.com/content/bmj/372/bmj.n215.full.pdf
[120] https://www.nao.org.uk/report/investigation-into-preparations-for-potential-covid-19-vaccines/
[121] https://www.nao.org.uk/report/investigation-into-preparations-for-potential-covid-19-vaccines/
[122] https://www.gov.uk/government/publications/priority-groups-for-coronavirus-covid-19-vaccination-advice-from-the-jcvi-30-december-2020

the time interval between the two doses of the vaccine permitted much more rapid coverage.

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** The targeted population for vaccination was all adults in the UK, though in stages (see below), and not imposed compulsorily.

f) **Beneficiaries:** At time of writing, 400,000-500,000 vaccines are being delivered each day in the UK, and over 30 million (around half of the population) have received a first dose. There are concerns about differential take-up of the vaccine; in particular take-up is lower in Black and Asian ethnic groups.

g) **Novelty:** The vaccination programme is similar to those for other illnesses, but on a much larger scale.

2.5 Measures related to minimum income schemes and other forms of social assistance

2.5.1 Universal Credit[123]

a) **Short description of the measure:** The most important measure was the 'uplift' in the standard allowance of Universal Credit (UC), as well as in the basic rate of Working Tax Credit. In addition, in process amendments, access to benefits for those affected by COVID-19 or self-isolating was made easier, by adjustments to the digital claims system (including benefits staff proactively telephoning claimants, to avoid long telephone queues), and face-to-face sickness/disability benefit assessments, and appointments at Jobcentres, were suspended (though vulnerable claimants could still visit Jobcentres). All work-related requirements for benefit claimants were suspended temporarily. Some, but not all, deductions from UC for debts etc. were suspended temporarily; repayments of deductions were then reduced. Self-employed people on UC were helped through suspension of the minimum income floor (an assumed monthly level of profits), and the exemption of money set aside to pay a tax bill from the capital rule for UC. Families who had to reduce their childcare hours have also remained eligible for help through the existing UC or tax exemption schemes. As implied here, UC is available in and out of work. The 'surplus earnings' rule for Universal Credit, which can wipe out entitlement for months to come, was meant to be reduced from £2500 (€2850) per month to £300 (€342); this was not pursued. (Working tax credit claimants working reduced hours because of the pandemic could still claim WTC.)

b) **Category:** Flat benefit (uplift – i.e. means-tested benefit addition not varied for household size). Otherwise not applicable, as process changes are not benefits.

c) **Timing:** The 'uplift' was introduced from 6 April 2020 alongside the annual benefit uprating as an explicitly temporary measure. It was due to be withdrawn in early April 2021, although there was pressure to extend it[124] and widespread calls for it to be extended or made permanent (see 3.4). A Commons Committee published a special report on the uplift.[125] In the Budget on 3 March 2021, the Government announced that it would extend the UC uplift until the end of September 2021, but that it would

[123] See https://commonslibrary.parliament.uk/universal-credit-information-sources/ for Universal Credit details
[124] Including from the Joseph Rowntree Foundation: https://www.jrf.org.uk/report/short-term-fixes-fail-be-lifeline-families-universal-credit; from the Opposition: https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0010/ and from former Conservative Secretary of State Iain Duncan Smith MP, who introduced Universal Credit: https://www.telegraph.co.uk/politics/2021/01/22/rishi-sunak-must-see-20-uplift-universal-credit-investment-rather/
[125] https://committees.parliament.uk/publications/4603/documents/46684/default/

replace the uplift in Working Tax Credit with a one-off lump sum payment of £500 (€570).

The abolition of work-related requirements (for those on UC and equivalent benefits) lasted from March 2020 until the end of June 2020, and was then replaced with a 'light touch' conditionality regime, which continues. Deductions from UC for some debts were suspended between March and June 2020, and phased back in again from July 2020; the maximum of 30% of the UC standard allowance for deductions repayments was reduced to 25%, and the maximum repayment period extended from 12 to 24 months, in April 2021 rather than October 2021.[126] The suspension of the minimum income floor (assumed minimum level of profits) for self-employed people was set to operate until the end of April 2021, and will now be extended until the end of July (announced in the Budget on 3 March); it will be reintroduced on an individual basis, with no 'big bang'. Jobcentres have now opened again from early April. Face to face assessments for incapacity/disability benefit assessments are being phased in again from March 2021. The surplus earnings rule in Universal Credit will now not be introduced at its lower level until April 2022. (The availability of Working Tax Credit to those already claiming it whose hours are reduced has been extended to the end of September 2021, alongside other social security measures.)

d) **Amount and duration:** The temporary 'uplift' amounted to an increase of some £20 (€23) per week in the standard allowance of Universal Credit (UC) and the basic rate of Working Tax Credit, introduced from 6 April 2020 alongside the annual benefit uprating. It increased the standard allowance in UC for 2020/21 to over £94 (€107) per week (paid monthly) which, at least for single people, more than equalled the cuts and freezes made to the scheme since 2010, and was intended to approximate the Statutory Sick Pay rate, strengthen the safety net and help those losing work income.

e) **Targeted population:** The uplift was said by the Chancellor to 'strengthen the safety net', and to equal the amount of Statutory Sick Pay. It was understood as being targeted in particular at those who lost their jobs or had their hours reduced in the pandemic, but with no mechanism available to prevent it being paid to existing UC claimants as well. The uplift is the same amount for all benefit units affected (childless single people and couples, and anyone with children). Amendments to the processing of UC applied in particular to new claimants, so were targeted at those affected by the pandemic and eligible for means-tested benefits. Some process amendments were also introduced to facilitate handling of high volumes of claims.

The Government would have been aware of the numbers on UC and Working Tax Credit at the start of the pandemic, when this measure was introduced; but they would not have been aware of how many additional claimants there would have been for either benefit. The number of applicants applies to UC or Working Tax Credit in general, not the uplift. All claimants of these benefits received the uplift; but, as noted below, not all would have been aware that there had been an increase in their benefit, or received any or all of it. As UC and WTC are means-tested benefits, the issue of work contracts is not applicable. Both are available to self-employed people in addition to employees. Those on WTC have to be working a certain number of hours per week, but if their hours were reduced due to COVID-19 they could continue to claim it.

f) **Beneficiaries:** All the claimants of these benefits received the uplift which, together with the suspension of the Minimum Income Floor for self-employed UC claimants, was estimated by the Legatum Institute to have kept some 700,000 people out of poverty.[127]

[126] https://commonslibrary.parliament.uk/budget-2021-social-security-measures/
[127] https://li.com/reports/poverty-during-the-covid-19-crisis (using the measure of poverty developed by the Social Metrics Commission)

Many who received the uplift may not have benefited from the full amount, as an increase in income may attract higher deductions from benefit and/or reductions in other means-tested benefits (such as council tax support).[128] Those affected by the benefit cap[129] (limiting the amounts of UC for those out of work or with low earnings who are not disabled) may also not get all or any of the UC uplift.[130] The numbers affected by the cap have more than doubled recently, from 80,000 in February 2020 to 170,000 in August 2020.[131] It affects some 3% of UC claimants,[132] especially lone parents with several children and/or those with high rents. There is a 9-month grace period for those losing jobs before they are hit by the benefit cap, if they earned a certain minimum each month for the year before that. This has now been running out for many who lost jobs at the start of the crisis and it was estimated that 350,000 more households would be hit by the benefit cap by March 2021, in addition to a growing number being hit by the two-child limit (applying to children born from April 2017).[133] There is evidence that the two-child limit has had an impact on termination rates in England and Wales.[134]

In the meantime, many of the temporary easements to UC have stopped. The most significant of these is the re-imposition of conditionality from July 2020, especially in the context of varying lockdowns and closure of schools and childcare provision.[135] The Government says this is being done sensitively, and that sanctions are at a very low level – 0.35%.[136] Even when conditionality was suspended, some 3 in 5 claimants were already looking for work, and of those two-thirds wanted more support for job seeking.[137]

g) **Novelty:** The 'uplift' is an increase in an existing means-tested benefit (UC) and tax credit (Working Tax Credit). But the Government has made it very clear that this is seen as completely separate from the usual annual uprating in benefits, and that its intention is not to make this a permanent part of the structure of UC. A think tank has criticised the current plan to withdraw the uplift from UC claimants abruptly at the end of September, at the same time as the furlough scheme and support for the self-employed end.[138] The amendments to some UC rules, and aspects of its processing, are amendments to an existing benefit and claiming or eligibility, with most seen as temporary, and either already changed or intended to be changed in future.

[128] https://blogs.bath.ac.uk/iprblog/2021/01/22/20-uplift-debate-shines-a-light-on-inadequate-benefit-rates-and-design-flaws-of-universal-credit/
[129] https://www.gov.uk/benefit-cap and https://commonslibrary.parliament.uk/benefit-cap/
[130] https://cpag.org.uk/news-blogs/news-listings/170000-households-hit-benefit-cap
[131] https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2020 and reported in All Party Parliamentary Group on Poverty report: http://www.appgpoverty.org.uk/wp-content/uploads/2021/02/APPG-on-Poverty-20-uplift-report-FINAL.docx.pdf
[132] https://www.theyworkforyou.com/debates/?id=2021-01-25c.4.0&s=%27universal+credit%27#g4.4
[133] The Government responded to a Work and Pensions Committee report on the 2 child limit in December 2020: https://publications.parliament.uk/pa/cm5801/cmselect/cmworpen/1079/107902.htm
[134] https://cpag.org.uk/news-blogs/news-listings/two-child-limit-impact-abortion
[135] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935735/a-review-of-the-covid-19-temporary-measures-occasional-paper-24.pdf
[136] https://committees.parliament.uk/oralevidence/1630/pdf/; see also briefing by David Webster on sanctions, 11 March 2021: https://cpag.org.uk/policy-and-campaigns/briefing/david-webster-university-glasgow-briefings-benefit-sanctions
[137] https://business.leeds.ac.uk/faculty/news/article/457/welfare-at-a-social-distance-research-shows-benefits-claimants-want-more-support
[138] https://www.theguardian.c om/business/2021/mar/04/ifs-criticises-remarkable-move-not-to-phase-out-universal-credit-uplift

The major means-tested benefits are UK-wide; but other support measures have been taken by the devolved administrations[139] in Scotland,[140] Wales,[141] and Northern Ireland.[142]

2.5.2 Other social assistance measures

a) **Short description of the measure:** Additional help has been made available for private renters on means-tested benefits, through an increase in the local housing allowance (LHA) (see 2.6, **housing**, for more information on this). A 'hardship fund' was created for local authorities, in particular for them to help people finding it difficult to pay council tax.[143] Equivalent help was given to the devolved administrations through existing funding arrangements.

b) **Category:** Neither flat nor conditional benefit. (LHA is a means-tested benefit, or part of means-tested Universal Credit; a hardship fund for local authorities is not a benefit.)

c) **Timing:** The 'hardship fund' was created in March 2020; this comes in addition to funding given to local authorities to respond to COVID pressures across all the services they deliver, added to in July 2020.

d) **Amount and duration:** The 'hardship fund' for local authorities in England was £500 (€570) million for 2020/21. The amount allocated to each local authority in England is available.[144]

e) **Targeted population:** The 'hardship fund' was aimed at local authorities in England, for them to be able to give relief to working age people paying council tax, as well as other people in the local area experiencing hardship. The Government left it up to local authorities to decide which groups to target (working age people in receipt of council tax support and other vulnerable people, through local welfare schemes). The number targeted was therefore uncertain, as this depended on local authority discretion, though the Government did publish guidance for local authorities.[145] These measures were not related to work contracts or employment status directly.

f) **Beneficiaries:** Numbers not known. The National Audit Office reported that there had been an increase of 5% in council tax support claimants in England from the third quarter of 2019/20 to the second quarter of 2020/21.[146]

g) **Novelty:** This was a new arrangement, although local authorities already administer council tax support, as well as (many, but not all, authorities) local welfare assistance schemes to give one-off emergency assistance to those in need.

