

COVID INQUIRY MODULE 9

SUBMISSIONS ON BEHALF OF CHILD POVERTY ACTION GROUP - HEARING ON 23 OCTOBER 2024

1. Child Poverty Action Group (“CPAG”) welcomes the opportunity to participate in Module 9 of the Inquiry.
2. These written submissions address some background matters, and then the key matters covered by the Note for the Preliminary Hearing in Module 9 of the Inquiry (“the Preliminary Hearing Note”), save for the Key Lines of Enquiry (“KLOEs”). CPAG will address the KLOEs in written submissions by 18 October 2024, in accordance with para. 60 of the Preliminary Hearing Note.

Background to CPAG’s involvement in Module 9

3. CPAG works on behalf of the more than one in four children in the UK growing up in poverty¹. It uses an evidence-based understanding of what causes poverty and the impact it has on children’s lives, gained from its research with children and families, to campaign for policies that will prevent and solve poverty. CPAG considers the social security system and the good administration of benefits to be essential in lifting children out of poverty.
4. CPAG has expert knowledge of the complex welfare benefits system, including the many changes made during and after the Covid-19 pandemic. It provides specialist training, advice and information on the social security system, and authors and publishes a highly regarded handbook (the Welfare Benefits and Tax Credits Handbook, now on its 26th

¹ For an introductory explanation of how poverty is defined and measured, see *Ending Child Poverty: Why and How*, Kitty Stewart, Jane Millar, Alan Marsh, and Jonathan Bradshaw, December 2023, p4 (available at: https://issuu.com/cpagscotland/docs/ending_child_poverty_2023).

edition) and other books on different forms of support.² Since 1974, CPAG has produced a bi-monthly Welfare Rights Bulletin, updating advisers and lawyers on legal developments, as well as engaging in often high-profile and complex litigation on social security issues.

5. CPAG operates an Early Warning System, which collects case study evidence from advisers across the UK on the real-time impact of the social security system. It also has a significant co-ordination role in relation to, and is involved in close liaison with, other organisations with allied interests. In particular, CPAG:
 - 5.1. Co-ordinates the Social Security Consortium, which is a network of over 40 organisations working on issues related to the social security system.
 - 5.2. Provides secretariat services to the National Association of Welfare Rights Advisers, a membership body for welfare advice organisations.
 - 5.3. Hosts the End Child Poverty coalition, a group of around 120 organisations dedicated to alleviating child poverty.
 - 5.4. Facilitates a London Youth Panel, with young people aged 14-21 who are passionate about tackling child poverty.
 - 5.5. Is a partner on the Changing Realities research project led by the University of York, which is a participatory online project working with over 100 low-income parents and carers documenting life on a low income and campaigning for change. The project builds on the earlier Covid Realities project, described below.
6. CPAG's work during the pandemic included the following:
 - 6.1. Preparing a weekly and fortnightly "Mind the Gaps", and later a "Falling Through the Gaps", briefing series on the problems families were experiencing accessing social security during the pandemic, using evidence obtained from the Early Warning System described above. CPAG analysed enquiries made to its advice services and cases referred by other CPAG projects to identify emerging problems and areas of concern.

² Other current CPAG handbooks cover topics including Council Tax, Fuel Rights, Debt Advice (versions for both England & Wales and Scotland), Child Support, Housing Benefit and Council Tax Reduction legislation and Mental Health and Benefits (presented jointly with Mind). CPAG also authors and publishes a 'What you need to know' book series which includes publications on Universal Credit, Personal Independence Payment and Winning Your Benefit Appeal.

