HOUSE OF LORDS

Select Committee on Food, Poverty, Health and the Environment

Corrected oral evidence: Food, Poverty, Health and the Environment

Tuesday 28 January 2020

10.50 am

Watch the meeting

Members present: Lord Krebs (The Chair); The Earl of Caithness; Lord Empey; Baroness Janke; Baroness Osamor; Baroness Parminter; Baroness Sater; Baroness Sanderson of Welton; Lord Whitty.

Evidence Session No. 4 Heard in Public Questions 30 - 36

Witnesses

I: Helen Barnard, Deputy Director of Policy and Partnerships, Joseph Rowntree Foundation; Garry Lemon, Director of Policy, External Affairs and Research, The Trussell Trust; Alison Garnham, Chief Executive, Child Poverty Action Group (CPAG).

Examination of witnesses

Helen Barnard, Garry Lemon and Alison Garnham.

Q30 **The Chair:** Welcome to this evidence session. For those listening in the audience, you have in front of you a list of interests that have already been declared by Members of the Committee. The meeting is being broadcast live on the parliamentary website. A transcript of the meeting will be taken and published on the Committee website, and the witnesses will have an opportunity to make corrections to the transcript where necessary.

I welcome the witnesses. Thank you very much for coming to give evidence to us in this inquiry into the complex topic of poverty, food, health and the environment. We are very much looking forward to your expert views on the issues that we are going to address to you.

I should also mention that this is this Committee's first public meeting in the new Session of Parliament. Members of the Committee who have interests of relevance will place them on the record by making an oral declaration. In a moment, I will ask the three witnesses to very briefly introduce themselves in a sentence or two for the record, so that those who are listening know who they are. We are on quite a tight time schedule, so I urge those who are asking the questions to keep them brief and—not wishing in any way to constrain your responses—for you to keep them as succinct as possible. That would be very helpful to us. Starting with Helen, will the three witnesses say who they are?

Helen Barnard: I am deputy director of policy and partnerships for the Joseph Rowntree Foundation.

Alison Garnham: I am chief executive of the Child Poverty Action Group.

Garry Lemon: I am director of policy, external affairs and research at the Trussell Trust.

Q31 **The Chair:** Thank you all very much indeed. I will start off with a very general question that is perhaps at the root of what we are trying to understand at the moment. What does poverty mean, both in terms of how it is formally defined and the lived experience of it? Can you give us your assessment of the prevalence of poverty in the UK and whether poverty levels are rising? While you are thinking about that, we are also interested in whether food insecurity and food poverty are distinct from poverty in general. If so, why? Related to that, how many people are living with food insecurity as opposed to living in poverty? Those are some quite complicated questions, but I hope you will be able to shed some light on them for us.

Alison Garnham: May I start with the longest-standing definition of poverty in the UK? In his 1979 book, *Poverty in the United Kingdom*, Peter Townsend defined it as people who "can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities, and have the living conditions and the amenities which are customary, or at least widely encouraged or approved, in the societies to which they belong".

It is basically about lacking resources of any kind, including services. However, in this society, because most things depend on you having income, it is down to how much income resources people have. Food poverty is just an example of a kind of deprivation that results from a lack of income. As part of my evidence, I would like to say that, in many ways, food poverty is not distinct from other types of poverty. We do not lack food in the UK, but there are a number of people in the UK who lack the income to buy the food they need. That is the problem that we are facing at the moment.

Helen Barnard: The way that the foundation defines poverty is when your resources fall well below your needs. If that happens, you are likely to be stuck in a position where you cannot afford the essentials of life and are shut out from normal life.

The best measure that we have now is the Social Metrics Commission measure. This is particularly because it takes into account the inescapable costs—such as housing, childcare and the costs of being disabled—as well as your resources, which are income but also things such as liquid savings. Those two sides of the equation are very important: it is not just about how much income you have but about what things cost.

You asked about the prevalence of poverty. Overall, there are about 14 million people in poverty in the UK. That breaks down to about 4 million children, just under 2 million pensioners and about 8 million working-age adults.

The Chair: Is that the number of people living in poverty as defined by Alison?