2.5.3 Financial aids (relating to banks and financial services etc.)

a) **Short description of the measure:** The Financial Conduct Authority instructed banks and financial services firms to support customers in need because of the coronavirus through allowing certain flexibilities.[147] (Mortgage help is discussed below – see 2.6,

[139] https://www.instituteforgovernment.org.uk/explainers/coronavirus-and-devolution/; and for devolved social security powers see: https://commonslibrary.parliament.uk/research-briefings/cbp-9048
[140] See, for example: https://www.gov.scot/coronavirus-covid-19/ and Scottish Affairs Committee (2021): https://committees.parliament.uk/publications/4506/documents/45398/default/
[141] https://gov.wales/coronavirus
[142] https://www.communities-ni.gov.uk/landing-pages/covid-19-service-updates
[143] https://www.gov.uk/government/news/government-confirms-500-million-hardship-fund-will-provide-council-tax-relief-for-vulnerable-households
[144] https://commonslibrary.parliament.uk/covid-19-search-funding-for-local-authorities-in-england/
[145] https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance
[146] https://www.nao.org.uk/wp-content/uploads/2020/08/Local-government-finance-in-the-pandemic.pdf
[147] https://www.fca.org.uk/coronavirus; updated in November 2020: https://www.fca.org.uk/news/press-releases/fca-confirms-support-consumer-credit-customers-impacted-coronavirus; and in January 2021: https://www.fca.org.uk/news/statements/update-mortgages-consumer-credit-banking-and-payments-during-coronaviru s (repossession of goods possible as last resort from 31 January 2021)

housing.) Additionally, as a result of concerns about price 'hikes', the Competition and Markets Authority established a taskforce[148] to "identify harmful sales and pricing practices as they emerge", to warn firms suspected of exploiting these exceptional circumstances, and take enforcement action if there is evidence of a breach in competition or consumer protection law. It will also advise the Government on any potential legislative measures. In terms of everyday costs, the Government, alongside Ofcom (the telecoms regulator) and telecoms providers, announced commitments to support customers during the pandemic.[149] These include supporting those who struggle to pay bills, removing data allowance caps, agreeing to offer new mobile and landline packages, and ensuring that vulnerable or self-isolating customers can have alternative methods of communication if needed. The Government also launched an emergency package of measures with energy suppliers to protect customers from hardship during the coronavirus outbreak.[150] Additionally, Water UK (the trade body for water companies in England and Wales) outlined a number of actions water companies were taking to support customers struggling to pay bills, such as offering payment breaks and holidays, adjusting payment plans, and stopping new court applications on unpaid bills, as well as offering other forms of support.[151] One company offers a cheap 'deal'[152] for means-tested benefit claimants on phone and broadband.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing:** The Competition and Markets Authority taskforce was established in March 2020. The support for customers of telecoms providers was announced in March 2020 and refreshed in November 2020. Water companies' actions were outlined by Water UK in March 2020.

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** In each case – i.e., customers of banks and financial services; consumers of services and products; telecoms consumers; and energy and water users – these measures were targeted at those in difficulty because of the pandemic. In most cases, individuals would need to approach the appropriate provider. These measures were not related to work contract or employment status directly.

f) **Beneficiaries:** It is very difficult to separate the impact of measures taken to help consumers and customers from the effects of the pandemic. It is possible to argue that debts, utility cut-offs and other financial problems would be much worse had it not been for the measures described above in 2.5.3; but it is very hard to say by how much, and take account of the effects of the pandemic as well. The fact that most of these financial aids have been put into practice by the private sector means that data are less readily available.

g) **Novelty:** These measures were similar to those often provided for individual consumers in need, but on a much larger scale, and in the form of more general measures, as a result of the pandemic.

2.5.4 In kind and other forms of help

a) **Short description of the measure:** The coronavirus pandemic has created and exacerbated problems around the ability of households to access food. The Government has increased the value of Healthy Start vouchers[153] for pregnant women,

[148] https://www.gov.uk/government/news/cma-launches-covid-19-taskforce
[149] https://www.ofcom.org.uk/about-ofcom/policies-and-guidelines/coronavirus-information; and https://www.ofcom.org.uk/about-ofcom/latest/features-and-news/support-for-customers-during-pandemic
[150] https://www.cse.org.uk/advice/advice-and-support/support-from-energy-suppliers-during-covid-19
[151] https://www.water.org.uk/news-item/water-companies-step-up-action-to-help-customers-in-need/
[152] https://www.yourmoney.com/household-bills/vodafone-relaunches-10-jobseeker-tariff/
[153] https://www.healthystart.nhs.uk/healthy-start-vouchers/ (England, Wales and Northern Ireland); for Best Start Grant and Best Start Foods in Scotland, see https://www.mygov.scot/best-start-grant-best-start-foods

and families with children under 4, on a low income and on certain benefits; introduced food aid temporarily for those at most clinical risk; supported food and other charities,[154] to "support urgent work to tackle youth unemployment, expand access to emergency loans for civil society organisations and help improve the availability of fair, affordable credit to people in vulnerable circumstances"; provided substitutes for free school meals for those entitled, and helped with remote learning for some disadvantaged pupils; and given additional funding for student hardship. [Note that education is devolved and that provisions, whilst they are likely to be similar in the smaller nations, are described below for England only.]

b) **Category:** Flat benefit (Healthy Start vouchers); not relevant to other measures.

c) **Timing:** The increase in Healthy Start vouchers was announced on 8 November 2020 and came into effect in April 2021. The food aid for the clinically vulnerable was introduced for the first lockdown; but it was criticised by charitable food aid providers for excluding many people in financial difficulty, and was not repeated.[155] (Some funding was announced on 26 March 2021 for local authorities to give food to those who have to self-isolate, as part of a recent assistance package.[156]) On 3 June 2020, the Trussell Trust reported an 89% increase in emergency food parcels given to people across the UK in April 2020 compared to April 2019, with a near doubling of families with children receiving parcels over the same period.[157] On 8 May 2020, the Government announced help for food charities,[158] and on 11 May 2020 the Department for Food and Rural Affairs opened the Charities Grant Fund offering assistance to food aid charities to help them continue to provide food to the economically vulnerable. On 8 November 2020, further resources were announced, as part of a COVID winter package.[159] Food banks are, nevertheless, coming under severe strain.[160] The same is true for many other parts of the charitable sector, including those which help financially vulnerable households. On 8 April 2020, the Chancellor announced support for charities across the UK.[161] Further help, this time from dormant accounts, was announced on 20 May 2020, and expanded on 9 January 2021.

The timing on replacements for free school meals in England was complicated. During the initial coronavirus lockdown schools were closed to most pupils, and meals or food vouchers were provided to children staying at home. The provision of support outside term-time has been contentious during the pandemic. Vouchers were provided during the 2020 Easter, May 2020 half-term and then (announced on 11 June 2020) the summer holidays. A Covid Winter Grant Scheme, to be run by councils in England, was announced on 8 November 2020, to provide support from December 2020 to March 2021, including to disadvantaged families. Most pupils are again not in school during the national lockdown that began in January 2021; families entitled to free school meals are being offered food parcels or vouchers, funded by the Government.[162] Decisions on additional student funding for hardship were announced in December 2020 and in February 2021.

[154] https://www.gov.uk/government/news/government-unlocks-150-million-from-dormant-accounts-for-coronavirus-response
[155] https://www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19; and https://www.gov.uk/coronavirus-local-help for help from local councils
[156] https://www.gov.uk/government/news/government-increases-support-for-those-self-isolating
[157] https://www.trusselltrust.org/2020/06/03/food-banks-busiest-month/
[158] https://www.gov.uk/government/news/16-million-for-food-charities-to-provide-meals-for-those-in-need
[159] https://www.gov.uk/government/news/new-winter-package-to-provide-further-support-for-children-and-families
[160] https://www.trusselltrust.org/wp-content/uploads/sites/2/2020/09/the-impact-of-covid-19-on-food-banks-report.pdf
[161] https://www.gov.uk/government/news/chancellor-sets-out-extra-750-million-coronavirus-funding-for-frontline-charities
[162] Summary taken from: https://commonslibrary.parliament.uk/research-briefings/sn04195/ (England)