- 6.2. Carrying out a national online survey of 285 families, as well as in-depth interviews, between May and August 2020 to examine the financial impact of the pandemic and available sources of support. This led to the preparation of a report, in conjunction with the Church of England, recommending further sources of support.³
- 6.3. Publishing “Cash in a Crisis”: a best-practice guide for local authorities on delivering local welfare assistance during Covid-19.⁴
- 6.4. Collaborating with over 100 parents and carers, along with academic researchers, on the Covid Realities project which ran between April 2020 to June 2022, to create an online archive of over 2,000 experiences of families living on a low-income during the pandemic.⁵
- 6.5. Regularly updating CPAG’s nationwide advice and online information to reflect changes made to the social security system and providing regular bulletins to welfare rights advisers on developing issues.
- 6.6. Continuing to deliver advice and representation on benefit appeals and actual and potential judicial review proceedings, involving complex social security legal issues.
- 6.7. Working closely with a panel of Black and minority ethnic parents on low incomes in London to amplify their voices and develop solutions to deliver change for the issues they were facing⁶. Each of the panellists self-defined their ethnicity and described themselves as being of Mixed ethnicity, Black Caribbean, Black African, Bangladeshi, Pakistani, Asian and Indian ethnic backgrounds.
- 6.8. Directly engaging with decision-makers in relation to local and national policy changes: for example, the extension of the £20 uplift to Universal Credit for a further

³ *Poverty in the Pandemic: The impact of coronavirus on low-income families and children* published August 2020 (available at <https://cpag.org.uk/news/poverty-pandemic-impact-coronavirus-low-income-families-and-children>).

⁴ *Cash in a crisis: best practice on local welfare assistance for Local Authorities during Covid-19* published June 2020 (available at <https://cpag.org.uk/sites/default/files/2024-10/Cash-in-a-crisis-FINAL.pdf>).

⁵ *Covid Realities documenting life on a low income during the pandemic* report published 24 January 2022 (available at <https://cdn.sanity.io/files/brhp578m/production/87675ee74d31a305f15c0d8de203e3dd21c50c38.pdf>). The online archive is available at: <https://covidrealities.org/learnings>.

⁶ *London Calling: “Stretched too far” The experiences of families living on a low income in London during the COVID-19 pandemic* published October 2021 (available at https://tfl.ams3.cdn.digitaloceanspaces.com/media/documents/London_Calling_Stretched_Too_Far.pdf). There was additional representation on the panel to reflect the high rates of child poverty experienced by Bangladeshi and Pakistani communities in London.

six months and the creation and extension of the Household Support Fund to enable local authorities to deliver local welfare assistance.

Context in which Module 9 falls to be considered

7. As the introduction to the Inquiry's Module 1 report observed:

"Societal damage has been widespread, with existing inequalities exacerbated and access to opportunity significantly weakened."

8. The context in which the pandemic occurred in the UK was not merely inadequate pandemic resilience and preparedness (as found by the Inquiry in its Module 1 report), but also a context of high levels of child poverty and UK inequality,⁷ a heavily cut benefits system, and underfunded public services, following a decade of austerity. At the time the pandemic hit, the UK was spending some £45 billion less annually on social security than in 2010.⁸ Austerity hit children and families the hardest, with many benefits cuts affecting these groups the most significantly.⁹

9. As a result, on the eve of the pandemic, 31% of children in the UK were growing up in poverty. Children in UK households including people with certain protected characteristics were, and continue to be, disproportionately impacted by poverty, in particular:¹⁰

⁷ The report to Module 1 of Professor Clare Bambra and Professor Sir Michael Marmot recognised that as the UK entered the pandemic, there were 'substantial systematic health inequalities by socio-economic status, ethnicity, area-level deprivation, region, socially excluded minority groups and inclusion health groups, and that these inequalities increased during the relevant period: [INQ000195843_0029](#) para 58; Module 1 Report para 3.56. Professor David Taylor-Robinson also reported to Module 2 on child health inequalities ([INQ000280060](#)), and gave evidence that 'inequalities that affect children are particularly important, because we know that early childhood inequalities track through and layer on top of one another over the course of children's lives to generate inequalities in adult health': 4/3/18-22. CPAG acknowledges the significance and impact of these health inequalities, but will also seek to focus on separate and interrelated socioeconomic inequalities.

⁸ CPAG's calculations from the Policy Measures Database. £45bn is in today's prices (the actual figure is £36bn).

⁹ *The Austerity Generation: the impact of a decade of cuts on family incomes and child poverty*, Child Poverty Action Group, published November 2017 (available at https://cpag.org.uk/sites/default/files/2024-10/Austerity%20Generation%20FINAL_1.pdf).