Helen Barnard: Yes, it is people living in poverty as defined by Alison and as measured by the usual measure that we and everyone else use, which is either the relative income measure after housing costs or the Social Metrics Commission measure.

You asked what it feels like and means to live in poverty. I think that that is a great question because it is not just about the definition. There are lots of things about the experience of living in poverty. You are much more likely to have mental health conditions and physical health problems. The thing you often get when you talk to people in poverty is talk of constant anxiety—constantly living with the knowledge that your money is not going to stretch and constantly having to juggle that. For instance, "My kid needs new shoes. I can't let their feet get damaged, but that's going to mean me skipping meals". It is those kinds of situations that people are locked in. There is also very often a sense of there being no way out. We quite often talk about this feeling of hopelessness. One of the parents we work with described it as like being stuck on a hamster wheel: you are running and running but never getting anywhere. You cannot give the kids the things that we know all kids should have to have a good start in life. You also tend to have a worse experience of services and fewer work and leisure opportunities.

I agree with Alison. For me, food poverty is one symptom of poverty. Someone skipping meals is also going to be going without all sorts of other things. When you talk to people in poverty, I always find it interesting that the food budget is the most flexible bit of your budget: you have to keep up with the rent or you risk becoming homeless, and you have to get the bus to get to work. There are lots of things that you cannot really change the amount you spend on them. You can change how much you spend on food, so it is quite often one of the first things that people on low income start cutting back on or making trades about. Parents start skipping meals. As Alison said, it is not about whether the food is in the shops but whether you can afford it.

Garry Lemon: I absolutely agree with Alison and Helen's points. To give a bit more detail, I represent the Trussell Trust, which runs about 1,200 food bank centres across the UK. We recently commissioned some independent research from Heriot-Watt University which surveyed more than 1,000 households at a representative sample of Trussell Trust food banks. The point of food poverty being caused by a lack of resources is very much backed up by this research. The median weekly equivalised household income after housing costs was about £50 per household. I know that we will come to drivers of poverty later, but the majority of people referred to food banks are reliant on our benefits system for income.

The only other thing that I would add to the points about the experience of poverty is that, as part of *The State of Hunger* research, we did qualitative interviews with people as well as getting quantitative data. I will give four very short quotes from people who were referred to our food banks: "I do skip meals. The kids don't, but I do. I can go three days without eating. When I first started doing it, I was like, 'Oh my God, I feel ill'. I'm used to it now"; "I just drink loads of water. I mean, if you drink water you don't get hungry"; "Black coffee, black tea—because anything hot to put in your belly, anything hot, helps with hunger"; "It is very depressing, you feel very hopeless. Yes, you feel a failure in some ways, I suppose. It's a hell of a morale boost even if you're just getting tins of soup and pasta. It's a hell of a morale booster, having a full belly".

The Chair: Thank you very much. Baroness Janke, would you like to come in?

Q32 **Baroness Janke:** On food poverty, the most recent Social Metrics Commission report added in the cost of essential needs such as housing, childcare and various other things—rises in prices of food, et cetera. In the various criteria for entitlements, are those needs and the rising cost of needs reflected, or are they still very much assessed based on income, excluding the growing cost of particular needs?

Alison Garnham: Are you talking about assessment for benefits?

Baroness Janke: Yes, things like free school meals.

Alison Garnham: The amount of money people get from, for example, universal credit has never been determined by any research into what people need to live on. It has just been gradually uprated over the years. We lack that kind of benchmark in the UK social security system. It would be good if we had one.

Baroness Janke: The report recommends that the Government adopt this definition of poverty. As far as you are aware, do they not take account of it at the moment?

Alison Garnham: It varies. Different bits of the social security system are there to do different things. Some are there specifically to help with costs, the most obvious one being housing benefit. That was probably one of the only bits of the system that was originally linked to the cost that it was meant to cover. It always used to be that housing benefit should cover the bottom half or third of rents in your area. That link was broken in 2012 and then of course it was frozen. We have just had the news that it will be uprated again with inflation, which is a great first step and much better than it being frozen. However, it does not do much to help people with high housing costs. Particularly in relation to this Committee's interests, there has been quite a lot of research suggesting that trying to keep up with the rent is one of the biggest things pulling people into having to do things such as skipping meals.