d) **Amount and duration:** Healthy Start vouchers were increased from £3.10 (€3.53) to £4.25 (€4.85)/week. Charities were given a £750 (€855) million package of support to the end of March 2021 (and £150 (€171) million more, from dormant bank and building society accounts). Food charities received up to £16 (€18.24) million, and then £16 (€18.24) million for food distribution charities as part of a winter package. The expansion of the scheme to get money from dormant bank and building society accounts[163] to the insurance, pensions and securities sectors etc. could unlock over £800 (€912) million more for 'good causes'.[164] The Department for Education announced that children in England usually eligible for free school meals but at home in the first lockdown would be eligible for weekly £15 (€17.1) vouchers to be spent in supermarkets while schools were closed (though children of key workers and 'vulnerable' children could still attend).[165] The Government subsequently promised £63 (€71.82) million[166] for local authorities to help those struggling to obtain food etc. due to COVID-19, including enabling children eligible for free school meals to claim a six-week voucher over the summer holiday. Then the Government announced a COVID-19 winter grant scheme, giving £170 (€193.80) million to local authorities to help disadvantaged families in particular, but others in difficulty as well. The funding is ring-fenced, with at least 80% earmarked for support with food and utility bills, and has conditions and reporting requirements. The package also included up to £220 (€250.80) million for expanding the 'holiday activities and food' scheme, to operate at Easter, in the summer and at Christmas 2021.[167] Another £50 (€57) million plus was announced to last until after Easter 2021;[168] the COVID winter grant scheme was due to conclude in April 2021, but is now renamed the COVID local support grant, and will last until 20 June 2021, with funding of £40 (€45.6) million.[169] The Government promised schools a million electronic devices to help with online learning; schools could also request free mobile data uplifts for disadvantaged families.[170] In relation to student hardship, the Government said the £256 (€291.84) million of existing student premium funding could be spent on hardship, mental health and digital poverty; in December 2020, it announced £20 (€22.8) million of additional student hardship funding, and on 2 February 2021, a further £50 (€57) million for the remainder of the financial year.[171]

e) **Targeted population:** The increase in the value of Healthy Start vouchers is for pregnant women, and families with children under 4, on a low income and on certain benefits, to buy fresh fruit and vegetables.[172] (Scotland now operates the new Best Start food scheme instead.)[173] The food aid was for households considered to be at greatest clinical risk from coronavirus. The support for charities was primarily for those distributing food for use by other charities (e.g. Fareshare) and then wider, for charities helping those affected by the pandemic. Extended or substitute provision of free school meals was for children in low-income families who qualify (on grounds of low income). Provision of free devices and data was for pupils deemed disadvantaged.

[163] https://www.gov.uk/government/news/government-unlocks-150-million-from-dormant-accounts-for-coronavirus-response
[164] https://www.gov.uk/government/news/uk-government-announces-major-boost-to-coronavirus-recovery-through-expansion-of-dormant-assets-scheme
[165] https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0010/; https://www.nao.org.uk/press-release/investigation-into-the-free-school-meals-voucher-scheme/
[166] Emergency Assistance Grant for Food and Essential Supplies: https://www.gov.uk/government/news/63-million-for-local-authorities-to-assist-those-struggling-to-afford-food-and-other-essentials
[167] https://www.gov.uk/government/news/new-winter-package-to-provide-further-support-for-children-and-families
[168] https://www.gov.uk/government/news/more-than-50m-to-keep-families-warm-and-well-fed-this-easter
[169] Written Statement, House of Commons *Hansard*, 14 April 2021, col. 18WS
[170] https://www.gov.uk/government/news/education-secretary-outlines-plans-to-support-young-people and https://commonslibrary.parliament.uk/research-briefings/cbp-8915/
[171] House of Commons *Hansard*, 3 February 2021, col. 955 (Minister for Universities statement)
[172] https://www.gov.uk/government/news/new-winter-package-to-provide-further-support-for-children-and-families
[173] https://www.mygov.scot/best-start-grant-best-start-foods/

Student funding was for those students whom universities and colleges thought were in hardship. (Full-time students with children can also apply for Childcare Grant and Parents' Learning Allowance; and those who are single parents or student couples, one or both of whom are responsible for a child, and part-time students responsible for a child, can apply for UC.[174]). The increased value of Healthy Start vouchers and alternative arrangements for those entitled to free school meals did not change the number of people targeted in either case. Additional funds for student hardship were given in the anticipation that more students would suffer financial pressures; but, given the discretion nature of the funds, the Government merely said 'thousands' of students would benefit. These measures were unrelated to work contracts or employment status.

f) **Beneficiaries:** Figures are published on uptake of Healthy Start vouchers by local authority in England;[175] but this data would not vary with the new measure, as it was an increase in the value of the existing voucher. A think tank said in 2020 that almost half who qualify did not claim them.[176] Some supermarkets have started to top up these vouchers with fresh fruit and vegetables during the pandemic in addition. There are also concerns about take-up of free school meals (except for children in the early primary school years, where universal free school meals are provided). Again, in theory the new arrangements in the pandemic should not have changed existing take-up – except that there were many problems with delivery of the alternatives. Arrangements for vouchers for children entitled to free school meals, including over the summer holiday in 2020, had serious problems, including access to Edenred, the company to which this was outsourced. Some MPs suggested parents were spending vouchers on other items. The Public Accounts Committee criticized the increased spending, from £78 (€88.92) million to £425 (€484.50) million, and the Government's failure to renegotiate the contract.[177] But some food parcels then provided instead (with vouchers as an alternative)[178] were criticized for being meagre, with the company responsible apologizing and offering to cover the cost of meals over the February 2021 half-term.[179] Many NGOs and others working with children and families called on the Government to provide additional cash instead.[180] About half the 'catch-up' package for pupils went directly to schools, but the bulk of it was given with no reference to disadvantage.[181] The Sutton Trust reported that only 10% of teachers say all their students have adequate access to a device for remote learning.[182] The National Audit Office reported on government assistance to schools in England in the early stages of the pandemic,[183] and investigated government support for charities.[184]

g) **Novelty:** Other than temporary food aid for those at greatest clinical risk and help with remote learning devices and data, these schemes are expansions/conversions of existing systems, although student funding was added on top of an existing scheme.

[174] https://www.theyworkforyou.com/wrans/?id=2021-01-08.134374.h&s=%27universal+credit%27#g134374.r0
[175] https://www.healthystart.nhs.uk/healthy-start-uptake-data/
[176] https://policyinpractice.co.uk/going-without-46-of-eligible-families-arent-claiming-healthy-start-vouchers/
[177] https://publications.parliament.uk/pa/cm5801/cmselect/cmpubacc/689/68902.htm
[178] https://www.gov.uk/government/news/education-secretary-outlines-plans-to-support-young-people
[179] *The Guardian*, 5 February 2021: https://www.theguardian.com/education/2021/feb/04/firm-in-meagre-free-school-meals-row-to-pay-for-half-term-provision-compass-marcus-rashford
[180] E.g. see contribution by chief executive of Trussell Trust to Children's Commissioner for England's report: https://www.childrenscommissioner.gov.uk/reports/child-poverty/child-food-poverty-is-just-one-symptom-of-a-wider-injustice-poverty/
[181] Reported in *Financial Times*, 8 February 2021
[182] https://www.suttontrust.com/our-research/remote-learning-the-digital-divide/ (January 2021)
[183] https://www.nao.org.uk/wp-content/uploads/2021/03/Support-for-childrens-education-during-the-early-stages-of-the-Covid-19-pandemic.pdf
[184] https://www.nao.org.uk/report/investigation-into-government-funding-to-charities-during-the-covid-19-pandemic/ (focusing on the £513 (€585) million given by the Department of Culture, Media and Sport)

Different schemes have been announced in Scotland,[185] Wales[186] and Northern Ireland.[187]

2.6 Measures related to housing support

2.6.1 Moratorium on repossessions

a) **Short description of the measure:** In March 2020, the UK housing minister Robert Jenrick said that no-one should be evicted due to COVID-19.[188] The Coronavirus Act for England and Wales extended the notice period landlords had to give before seeking possession. In addition, a pause on all eviction and repossession cases was ordered, initially for 3 months, later extended to 6 months, and from November 2020 enforcement action by bailiffs was also paused. Similar measures were introduced in the other nations of the UK.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing**: The measures have been extended multiple times. The moratorium on evictions and repossessions lasted until 20 September 2020, but was then effectively extended by a moratorium on bailiff action until April 2021 and then again to June 2021.[189]

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** Households who fell into housing arrears because of income lost due to the pandemic.

f) **Beneficiaries:** Between 2019-20 and June-July 2020, the proportion of private tenants in arrears increased from 3% to 7%, but social rent arrears did not change. Between 2019-20 and June-July 2020, the proportion of mortgagors in arrears increased from 1% to 6%. Households who have benefitted from the moratorium include those with repossession cases under way in March 2020, those who would have fallen into arrears in a 'normal' year, and those who fell into arrears due to the special circumstances of the pandemic. The number of postponed cases that will restart in 2021, in a sense 'beneficiaries' of the moratorium, has been estimated at 280,000, or three times the usual annual number.[190] The number of households approaching councils for help due to the end of a private rented tenancy fell from 15,000 in January-March 2020 to 7,000 in July-September 2020.[191] However, people can also lose homes for other reasons. Over April-September 2020, 20,000 family households in England were accepted by their local authorities as homeless and with a legal right to housing provision, 17% higher than the same period in 2019. The number of households in temporary accommodation after being accepted as homeless grew by 10,000 from January-March to July-September 2020, reaching 98,000. Thus, even while it was in action, the moratorium was not enough to prevent significant home loss.
The Government is not planning to compensate landlords for unrecoverable arrears. Losses meant reduced maintenance and improvements and fewer new affordable

[185] https://www.gov.scot/publications/coronavirus-covid-19-school-re-opening-arrangements-for-january-2021/pages/school-meals/ and https://www.mygov.scot/school-meals/. Provision in Scotland includes a £100 COVID winter hardship payment for each child entitled to free school meals on low income / benefits grounds
[186] https://gov.wales/find-out-about-free-school-meals-during-coronavirus-outbreak
[187] https://www.education-ni.gov.uk/free-school-meals-payment-scheme
[188] Wilson, W. (2021) 'Coronavirus: Support for landlords and tenants', *Briefing Paper no. 08867*, 10 January, House of Commons Library
[189] https://commonslibrary.parliament.uk/research-briefings/cbp-8867/ (also gives the position in Wales)
[190] Judge, L (2021) *Getting Ahead on Falling Behind: Tackling the UK's building arrears crisis*, Resolution Foundation
[191] MHCLG (2020) English Housing Survey Household Resilience Study, Wave 1 June-July 2020, MHCLG

homes. A survey suggested that private landlords had lost £328m (€374m) to £427m (€487m) due to COVID-19.[192]

g) **Novelty**: Extending the notice period and pausing court and bailiff action were new, and represented the biggest extension of residents' rights for decades, but only on a temporary basis. Mortgage holders' debts have been reorganised (see 2.6.2). However, renters' debts have continued to accrue, and NGOs predict unprecedented evictions.