¹⁰ These rates were fairly similar three years later, in 2022/23 (the latest year for which child poverty statistics are available at the time of writing, due to the time-lag in reporting) - despite the government spending hundreds of billions of pounds on emergency COVID/cost-of-living support. In the absence of permanent investment in the social security system, the medium-term trend is for child poverty to keep rising - primarily due to the roll out of the two-child limit. The two-child limit is particularly prevalent in areas with large Black and minority ethnic populations, so CPAG expect the rate to rise in these populations by even more than the national rate.

- 9.1. Children from Black and minority ethnic groups were even more likely to be in poverty: 46% were in poverty in 2019/2020, compared with 26% of children in white British families.¹¹ Child poverty rates for children from certain minority ethnic groups were particularly high: 68% of Bangladeshi children, 53% of Pakistani children and 48% of Black children in the UK were living in poverty at the outset of the pandemic.¹²
- 9.2. The child poverty rate for children in a UK household with at least one disabled person was 37%, compared to 28% in households with no disabled people. CPAG welcomes the participation of the Disabled People's Organisations as a Core Participant in Module 9.
10. This stark pre-existing poverty and inequality, compounded by years of austerity policies and the consequent severe impact on the resilience and effectiveness of the social security system, meant that many families with children lacked resources to meet financial demands created by the pandemic and were severely affected as a result.
11. The pandemic – and the response to it – both exposed and exacerbated pre-existing inequalities. It highlighted, for example, that many families with children lacked adequate financial resources and that disadvantaged families were more likely to have to continue working outside the home, creating different pressures and often more significant impacts. For those already living in relative poverty, financial impacts arising from the pandemic placed them at even greater risk of falling into deep or very deep poverty and at risk of experiencing extreme financial or material hardship or destitution, with the attendant severe consequences. CPAG considers that this group must, therefore, be central to Module 9.
12. It is CPAG's position that it is impossible properly to examine the adequacy of the government economic interventions in Module 9 – and in particular the adequacy of that response as it concerns "*benefits and sick pay and support for vulnerable people*" – without taking full account of this context.

¹¹ CPAG analysis derived from *Households Below Average Income, Statistics on the number and percentage of people living in low income households for financial years 1994/95 to 2019/20*, Table 4_5db, Department for Work and Pensions, 2021.

¹² Ibid, and as cited in *London Calling* report (see FN4 above).

Module 9 – CPAG’s broad position

13. Many children and families entered the pandemic facing poverty and structural disadvantage, and were failed not just by the Government’s preparation for a pandemic (Module 1), the core decision-making considered in Module 2, and the matters specific to children and young people to be examined in Module 8, but also by the inadequacy of the economic measures introduced in response, to be examined by this Module.
14. It also remains the case that unless an adequate recovery package is implemented, particularly through investment in social security, the inequalities exacerbated by the pandemic and the response to it will continue to have stark, long-lasting impacts.
15. At this preliminary stage, CPAG highlights three key areas on which it intends to focus:
 - 15.1. Decisions and measures relating to economic support, and the design of that support, failed to address and alleviate the stark impact of the pandemic on children and families who were already in poverty. In particular, the measures taken failed to recognise or take into account the dire and precarious position of many families and children already living in poverty, as well as, for example, households with additional needs (such as disability). Pre-existing policies which had severed the connection between need and levels of support, such as the household benefit cap¹³, were maintained and affected more families, and changes enacted as part of the government’s response, such as the £20 uplift in UC, did not take into account family size, leaving far too many struggling to respond to significant changes in family circumstances without adequate support.
 - 15.2. These failings were compounded by decisions taken in relation to the administration of the benefits system. For example: (a) poor or delayed public messaging led to confusion and in some instances loss of benefit entitlement (for example, it was not until June 2020 that there was improved messaging about the fact that claiming Universal Credit would lead to loss of legacy benefits, with no ability to reclaim those benefits); (b) there was a lack of transparency in relation to certain “*easements*”, which had no clear statutory footing, resulting not just in

¹³ The benefit cap is a limit to the amount of money certain families can receive in benefits. In 2020, the cap was £20,000 a year for a family and £13,400 for a single adult, except in London where it is £23,000 for families and £15,410 for single adults.

confusion amongst claimants and the advice sector but in a lack of Parliamentary or judicial oversight; (c) many claimants were not asked by the Department for Work and Pensions (“DWP”) for necessary information and/or lacked the means or information to draw information to DWP’s attention, and received the wrong entitlement as a result; and (d) this has resulted in genuine and often vulnerable claimants, including households with children, being caught up in subsequent large-scale reviews undertaken by DWP aimed at identifying and removing error and fraud from existing awards of benefits. These families have been left to deal not just with the economic consequences of this, but also the associated stress and anxiety, often without adequate procedural safeguards and support.

- 15.3. Recommendations in relation to ongoing financial recovery, and future preparedness in the context of economic measures.

Issues to be addressed at the preliminary hearing

Provisional scope of Module 9

16. CPAG has a particular interest in *“benefits and sick pay and support for vulnerable people”*.

In that respect:

- 16.1. CPAG is proceeding on the basis that the following forms of assistance are intended to be included (this is not intended to be an exhaustive list of all forms of support):
- 16.1.1. All benefits administered by DWP and His Majesty's Revenue & Customs, including tax credits.
 - 16.1.2. Social Fund payments.
 - 16.1.3. Other payments and support such as discretionary housing payments, hardship payments, local welfare assistance schemes, education benefits (to the extent that they are not addressed in Module 8), cost of living payments, support for mortgage interest loans, Warm Home Discount.
 - 16.1.4. Devolved benefits and support (recognising it is the Inquiry’s intention to minimise duplicative investigation of issues considered by the Scottish COVID-19 Inquiry).
- 16.2. There is no explanation as to what is meant by *“vulnerable people.”* As CPAG understands it, that term is used by the Inquiry in the Module 1 report, in the

context of planning and preparedness, to signify those most likely to be impacted by a pandemic, which would include those vulnerable to such impacts by virtue of wider economic and social factors. It is CPAG's position that Module 9 must encompass poverty and economic disadvantage, and it would welcome confirmation that "*vulnerable people*" encompasses persons and families in poverty / otherwise at economic disadvantage. If not, then this a specific area which CPAG submits must be included in the scope of Module 9.

16.3. For completeness, CPAG assumes, but would welcome confirmation, that "*benefits and sick pay*" is not qualified by the words "*for vulnerable people*" i.e. what is being considered is: (a) benefits and sick pay; and (b) "*support for vulnerable people*" to the extent that this is different (and subject to the meaning of "*vulnerable*").

17. Issue 3 includes the following question: "*What consideration, if any, was given to the equality of impact of the economic support delivered as between particular groups including those who were at greater risk or otherwise vulnerable?*" Issue (4) addresses the monitoring of the impact of support and the steps taken to reduce disparities. In that respect:

17.1. CPAG repeats what is set out above about socio-economic disadvantage and impact. In this context, CPAG submits that "*equality of impact*" must include not just protected characteristics under the Equality Act 2010 but also socio-economic circumstances.

17.2. CPAG submits that consideration of these questions must include examination of whether, when policy objectives were identified and developed: (a) it was recognised that groups were in relatively different circumstances prior to the pandemic such that they faced additional or different risks from higher-income households; and (b) whether the design and provision of support was (or ought to have been) tailored so as to mitigate these differences / achieve equality of impact, as CPAG submits it clearly ought to have been.

17.3. CPAG would welcome confirmation that this is covered by the existing wording, and if not, would invite the Inquiry to amend the wording as necessary.

18. As to issue (6), which addresses fraudulent and erroneous awards, para. 15.2 above is repeated. So far as social security claimants are concerned, CPAG submits that issue (6) must include consideration of: (a) measures which were, or ought to have been, taken

to avoid genuine claimants making errors in their claims or DWP making errors in decision-making; (b) whether errors or shortcomings in government systems and administrations have led to genuine claimants receiving incorrect amounts of benefits; and (c) whether adequate steps have been taken to avoid genuine claimants being unfairly caught up in or impacted by wide-scale attempts to rectify previous errors or investigate fraud, particularly in the light of shortcomings in systems and administration; and (d) the impact on genuine claimants of DWP's remedial measures.