2.6.2 Mortgage 'holidays'

a) **Short description of the measure:** In March 2020, the government announced that mortgage providers should provide a 3-month 'holiday' for mortgage holders in difficulties, later extended to 6 months, to be added to the mortgage term. By November 2020, 23% of mortgage holders in the UK or 2.6m households had made use of holidays.[193] Again, similar measures were introduced in the other nations.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing**: Holidays were introduced in March 2020, and home-owners have until the end of March 2021 to apply for a 6-month 'holiday', and the moratorium on lender repossession has been extended until 1 April 2021.[194]

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** Mortgage holders affected by the pandemic. Homeowners can only apply for Universal Credit (UC) for living costs, not housing costs. After a 6-month wait, those out of work can get some help with mortgage interest, but as a loan. There are no figures specifically for mortgaged owners, but the number of UC claims with no housing entitlement, mainly made by mortgaged owners, rose by 104% from March to August 2020 to 2 million across the UK.[195]

f) **Beneficiaries:** By November 2020, 23% of mortgage holders in the UK or 2.6m households had made use of holidays, which mostly lasted for 6 months.[196] Most were able to recommence payment during or at the end of the holiday. In October 2020, only 0.1m mortgaged owners or 4% of the total who taken holidays had outstanding 'holidays' and needed to increase income to avoid potential repossession.[197]

g) **Novelty**: UK mortgage providers occasionally provide 'holidays' to individual borrowers, and in the last recession found that 'forbearance' with lenders in difficulty was cost-effective. However, the pandemic holidays were unprecedented in that lenders were pressured to provide them and to do so on a mass scale.

2.6.3 Adjustment to housing benefit

a) **Short description of the measure:** Private renters who lose income can claim support for housing costs through UC, but for a large minority, this does not pay the actual rent in full. The number of UC claims by private renters rose by 75% between March and August 2020 to 1.4m, overtaking claims by social renters for the first time,

[192] Wilson, W. (2021) 'Coronavirus: Support for landlords and tenants', *Briefing Paper no. 08867*, 10 January, House of Commons Library
[193] Wilson, W., Cromarty, H. and Barton, C. (2020) 'Mortgage arrears and repossessions (England)', *Briefing Paper no. 04769*, 17 November, House of Commons Library
[194] https://www.theyworkforyou.com/wrans/?id=2021-01-22.142084.h&s=%27universal+credit%27
[195] DWP (2020) *Households on Universal Credit Table 3*, StatXplore: https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml
[196] Wilson, W., Cromarty, H. and Barton, C. (2020) 'Mortgage arrears and repossessions (England)', *Briefing Paper no. 04769*, 17 November, House of Commons Library
[197] Wilson, W. (2021) 'Coronavirus: Support for landlords and tenants', *Briefing Paper no. 08867*, 10 January, House of Commons Library

even though these also rose, by 30% over the same period, to 1.2m.[198] In April 2020, the maximum payment ('local housing allowance') was raised to the 30th percentile of local rents, at least on a temporary basis, meaning it would cover more of the full rent for more people.[199]

Some extra money was provided for tenants in difficulty through the local authority-run Discretionary Housing Payments scheme, and the Welsh and Scottish governments also offered loans.

b) **Category:** Flat benefit.

c) **Timing:** The change was introduced in April 2020. It was later decided not to decrease the amount again after the pandemic, but it would be frozen in cash terms from April 2021.

d) **Amount and duration**: The March 2020 adjustment meant an extra £70 (€81) a month for someone on a low income renting a 2-bedroom home in a mid-cost area like Birmingham and an extra £200 (€232) a month in a high-cost area like inner London, and reduced the number of households with shortfalls between their rent and housing benefit. In April 2021 maximum housing benefit will be re-frozen at 2020/21 rates and will not rise with rents or inflation.

e) **Targeted population:** Private renters on low incomes, including those affected by the pandemic.

f) **Beneficiaries:** 20% of private renters in England claim housing benefit, making up about 4% of all households.[200] Of these, it is believed that a majority had shortfalls between their housing benefit and the actual rent. The adjustment helped all private renters who had shortfalls in March 2020, except a small minority of households for whom an increase would push them over the threshold for the benefit cap.

g) **Novelty**: These changes were novel as they increased entitlements in real terms.

2.6.4 Accommodation for rough sleepers

a) **Short description of the measure:** At the start of the pandemic, there was widespread concern that rough sleepers could not self-isolate - and might infect others. The UK Government started a programme to bring them into emergency accommodation ('Everyone in'), initially identifying 5,400 needing housing in England. Funding was provided in a series of tranches and did not appear to meet full costs. The other UK nations had similar schemes.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing**: 'Everyone In' started in March and lasted until May 2020, with the first UK lockdown. It was described by the NGO Shelter as "one of the most extraordinary things to have ever happened in homelessness in this country", and is seen by many as one of the strongest parts of the government's COVID-19 response.[201] It was replaced by other schemes and funding. As the first lockdown eased, it was not clear how further hotel spaces would be paid for, and whether use of shared accommodation and normal eligibility restrictions should resume. In January 2021, as a third national lockdown began in England, there were calls for 'Everyone in' to be restarted.

[198] DWP (2020) *Households on Universal Credit Table 3,* StatXplore: https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml
[199] Wilson, W. (2021) 'Coronavirus: Support for landlords and tenants', *Briefing Paper no. 08867*, 10 January, House of Commons Library
[200] MGCLG (2021) English Housing Survey 2019 to 2020: headline report, MHCLG, Annex Table 1.17

[201] Heath, L. (2020) 'Rough sleeping in lockdown 2.0: Is the government's Everyone In policy on the way out?', *Inside Housing*, 20 November

d) **Range, duration, and conditionality:** Not applicable.

e) **Targeted population:** People sleeping rough in March 2020, and people in homeless shelters with shared sleeping and living facilities, including those who would usually have No Recourse to Public Funds due to their immigration status. It was less clear whether people who became homeless after then should be helped and how this would be funded. The autumn 2019 official count of rough sleepers in England recorded 4,266 people sleeping rough.[202] But it was not known how many more people might become rough sleepers as a result of the pandemic.

f) **Beneficiaries:** By September 2020, 11,000 former rough sleepers were in emergency accommodation and 19,000 were in settled accommodation.[203] Over February-May 2020, 'Everyone in' prevented an estimated 266 COVID-19 deaths, 1,092 infections, 1,164 hospital admissions and 338 intensive care admissions.204 The autumn 2020 snapshot count of rough sleepers across England did not find the 100% reduction policymakers were looking for, but numbers dropped by 37% compared to the year before, from 4,266 to 2,688.205 In London, charity outreach workers count all the individual people they come across sleeping rough. Over January-March 2020, 377 individuals were 'living on the streets' (seen many times). Over April-June 2020 the number reduced by 113 or 30%, but it then crept up and by October-December 2020 was 412, actually higher than before the pandemic. The total number sleeping rough at least once rose by 15% from 3,713 in January-March 2020 to 4,266 in April-June 2020, and by October-December 2020 was back to close to pre-pandemic levels.[206]

g) **Novelty**: The charity Crisis said this was "a landmark moment",[207] because the policy aimed to provide self-contained and permanent homes for rough sleepers, without any intermediate period in shared and temporary homes. NGOs hope the precedent will be built on.

2.7 Leave for parents whose children are unable to attend school or a pre-school service by reason of COVID-19

2.7.1 Furlough (CJRS)

See **2.3.4** for arrangements if children themselves have COVID-19. Employees in the private sector are eligible for furlough under the CJRS (see 2.2) if they cannot work "due to caring responsibilities resulting from coronavirus". This can include caring for children when children cannot attend school or child care because of COVID-19.[208] However, the right is to request furlough, rather than a right to have furlough granted; so it is up to employers and they can refuse, and the only paid leave employees have a right to is holiday.[209] This measure was not applicable to self-employed people, but furlough arrangements are available (see CJRS, above) to workers with different contracts.

The Institute for Fiscal Studies, in May 2020, showed differences in work patterns for parents were greater than before the crisis; although fathers were doing more child care,

[202] Cromarty, H. (2020) 'Coronavirus: Support for rough sleepers (England)', *Briefing Paper no. 09057*, 27 November, House of Commons Library
[203] Cromarty, H. (2020) 'Coronavirus: Support for rough sleepers (England)', *Briefing Paper no. 09057*, 27 November, House of Commons Library
[204] Lewer, D., Braithwaite, I., Bullock, M., Eyre, M.T., White, P.J., Aldridge, R.W. *et al*. (2020) 'COVID-19 among people experiencing homelessness in England: A modelling study', *The Lancet Respiratory Medicine*, 23 September
[205] MHCLG (2021) *Rough sleeping snapshot in England*, MHCLG
[206] CHAIN (2021) *Rough Sleeping in London* (CHAIN reports): https://data.london.gov.uk/dataset/chain-reports
[207] Cromarty, H. (2020) 'Coronavirus: Support for rough sleepers (England)', *Briefing Paper no. 09057*, 27 November, House of Commons Library
[208] https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme; and https://commonslibrary.parliament.uk/research-briefings/cbp-8872/
[209] https://www.moneysavingexpert.com/news/2020/04/employed-help-coronavirus-furlough/

mothers were doing even more.[210] A TUC internet survey in January 2021 of over 55,000 parents (largely mothers) found 4 in 10 did not know they could apply for furlough because of childcare responsibilities and 7 in 10 requests by mothers had been refused by employers. One-quarter were worried they would lose their job, through being singled out for redundancy, sacked or denied hours. A quarter were using annual leave to manage their child care – but 18% had been forced to reduce their working hours and around 7% were taking unpaid leave from work and getting no income (with 30% worried about using up annual leave before school holidays). Many said they felt exhausted. Sharing care with a partner (42% did so) was important (meaning that for single parents this is even harder).

2.7.2 Other leave

Leaving aside voluntary employer provision, statutory rights to parental leave in the UK are to unpaid leave only[211] (after any shared parental leave, which is part of maternity leave). Each parent can take 'ordinary' parental leave for up to 4 weeks for each child per year if they have been with their employer at least a year (unless the employer agrees to more). Other than this, there is statutory provision for leave in an emergency involving family or dependants.[212] This is for 'reasonable' time off, but only for emergencies. The employer may pay but does not have to. Other than this, as noted above, workers may take some paid holiday.[213] None of this provision was changed during the pandemic. These measures are not applicable to self-employed people and whether people have certain employment rights is related to their employment status (as workers or employees).[214]

2.8 Other important temporary social protection/ inclusion measures adopted in the context of the pandemic – Long Term Care

a) **Short description of the measure:** This section covers measures relating to Long-Term Care (LTC) services in England.