Rule 9 requests

19. CPAG notes that rule 9 requests are being issued on an iterative basis; that monthly updates will commence at the end of November 2024 and that questionnaires have been sent to 56 representative organisations to inform issues to be raised in subsequent Rule 9 requests. CPAG suggests that the following additional organisations can provide valuable information and experience relating to the issues within scope of Module 9:

- 19.1. Association of Chief Executives of Voluntary Organisations (ACEVO),
- 19.2. National Council for Voluntary Organisations (NCVO),
- 19.3. Scottish Council for Voluntary Organisations (SCVO),
- 19.4. Wales Council for Voluntary Action (WCVA),
- 19.5. Association of Charitable Foundations, and
- 19.6. UK Community Foundations.

20. Each of the above organisations would be able to provide information relevant to the “*iii) additional funding for the voluntary and community sector*” aspect of Module 9.

21. More generally, CPAG invites the Inquiry to identify other sources for evidence on the voluntary and community sector, as these areas are not yet represented in the list of organisations who have been provided questionnaires.

22. CPAG would also encourage the Inquiry to seek evidence and information from groups who represent varied groups of migrants, many of which faced particular barriers to accessing support during the pandemic. Suggested groups include asylum seekers, households including individuals with a ‘No Recourse to Public Funds’ condition to their immigration status, EU and EEA nationals, victims of modern slavery and human trafficking and

undocumented migrants. To the extent that support for unaccompanied migrant children is not considered as part of Module 8, this group should also be considered. CPAG would be glad to assist the Inquiry by suggesting appropriate organisations who may be able to assist.

Experts

23. The Inquiry has invited suggestions from Core Participants as to experts who might be appointed. At this stage, CPAG notes the following individuals who have expertise in relation to the topic identified at para. 54(e) of the Preliminary Hearing Note:¹⁴

23.1. Professor Jonathan Bradshaw, Emeritus Professor of Social Policy at the University of York and Professor of Social Policy at Durham University;

23.2. Professor Kitty Stewart, Professor of Social Policy at the London School of Economics and Associate Director of the Centre for Analysis of Social Exclusion (CASE);

23.3. Professor Jane Millar, Emeritus Professor of Social Policy at the University of Bath;

23.4. Professor Donald Hirsh, Emeritus Professor of Social Policy at Centre for Research in Social Policy at Loughborough University; and

23.5. Dr. Mike Brewer, Visiting Professor at the London School of Economics, former Professor of Economics at the University of Essex and Interim Chief Executive at the Resolution Foundation.

24. CPAG additionally note that members of the Commons Library Research Team, for example, Frank Hobson, have produced extensive impartial and detailed research on social security issues, including on welfare reform and the implementation – and later removal – of measures in response to the pandemic.

25. Additionally, Professor Ruth Patrick, Professor of Social Policy at the University of York has particular expertise in the experiences of low-income families during and in the aftermath of the pandemic, in light of her role in the Covid Realities, Changing Realities and Larger Families studies.

26. CPAG would urge the Inquiry to ensure that, in addition to expert evidence about the

¹⁴ The Inquiry may wish to be aware that Professor Jane Millar is currently chair of trustees at CPAG. Professor Kitty Stewart is a trustee.

core benefits system, expert evidence is obtained in relation to the experience of groups excluded from the core benefits system (such as those listed at paragraph 22 above).

Conclusion

27. CPAG welcomes the opportunity to participate in Module 9 as a core participant, and looks forward to sharing its knowledge and experience with the Inquiry, both to assist the Inquiry in preparing for Module 9, and to assist the Inquiry comprehensively to consider the Module 9 issues, including those highlighted above.

28. CPAG is keen to ensure that the adequacy, implementation and impact of the government's economic response to the pandemic – in particular in the context of families and children living in poverty - is fully and properly explored and addressed, and that effective recommendations are made to ensure financial investment for disadvantaged children and families for the future, both as part of the recovery process, and to avoid similar consequences arising as a result of any future pandemic.

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