Workforce shortages and costs increased significantly during the pandemic:

- Staff sickness and self-isolation required greater use of more expensive temporary/agency staff.
- Residential LTC staffing levels assume residents spend time in communal areas, so extra staff were needed to look after sick or isolated residents.
- Some LTC facilities paid staff bonuses to discourage working extra shifts in other homes and transmitting infection between premises.

Other extra costs included PPE and cleaning.

In response, government allocated short-term, ad hoc additional funding for local authorities, although little of this was ring-fenced specifically for LTC. Additional funding up to March 2021 included £4.6 (€5.2)bn and a £1.1 (€1.25) bn Infection Control Fund. A further £3 (€3.4) bn has been promised for 2021/22.[215] Emergency allocated early in 2021/21 and will extend through 2021/22. An independent assessment estimated extra costs (PPE, staffing and cleaning) across the LTC sector to exceed £6.6 (€7.5) billion by end September 2020.[216] Local authority leaders also

[210] https://www.ifs.org.uk/publications/14860; for TUC survey, see https://www.tuc.org.uk/workingparents
[211] https://www.gov.uk/parental-leave/entitlement/
[212] https://www.gov.uk/time-off-for-dependants; https://webarchive.nationalarchives.gov.uk/20201123162647/, https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme
[213] https://www.acas.org.uk/coronavirus/using-holiday/time-off-work-to-look-after-someone
[214] https://www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices
[215] Department of Health and Social Care (2021) *Government Response to the Health and Social Care Committee report on Adult Social Care: Funding and Workforce*, CP36: www.gov.uk
[216] ADASS (2020) *ADASS Budget Survey 2020,* Association of Directors of Adult Social Services: www.adass.org.uk

judged the additional funding for LTC as inadequate.[217] Care providers reacted angrily to offers from local authorities of temporary 10% fee increases, pointing out that this would not even cover extra PPE costs.[218] The additional financial pressures facing care providers have been compounded by reduced income: occupancy rates in residential LTC have declined from an average 87% because residents have died; additional space is needed to isolate infected residents; and older people have been reluctant to move into residential LTC because of the perceived infection risk.

The other main response affecting LTC was the relaxation of some regulatory requirements. The 2020 Care Easement Act, effective from 31 March 2020, relaxed local authority duties to conduct detailed assessments of care needs and other circumstances before admission to residential LTC, and subsequently regularly to review residents' care plans. This effectively suspended the right to choose a destination following hospital discharge, including returning home with domiciliary support or moving to a preferred LTC home. Additionally, in mid-March 2020, the Care Quality Commission[219] suspended routine inspections of LTC services.

b) **Category:** Neither flat nor conditional benefit.

c) **Timing:** Early in the pandemic the policy and political priority was to 'protect the NHS'. Plans to control infection and support the workforce in LTC were not announced till mid-April 2020, 6 weeks after the first Coronavirus Action Plan.[220]

Local authorities have used this additional funding to:
Protect providers' cash flow (e.g., making planned payments in advance).
Increase fees for state-supported LTC residents.
Offer emergency one-off lump sum payments to care providers.

From early December 2020, as the English vaccine programme began, priority was given to care home residents and staff, with a target to vaccinate all by mid-February 2021.

d) **Amount**: See above.

e) **Targeted population:** The targeted population in relation to these measures was the population providing and receiving LTC in England, in particular those in care homes. The quasi-market of LTC and domiciliary care providers was already fragile. In the first half of 2020, 43% of local authorities reported some local providers had ceased trading or handed back local authority contracts. A quarter were concerned about the financial sustainability of most of their local residential LTC providers and 15% were concerned about the sustainability of most of their domiciliary care providers.[221] Some 27,000 smaller residential homes are considered highly vulnerable financially and widespread closures are expected over the next two years.[222]

f) **Beneficiaries:** The Care Easement Act allowed some 25,000 older people to be rapidly discharged from hospital to residential LTC facilities at the start of the pandemic in March 2020 without COVID-19 testing, thereby seeding widespread infection outbreaks. By summer 2020, 90% of local authority leaders thought at least some residents had not been discharged from hospital to a care placement appropriate to their needs.[223] By mid-November 2020, excess deaths in residential LTC reached 23,000 – about 5% of all residents. In the early months of the pandemic, mortality rates among care workers were also higher than both the national average and those

[217] www.cipfa.org/cipfa-thinks/cipfa-thinks-articles/social-care-the-forgotten-front-line
[218] *The Guardian,* 10 April 2020: 'England care providers say 10% council fee rise is "too little too late"'
[219] The Care Quality Commission is the independent regulator of all English health and care service providers
[220] Daly, M. (2020) 'COVID-19 and care homes in England: What happened and why?', *Social Policy and Administration* 54(7): 985-998
[221] ADASS (2020) *ADASS Coronavirus Survey 2020:* www.adass.org.uk
[222] *The Guardian,* 26 May 2020
[223] ADASS (2020) *ADASS Coronavirus Survey 2020*: www.adass.org.uk

of healthcare workers.[224] Within 6 weeks after the suspension of routine quality inspections, there was a 55% increase in complaints from LTC staff about poor practice, often relating to infection control.[225] By mid-April 2020, media reports of residential LTC staff overwhelmed by sick and dying residents were mounting.[226] 70% of managers reported concerns about staff morale, mental health and wellbeing.

g) **Novelty:** Emergency funding could be argued to be novel, in that it was related to the pandemic, in the context of a long-term lack of sustainable funding for social care in England. The relaxation of regulations was also new, as was the priority given to the vaccination of care home residents.

[224] *Community Care,* 12 May 2020: 'Deaths among social care staff far outstripping those in healthcare'
[225] *The Guardian*, 17 June 2020: 'BAME care home residents more likely to die of Covid-19'
[226] David Oliver, 'Let's not forget care homes when covid-19 is over', *BMJ,* 24 April 2020

3 SOCIAL PROTECTION AND INCLUSION RESPONSES TO THE CRISIS: OVERALL ASSESSMENT AND POSSIBLE GAPS

This third section briefly considers three aspects: the expected cost of the social protection and inclusion measures put in place by the country (Section 3.1), the impact of these measures on the social protection system and on social inclusion policies (Section 3.2), and the possible remaining gaps in the social protection system and in social inclusion policies (Section 3.3). It concludes with a section (3.4) on debates and recommendations.

3.1 Expected cost of social protection and inclusion measures

There are problems in estimating the expected costs: the pandemic is still with us; and existing official estimates are not up to date.

It is hard to put a definitive cost on the Government's package of tax and spending measures. The final cost will depend on the path of the virus and the duration and take-up of government schemes.

In November 2020, HM Treasury published[227] a set of Policy Costings as part of its annual expenditure review and this contains estimates relating to some of the elements of the social protection COVID-19 response. These are summarised in Table 1. They have been updated for the financial year 2021-2022 following announcements in the March Budget.[228]

The total of the two amounts is £106,730 (€120,605) million. This is 4.91% of UK GDP in 2019. Note this estimate does not include spending on public services including Personal Protective equipment and the test and trace programme, nor help for business, nor payments to the devolved administrations.

[227] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/937937/Policy_costings_2020_final.pdf

[228] Derived from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/965777/Budget_2021_policy_costings_.pdf
See also https://obr.uk/wtr/welfare-trends-report-march-2021/
and https://obr.uk/efo/economic-and-fiscal-outlook-march-2021/

Table 1: Extra costs of COVID-19 measures in 2020/21 and 2021/22. £ millions

Measure	Extra costs 2020/21 £ (€) millions	Extra costs 2021/22 £ (€) millions
CJRS March to October 2020	34,080(€38,851)	Extension to April 2,265 (€2,582) Extension beyond April 6,945 (€7,917)
CJRS October 2020 to March 2021	19,640(€22,390)	
SEISS 1 and 2	12,730(€14,512)	12,760 (€14.546)
SEISS 3	6,875(€7,838)	
Eat out to help out	840(€958)	
£20 increase in UC	6,060(€6,908)	2,240 (€2554)
£500 for working tax credit recipients		765(€872)
Suspension of minimum income floor in UC	350(€399)	25(€28.5)
Local housing allowance increase estimates	955(€1,089)	n/a
Remove 7 day wait in ESA	5(€5.7)	
Statutory sick pay rebate	50(€57)	35(€39.9)
Universal Credit: maintain surplus earnings de minimis at £2,500 in 2021-22		110 (€125.4)

Source: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/937937/Policy_costings_2020_final.pdf)

The current timetable for withdrawing social protection measures taken during the crisis is set out in a briefing from the House of Commons library.[229]

3.2 Impact on the social protection system and on social inclusion policies

The OBR said in July 2020 that the economic outlook would "have been much worse without the measures the Government has taken. These have provided additional financial support to individuals and businesses through the lockdown. They should also help to limit any long-term economic 'scarring', by keeping workers attached to firms and helping otherwise viable firms stay in business".[230]

The Institute for Fiscal Studies (IFS) believes the low cost of borrowing makes additional spending that helps "to deliver a more complete recovery" almost certainly worth doing.

When the **CJRS** was first introduced, the Resolution Foundation commented that "the long-term economic, fiscal, and social benefits of keeping workers attached to their employers and the labour market, and avoiding unprecedented levels of unemployment, almost certainly exceed the temporary costs of the scheme".[231]

[229] https://commonslibrary.parliament.uk/research-briefings/cbp-8973/ (30 April 2021 version)
[230] https://questions-statements.parliament.uk/written-statements/detail/2020-07-14/HCWS364
[231] https://www.resolutionfoundation.org/app/uploads/2020/04/Doing-more-of-what-it-takes.pdf

The contrast between the uncertainty for those of working age about whether the uplift in **UC and Working Tax Credit** would continue beyond the end of March 2021[232] can be contrasted with the security of the 'triple lock'[233] that ensures pensioners knew well in advance how much they would receive from April 2021.[234] The balance between social security support for pensioners and those of working age[235] will need to be seriously debated for the shape of future provision.

The pandemic has added to the public impression that the UK **housing** system is in crisis. It is likely to advance some reforms already under discussion or development, such as pre-action protocols in repossession cases, and an end to 'no fault' evictions in England. The temporary increase in UC for private renters may be difficult to reverse but is being frozen in cash terms from April 2021 rather than continuing to relate to the 30th percentile of private rents. The pandemic has strengthened the idea that key workers deserve preference in access to services, potentially including affordable housing. Reductions in housing allowances in 2012 caused about 26,000 extra cases of medium-term mental health conditions[236] and, over time, the emergence of similar evidence on the pandemic may add to pressure to address housing costs.

'Everyone in' has set a new standard for England, by rapidly providing a large number of self-contained homes for single rough sleepers. NGOs are trying hard to ensure that some elements of 'Everyone in' ambition and funding remain in place.

3.3 Remaining gaps in the social protection system and social inclusion policies

"Since the crisis hit, the support schemes introduced by the Government have prevented an unprecedented collapse in GDP from turning into a living standards disaster."[237] But even before the pandemic hit, poverty and inequality were rising – a recent ONS estimate is that the real net income of the bottom decile fell by 12.6% between 2016/17 and 2019/20, while the real net income of the top quintile rose by 12.5% over the same period.[238] The pandemic is likely to have exacerbated these trends. The Deaton Review of Inequalities will forensically examine these and other issues;[239] and the Economy 2030 Inquiry will explore what kind of economy is needed in the UK post pandemic context.[240]

Generally, **support for finding work** is largely tied to benefit receipt in the UK. Although 150 specialist youth employability Jobcentre work coaches are to be recruited, with help continuing into any new job,[241] young people in particular may not be claiming benefit, and so may miss out on employment support. The pattern of employment losses, already and in future, as a result of the pandemic suggests that this should be changed. In addition, as well as more specialist help for different groups such as single parents, the design of

[232] https://commonslibrary.parliament.uk/research-briefings/cbp-8973/; as noted, the Budget on 3 March announced that the uplift in UC would continue (currently until the end of September 2021) and a lump sum of £500 was given to Working Tax Credit claimants as an alternative
[233] https://www.resolutionfoundation.org/publications/locked-in/
[234] https://commonslibrary.parliament.uk/research-briefings/cbp-9131/
[235] https://www.resolutionfoundation.org/publications/the-shifting-shape-of-social-security/
[236] Reeves, A., Clair, A., McKee, M. and Stuckler, D. (2016) 'Reductions in the United Kingdom government's housing benefit and symptoms of depression in the low-income households', *American Journal of Epidemiology*, 184(6): 421-429
[237] Resolution Foundation (2021) *Living Standards Outlook 2021*: https://www.resolutionfoundation.org/publications/the-living-standards-outlook-2021/
[238] https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality
[239] https://www.ifs.org.uk/inequality/
[240] https://www.nuffieldfoundation.org/project/the-economy-2030-inquiry-navigating-a-decade-of-change
[241] https://www.gov.uk/government/news/specialist-job-coaches-to-help-young-people-onto-the-jobs-ladder/

benefits and support for childcare costs must be improved in order to ensure better provisions and incentives for parents wanting to re-enter the labour market.[242]

While **Universal Credit** (UC) coped with the huge increase in new claims,[243] this was in part due to easements introduced into the system, so that it was different, and in part due to 10,000 DWP staff being redeployed and other staff being seconded from elsewhere. A major effort was put into paying claims in full and on time; and innovations such as proactively calling claimants were appreciated. But the faults in the scheme were revealed to a new audience of claimants – the five weeks' wait before a first payment,[244] but especially the inadequacy of the minimum payment itself, leading to some 3 in 10 new claimants being more in debt than they were a year ago.[245] And 'coping' is a low bar; it is not clear how legacy benefits would have coped, had they had similar investment.[246] The deliberate 'managed migration' to Universal Credit has been delayed by the pandemic, as the pilot had to be suspended, and is unlikely to resume before 2022. This will save £470 (€536) million from 2020/21 to 2025/26, according to the Office for Budget Responsibility, because some 50,000 fewer people will qualify for transitional protection;[247] 3 million cases are still on legacy benefits, with 1.6 million expected to go through managed migration. However, the Government is preparing a drive to persuade people to check whether they should be moving 'naturally' to Universal Credit, and has developed a Benefit Checker[248]

The benefit measures taken in response to the pandemic have had a huge impact - policies such as suspending the Minimum Income Floor for the self-employed, the £20 (€23) a week increase to UC and Working Tax Credit standard allowances, and additional help for renters through the increase in Local Housing Allowance (LHA) to the 30th percentile of local rents. Together, the OBR estimates that these boosted household incomes by £8.3 (€9.5) billion in 2020-21. It is not clear how long the 'uplift' will continue, if at all, beyond the end of September 2021, and the increase for private renters has already been frozen in cash terms from April 2021.

However, these measures have focused on **means-tested benefits** or, too often, have relied on **discretionary, cash-limited sums** to be given out by local authorities (see 2.3.3 above). It can be argued that local councils are in the best position, with the local community, to allocate additional help. But this is when it is additional, rather than an alternative to more structured national assistance, given as of right, whether means-tested or not; and the evidence suggests that the amount of funding has been insufficient. A National Audit Office report in March concluded that action has averted system-wide financial failure, but that the financial position of local government in England remains a cause for concern, and some councils have a substantial funding gap; against £9.7 (€11) billion of COVID-19 cost pressures and income losses estimated for 2020/21 by local authorities at early December 2020, £9.1 (€10.4) billion had been given by central government by that date.[249] In addition, the Government has favoured **help in kind** rather than cash when possible (such as increasing vouchers for fruit and vegetables and using food boxes ('hampers') or vouchers for free school meals). Tightly targeted, discretionary, and in-kind help has often been the preferred mechanism for delivering support to those on low incomes. And when this has not been the case, Universal Credit has been

[242] See, for example: https://www.gingerbread.org.uk/policy-campaigns/publications-index/tackling-single-parent-poverty-after-coronavirus/
[243] https://commonslibrary.parliament.uk/constituency-data-universal-credit-roll-out/; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935735/a-review-of-the-covid-19-temporary-measures-occasional-paper-24.pdf
[244] https://committees.parliament.uk/publications/4178/documents/42815/default/
[245] https://www.resolutionfoundation.org/publications/the-debts-that-divide-us/
[246] https://blogs.bath.ac.uk/iprblog/2020/04/06/coronavirus-the-making-or-the-unmaking-of-universal-credit/
[247] https://obr.uk/efo/economic-and-fiscal-outlook-march-2021/; see also https://obr.uk/wtr/welfare-trends-report-march-2021/
[248] https://dwp-benefits-checker.shorthandstories.com/step-1/index.html/
[249] https://www.nao.org.uk/report/local-government-finance-in-the-pandemic/

highlighted[250] in preference to the contributory/non-contributory non-means-tested benefit schemes still in existence.[251]

The most obvious gap in the **social security** responses to the pandemic crisis has been the absence of help specifically targeted at families with children. The £20(€23) /week increase in UC, while helping low-income families with children, was a flat-rate payment to all households on UC worth proportionately more to those with less entitlement, including the childless. The only measures targeted specifically on children in England,[252] apart from the increase in the value of Healthy Start vouchers from April 2021, were school holiday meals provision (or equivalent), which the Government was reluctantly and repeatedly forced to provide by a public campaign led by the footballer Marcus Rashford. Provision in many areas most recently took the form of inadequate food boxes, rather than cash or vouchers. It also only helped the minority of poor children eligible for free school meals (not even all those on UC). In addition, unlike some other countries, the UK did not introduce specific measures to help parents who were meant to be working at home as well as looking after children not in school or childcare.

The pandemic has also demonstrated how widespread **housing** affordability problems are. It has shown the weakness of existing help with housing costs, including the limited protection for mortgaged home owners, the partial protection for private renters, the dilemma of funding the prevention of destitution for people with No Recourse to Public Funds as a condition of their immigration status,[253] and the insufficiency of funding for local authorities' general homelessness prevention and relief duties. It may have raised the profile of funding for access to the law in debt and housing and other debt cases by low-income people.

The pandemic has also underlined the value of a greater supply of affordable and social housing. The UK's housing system appeared to be directly implicated in the severity and uneven impact of the pandemic in the UK. Renters found it more difficult to comply with lockdown rules, and people in overcrowded homes were less likely to do so.[254] High rates of infection and death have been found amongst rough sleepers,[255] sharing, large or overcrowded households,[256] multi-generation households[257] and in deprived neighbourhoods.[258] Inequalities in housing may have contributed to the higher infection and death rates among black and minority ethnic people. Housing also has been central to lockdown experiences, influencing health, education, working life, income and relationships.[259] For example, people in overcrowded homes had worse mental health during lockdown.[260] In addition, COVID-19 has exposed the vulnerability of the UK housing system to employment and income shocks. Half those of working age have had no real income growth between 2002/03 and 2015 due to rising housing costs.[261] In 2020, 43% of people had no savings or had used them in the first month of the pandemic.[262] Social housing has become less accessible and housing allowances less generous. In April 2020,

[250] https://commonslibrary.parliament.uk/research-briefings/cbp-8999/
[251] https://commonslibrary.parliament.uk/contributory-benefits-and-social-insurance-in-the-uk/
[252] Scotland has been markedly more generous, in particular in relation to benefits for children, within the limits of its devolved powers, including introducing an additional means-tested benefit for young children
[253] See https://www.refugeecouncil.org.uk/latest/news/changes-to-home-office-asylum-resettlement-policy-and-practice-in-response-to-covid-19/ for a review of provision (or lack of it) for asylum seekers in particular
[254] Fancourt, D., Hei, W.M., Feifei, B. and Steptoe, A. (2020) *Covid-19 Social Study: Results releases 1-11*, UCL
[255] Public Health England (2020) *Disparities in the Risk and Outcomes of COVID-19*, PHE
[256] Tunstall, R. (2020) 'Improve housing. Protect the NHS. Save lives', C-19 seminar series, July, Cabinet Office
[257] Kenway, P. and Holden, J. (2020) *Accounting for the Variation in the Confirmed Covid-19 Caseload across England: An analysis of the role of multi-generation households, London and time*, London: New Policy Institute
[258] OpenSAFELY collaboration *et al.* (2020) 'OpenSAFELY: factors associated with COVID-19-related hospital death in the linked electronic health records of 17 million adult NHS patients', *MedRxiv*, 7 May
[259] Gurney, C. (2020) *Out of Harm's Way? Critical remarks on harm and the meaning of home during the 2020 Covid-19 social distancing measures*, 8 April, UK Collaborative Centre for Housing Research
[260] Fancourt, D., Hei, W.M., Feifei, B. and Steptoe, A. (2020) *Covid-19 Social Study: Results releases 1-11*, UCL
[261] Clarke, S., Corlett, A. and Judge, L. (2016) *The Housing Headwind: The impact of rising housing costs on UK living standards*, Resolution Foundation
[262] Kempson, E. and Poppe, C. (2020) *Coronavirus Financial Impact Tracker*, Standard Life Foundation

as the first national lockdown started, 40% thought it was likely that they would have serious money problems such as not being able to pay for housing, and 7% were in rent or mortgage arrears.[263] Mortgaged homeowners and private renters, making up 29% and 19% of all households in England in 2018/19 respectively, were most likely to lose income and most at risk from losses. Initially, the emergency Coronavirus Bill introduced in March 2020 did not address housing, and the Government appealed to landlords to exercise compassion, although housing provisions were subsequently included.

Excess deaths in English **Long-Term Care (LTC)** have been high. The sector was already in crisis before the pandemic. A decade of austerity policies had resulted in a 12% real-terms per capita funding cut; increasing unmet care needs; growing risks of market failure among provider organisations; major challenges in recruiting and retaining staff; and growing burdens on unpaid family carers.[264] 8% of paid care posts were vacant,[265] with annual workforce turnover estimated at 30.7%.[266] Care workers are notoriously low paid: 70% earn below £10 (€11.35) an hour; annual pay averages just £16,400 (€18,600).[267] A quarter, rising to 58% of domiciliary care workers, are employed on zero-hours contracts, paid only for the hours they actually work.[268] Many domiciliary care workers are not paid for time spent travelling between clients, reducing their actual hourly rate to below the legal minimum.

The need for major structural and funding reforms of English LTC remains acute. Intermittent Government announcements promise the publication of proposals before the end of 2021, but no timetable has been given.

3.4 Debates and recommendations

The UK government's response to the crisis could be described as an attempt to shield the population from the weaknesses of the pre-existing social protection system. One obvious recommendation therefore is not to return to that system after the crisis. The prospects may not look promising, due to the nature of that pre-existing social protection model and the likely future desire to restrain public spending; indeed, in the March 2021 Budget contained significant cuts in public spending for future years.[269] But debate about future provision is beginning in social policy circles and amongst NGOs and think tanks.[270]

Debate about whether the **'uplift' to Universal Credit and Working Tax Credit** should be continued, and whether it should be extended to equivalent 'legacy' and other benefits, was intense in the run-up to the Budget on 3 March 2021. It was rumoured that HM Treasury had been considering replacing it with a one-off payment of £500 (€570) or £1,000 (€1,140). Critics of such a scheme, including the DWP Secretary of State,[271] pointed out the danger of fraud; that it would not help those becoming unemployed after the one-off payment; and that it might dissuade the unemployed from taking a job in case they missed out on it. It was also pointed out that the £6 (€8.84) billion cost of the uplift, though not inconsiderable, was tiny in the context of the nearly £300 billion costs of all the COVID-19 measures. To remove it would have resulted in 6 million households losing some £1,040 (€1,185.60) per year[272] and leave the real level of minimum income benefits at their lowest

[263] ONS (2020a) *Coronavirus and the Social Impacts on Great Britain: 5 June 2020*, ONS;
ONS (2020b) *Personal and Economic Well-being in Great Britain: May 2020*, ONS
[264] Amnesty International (2020) *As if Expendable*: www.amnesty.org
[265] CQC (2019) *The State of Health Care and Adult Social Care in England 2018/19,* HC9, London: Care Quality Commission
[266] AgeUK (2019) *Briefing: Health and Care of Older People in England,* London: Age UK
[267] *The Guardian,* 26 May 2020, 'Care workers should be better paid after Covid-19'
[268] Ravalier, J. *et al*. (2018) 'Zero Hours Contracts and stress in UK domiciliary workers', *Health and Social Care in the Community,* 27(2): 348-355
[269] https://www.politicshome.com/news/article/ifs-budget-2021-short-term-spending-long-term-cuts-tax-nhs-rish-sunak/
[270] E.g. see below and https://sticerd.lse.ac.uk/CASE/_NEW/PUBLICATIONS/abstract/?index=7162
[271] https://committees.parliament.uk/oralevidence/1630/pdf/
[272] https://www.ifs.org.uk/publications/15266

level since 1990. As noted in 2.5.1 above, the uplift in Universal Credit will continue until the end of September 2021, but Working Tax Credit claimants will get a one-off payment of £500 (€570). However, the arguments above have only been postponed rather than resolved.[273]

One specific concern is the side-lining of **non-means-tested benefits**, with ministers saying 'the future is Universal Credit'.[274] (Note that the Scottish Government doubled its Carer's Allowance Supplement in June 2020 because of the pandemic, however.)[275] There have been different responses to this. On the one hand, there is debate about the need for benefits more closely reflecting earnings, following the introduction of the CJRS in the pandemic,[276] and the low placing of the UK's unemployment benefit in terms of replacement of earnings in the OECD.[277] For example, two well respected think tanks have raised the possibility of earnings-related payments during short-term unemployment.[278] On the other, there is support for a Universal Basic Income, initially as an emergency measure but also for the longer term.[279] [280] And there are also proposals for a (more generous) means-tested minimum income scheme,[281] including from a Commission on Social Security of people with experience of benefits.[282] The Fabian Society and the Child Poverty Action Group are examining the shape of a future social security system,[283] as is a Commission set up by a centre right think tank, Bright Blue.[284] The Institute for Government and the Social Security Advisory Committee held roundtable events on this topic in 2020 and published a report in March 2021.[285] There has been a focus on **Statutory Sick Pay** in discussions, as well,[286] with unions suggesting that higher SSP would help those self-isolating[287] and the Government suggesting that as part of long-term reform it is minded to extend SSP to those on lower earnings ineligible for sick pay from their employers.[288] Another clear gap, as noted above, is in arrangements for **parental leave**. The TUC called for a temporary legal right to access the furlough scheme (not just a right to request) as a last resort for parents and those with caring responsibilities who have had these significantly disrupted due to coronavirus restrictions, and people who cannot work because they have to shield. This must not lead to discrimination in future. The TUC said: "it would be preferable if we had a proper system of paid parental leave and better flexible work rights but in the meantime the furlough scheme is a financial lifeline that temporarily resolves a situation that is making life impossible for parents". It called on the Government

[273] E.g. over 100 Conservative MPs have called for the uplift to be extended further: https://www.politicshome.com/news/article/conservative-mps-universal-credit-extend/
[274] https://www.express.co.uk/finance/personalfinance/1378384/universal-credit-uk-dwp-uplift-legacy-benefits-account; see reading list on Universal Credit from its origins to April 2021: https://commonslibrary.parliament.uk/research-briefings/cbp-9211/
[275] https://www.mygov.scot/carers-allowance-supplement/coronavirus-carers-allowance-supplement
[276] See, for example, BBC Radio 4 Analysis programme, 1 November 2020: https://www.bbc.co.uk/programmes/m000nv62
[277] https://stats.oecd.org/Index.aspx?DataSetCode=NRR
[278] Resolution Foundation, in *In Need of Support?* (2021) and the Institute for Fiscal Studies, in a podcast on 10 March 2021: https://www.ifs.org.uk/podcast/universal-credit-the-future-of-benefits
[279] https://www.compassonline.org.uk/publications/meeting-the-economic-and-livelihood-crisis-from-a-recovery-basic-income-to-a-permanent-income-floor/
[280] Bennett, F. (2017) 'Universal basic income far from reality of UK's existing social security system', *ESPN Flash Report*: https://ec.europa.eu/social/BlobServlet?docId=17531&langId=en
[281] https://neweconomics.org/2020/04/an-income-floor-for-all/; https://www.ippr.org/research/publications/securing-a-living-income-in-scotland; and https://www.gov.scot/publications/scottish-government-response-report-social-renewal-advisory-board/pages/2/
[282] https://www.commissiononsocialsecurity.org/
[283] https://fabians.org.uk/about-us/our-projects/social-security-solutions/; https://cpag.org.uk/projects/secure-futures and https://cpag.org.uk/news-blogs/news-listings/security-and-solidarity-our-social-security-system
[284] http://socialsecurity.brightblue.org.uk/
[285] https://www.instituteforgovernment.org.uk/sites/default/files/publications/jobs-benefits-covid-challenge.pdf
[286] E.g. see Resolution Foundation, *In Need of Support?*, 2021; Unum: https://www.cityam.com/its-time-to-reform-statutory-sick-pay-to-create-a-healthy-and-productive-workforce/; and TUC: https://www.personneltoday.com/hr/statutory-sick-pay-uplift-criticised-as-miserly/
[287] *The Guardian*, 17 April 2021
[288] Debate in House of Commons, *Hansard,* 2 March 2021, cols. 223-230

to introduce ten days' paid carers' leave from day one of employment, and to publish as well as carry out equality impact assessments of all its policies.[289]

By far the easiest way to get **support to children** would be an increase in Child Benefit,[290] which has lost nearly a quarter of its real value since 2010.[291] Additional help could be given to low-income families by increasing means-tested benefit rates to balance the £20 (€23) /week uplift to the standard UC allowance. Other measures could include introducing universal free school meals, abolishing the benefit cap, abolishing the two child limit and the bedroom tax and lifting local rent limits. These measures together would re-establish the minimum income guarantee which has been so ruinously undermined by austerity cuts to social security in the last decade.

'Everyone in' has shown what can be achieved to rapidly provide self-contained, secure and reasonable quality housing for **homeless people**. However, success in helping people off the streets has not been complete or sustained. In 2018, the NGO Crisis argued that what was needed was more ambition and more money, with more support for local authorities and charities, housing benefit that covers all the rent for all renters on low incomes, and a marked increase in the supply of social housing.[292]

The UK does not have the right **housing system** or housing stock for effective shielding, self-isolating and convalescence. 74% of the 2.3m clinically extremely vulnerable people in England lived with others,[293] as did most of the many millions of people who had to self-isolate. However, 47% of multi-person households where someone had to isolate did not have a spare bedroom, and 65% had only one bathroom.[294] Low-income and social renting households were the most likely to have someone shielding or self-isolating, but the least likely to have the means to do this safely.[295]

Given its unusually flexible labour market, the UK does not have the right housing system for economic and labour market shocks either. The pandemic has demonstrated the vulnerability of existing home-owners and private renters, particularly younger people in areas with high costs and large proportions of people in self-employment.

Housing should be central to building back better after the pandemic, through example through providing re-skilling and new jobs in construction of affordable homes and improving energy efficiency. However, this seems unlikely in practice.

The pandemic has exposed the fragmentation and chronic underfunding of **Long-term Care**, particularly in England. Differences in care workers' earnings, conditions of employment, training and career development opportunities and overall esteem, compared to NHS staff, have been revealed. Reforms are needed more urgently than ever, first to make good the major cuts in funding that have hit the sector since 2010; secondly, to remove huge inequities in individual access to publicly-funded care; and, thirdly, to introduce approaches to generating and allocating resources to the sector that are sustainable in the longer term, taking account of demographic trends.

Together with the biggest reduction in GDP for 300 years, compared with its previous November 2020 forecasts, the recovery is delayed due to the early 2021 lockdown. The OBR[296] forecasts GDP to fall by 3.8% in Q1 2021. Once the economy reopens, it is expected to grow more strongly than the OBR previously anticipated. As a result, the OBR forecasts that GDP will return to its pre-pandemic level in Q2 2022, six months sooner than it

[289] https://www.tuc.org.uk/workingparents
[290] https://www.ippr.org/research/publications/a-family-stimulus
[291] https://cpag.org.uk/policy-and-campaigns/childrens-benefits-and-cost-living
[292] Downie, M. et al (2018) *Everybody in: How to end homelessness in Great Britain*, London: Crisis
[293] ONS (2020) *Coronavirus and shielding of clinically extremely vulnerable people in England: 9 July to 16 July 2020*, 5 August
[294] MHCLG (2020) *English Housing Survey Household Resilience Study, Wave 1 June-July 2020*, London: MHCLG
[295] EMG/SPI-B/SPI-M (2021) *Reducing within- and between-household transmission in light of new variant SARS-CoV-2*, 15 January
[296] and Fiscal Outlook from OBR (Mar 2021)? https://obr.uk/efo/economic-and-fiscal-outlook-march-2021/

expected in November 2020. The OBR's latest forecast for the GDP level in Q1 2026 is unchanged from its November forecast (6.5% above its pre-pandemic level of Q4 2019).

The budget deficit is forecast to be £355 (€405) billion (16.9% of GDP) in 2020/21, as a result of the pandemic's effect on the economy and the cost of the Government's economic support measures. This is, however, lower than the OBR's November 2020 forecast of £394 (€449) billion (19.0% of GDP). The OBR estimates that the total cost of spending related to the pandemic is £344 (€392) billion. The March 2021 Budget added £3 (€3.42) billion in virus-related spending in 2020/21 and a further £43 (€49) billion in 2021/22 (including the extension of the employment support schemes). Previous estimates of spending in 2020/21 have been revised down. This additional spending leads to the budget deficit being higher in 2021/22, at 10.3% of GDP, than the OBR's November 2020 forecast of 7.4%. From 2023/24, tax rises and lower-than-previously forecast public spending leads to lower deficits. The OBR forecasts the budget deficit to be 2.8% of GDP in 2025/26, compared to a deficit of 3.9% in its previous November 2020 forecast.

Nevertheless, it looks probable that sooner or later the Government is going to have to increase **taxes**.[297] Several proposals have been floated, including increases in corporation tax and capital gains tax. The Conservative manifesto promised not to raise the main rates of income tax, national insurance, or VAT. However, one suggestion is for a new social insurance or solidarity charge, levied on a wider basis than national insurance.[298] And the Chancellor has hinted that self-employed people should be making a bigger contribution,[299] as we argued in our report on social protection for the self-employed and those on non-standard contracts.[300] The 2021 Budget[301] announced plans for some increases, including freezing personal and higher rate (and some other) tax allowances from April 2022 until March 2026; increasing the main corporation tax rate from 19% to 25% on profits over £250,000 (€285,000) from April 2023, although there were also some measures to reduce taxes in the period before that, especially for businesses.

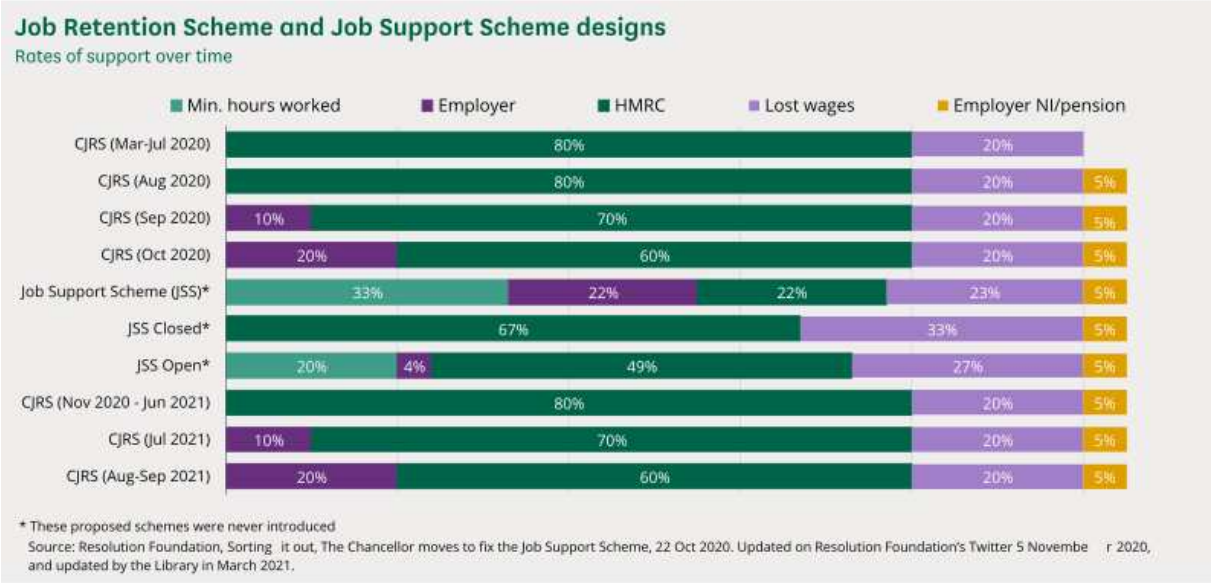
It is also improbable that poverty and social protection are going to be high on the policy agenda for several more years. The Government's 'levelling up' agenda seems doomed – although a prospectus for a Levelling Up Fund was launched in the Budget on 3 March 2021,[302] as well as a prospectus for a Community Renewal Fund (criticised for its criteria for selection of areas for investment).[303] The Scottish Poverty and Inequality Commission, which advises the Scottish Government, has set out in its strategic plan its intention to 'advocate for a response to COVID-19 that addresses the structural causes of poverty and inequality'.[304] The only tax increase announced prior to Budget 2021 was the decision to allow local councils to increase Council Tax by 5% in 2021/22. Councils desperately need the revenue; but council tax is one of the most regressive of all taxes, non-payment is increasing in the pandemic;[305] and there has been no revaluation since 1991 in England.[306]

[297] https://www.ifs.org.uk/publications/15293
[298] https://reaction.life/britain-needs-a-social-insurance-tax-to-tackle-coronavirus-debt/
[299] https://www.telegraph.co.uk/tax/news/chancellor-sunak-eyes-national-insurance-hike-return-self-employed/
[300] Bradshaw, J. and Bennett, F. (2017) *ESPN Thematic Report on Access to social protection of people working as self-employed or on non-standard contracts - United Kingdom*, ESPN https://socialprotection.org/discover/publications/espn-thematic-report-access-social-protection-people-working-self-employed-or
See also Bennett, F. (2019) 'Social protection for the self-employed in the UK: the disappearing contributions increase', *Journal of Poverty and Social Justice* 27(2): 235-251
[301] https://www.gov.uk/government/news/budget-2021-what-you-need-to-know; and https://commonslibrary.parliament.uk/research-briefings/cbp-9154/
[302] https://www.gov.uk/government/publications/levelling-up-fund-prospectus; and see https://commonslibrary.parliament.uk/research-briefings/cbp-9154/
[303] https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus
[304] https://povertyinequality.scot/wp-content/uploads/2021/02/Poverty-and-Inequality-Commission-Strategic-Plan-2020-2023.pdf
[305] https://www.ifs.org.uk/publications/15295
[306] https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0014/

However, against this Ipsos Mori in October 2020 found poverty and inequality the fourth highest priority in terms of issues the general public cares about, above the NHS (though they have fallen back since then).[307] And the latest British Social Attitudes survey found public attitudes towards benefits becoming more positive: over one third think benefits are too low and cause hardship, and the proportion thinking people on benefits do not deserve help is the lowest ever recorded.[308] These attitudes, the valuing of 'key workers' crucial to keeping society going during the pandemic, and the solidarity shown by local communities towards those in difficulty, must be built on in post-pandemic reconstruction. The wider debates have been taken up by the British Academy in two recent reports.[309] The first report identified nine interconnected areas of long-term societal impact, ranging from the rising importance of local communities to exacerbated inequalities and a renewed awareness of education and skills in an uncertain economic climate. The second suggested seven strategic goals: build multi-level governance; improve knowledge, data and information linkage and sharing; prioritise digital infrastructure; reimagine urban spaces; create an agile education and training system; strengthen community-led social infrastructure; and promote a shared social purpose.

[307] https://www.britishfuture.org/wp-content/uploads/2020/12/BFCovidAttitudes37.pdf
[308] https://www.natcen.ac.uk/news-media/press-releases/2020/october/british-social-attitudes-survey-reveals-softening-of-attitudes-towards-welfare-and-immigration/
[309] https://www.thebritishacademy.ac.uk/publications/covid-decade-understanding-the-long-term-societal-impacts-of-covid-19/ and https://www.thebritishacademy.ac.uk/publications/shaping-the-covid-decade-addressing-the-long-term-societal-impacts-of-covid-19/

ANNEX


Job Retention Scheme and Job Support Scheme designs
Rates of support over time
Min. hours worked
Employer
HMRC
Lost wages
Employer NI/pension
CJRS (Mar-Jul 2020)
80%
20%
CJRS (Aug 2020)
80%
20%
5%
CJRS (Sep 2020)
10%
70%
20%
5%
CJRS (Oct 2020)
20%
60%
20%
5%
Job Support Scheme (JSS)*
33%
22%
22%
23%
5%
JSS Closed*
67%
33%
5%
JSS Open*
20%
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49%
27%
5%
CJRS (Nov 2020 - Jun 2021)
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* These proposed schemes were never introduced
Source: Resolution Foundation, Sorting it out, The Chancellor moves to fix the Job Support Scheme, 22 Oct 2020. Updated on Resolution Foundation's Twitter 5 Novembe r 2020, and updated by the Library in March 2021.

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