Garry Lemon: We really welcome the Social Metrics Commission looking at costs as well as expenses. This has meant that you can see that groups that have had policy solutions put in place for them are less likely to be in poverty than in the past. For example, particularly with older people we have seen an impressive decrease in poverty as measured by that. This speaks to a wider point. I know that, as a suite, poverty statistics can be confusing, in that there are a lot of them. They need to be used strategically and understood by key people making policy. The decrease in poverty for older people is an example of where good evidence-based policy can make a real difference if the numbers are understood properly.

Alison Garnham: It is important for this discussion to understand that child poverty, using the relative measure that Helen described, has been rising significantly. It has risen by 500,000 since 2010, up to 4.1 million from 3.6 million. According to the Institute for Fiscal Studies, we expect that level to go on rising to above 5 million. Seven out of 10 of those children live with at least one parent who works. So today we are talking about poverty in work. Certainly most children in poverty are living in families where people work, so fewer of them are entitled to things such as free school meals, because they do not receive the benefits linked to getting them. By 2018, the number getting free school meals had fallen to its lowest level since 2001 because of this change in the benefits that people are getting. At the same time, we have seen massive cuts to social security benefits. By 2022, we will spend around £40 billion a year less on social security than in 2010. That cannot happen without there being some impact. There have been significant cuts in the generosity of universal credit, which is now being rolled out. As Helen said, housing benefit has been cut significantly. Compared to where it was in 2010, child benefit will have lost 23% of its value by 2020—in fact, according to the Resolution Foundation, it is now worth less than half what it was worth when it was introduced in 1979.

Families have faced huge reductions in income at the lowest end of the income distribution. So, naturally, food poverty is the result. You could map the growth of people going to Trussell Trust food banks on to the chart showing cuts in benefits rising. There is clearly a connection between what has happened to family incomes—particularly through the benefits system—and the use of food banks.

The Chair: Thank you very much. Before turning to Baroness Janke to move onto the next topic, are the issues that you are describing more serious in the United Kingdom than in other comparable rich countries in Europe?

Helen Barnard: From what I remember, we are about middling in the table of poverty rates in the EU. We have less poverty than America and more than some but not all European countries. We have been about middling for a long time.

The Chair: Okay. This is my second factual question. The FAO report in 2018 said that 2.2 million people in the UK were severely food insecure. How does that relate to the figures that you have given us? Should we lend credence to it?

Garry Lemon: Food insecurity goes back to what I said before; it is a useful poverty measure but one that has to be understood in terms of what it is itself and in context with other poverty figures. I believe that it is taken from the US Department of Agriculture's suite of questions. The official definition is "a household-level economic and social condition of limited or uncertain access to adequate food". Within that, you have food insecurity and severe food insecurity. The questions asked were things like, "Did you feel that you were able to afford food for one day or for several days?" Others were about the adequate quality of food, et cetera.

In the *Food and You* survey, the Food Standards Agency found that 2.8% of households were severely food insecure. We really welcome that the Department for Work and Pensions will ask that same suite of questions in the upcoming family resources survey. They are internationally recognised and give you a basis for international comparison.

The Chair: Thank you. We will move on to Baroness Janke.

Q33 **Baroness Janke:** This question follows on well from the previous one, but quite a lot has been answered. What are the key drivers of food insecurity or food poverty? Does the welfare system have direct consequences for food insecurity? You have probably said that it does, but we could perhaps hear a bit more.

Helen Barnard: The big key drivers of poverty are about low-paid work and people getting stuck on that very low level and not being able to press up, even with the rising minimum wage, which is obviously very good.

Baroness Janke: Do they lose their benefits if they get a rise from the minimum income?

Helen Barnard: There is a taper. As your pay goes up, once you have gone above a certain level, you lose 63 pence in the pound. People are stuck on low pay and low hours. This issue of people in poverty in work is partly about pay but partly about if you cannot get enough hours of work. More people have been experiencing that. There are also people who need flexibility of some kind, whether because they have a health condition or are carers and therefore need part-time or flexible work, who tend to get stuck on really low-paid work even if they have the skills to move on up.

Low-paid work is one, as is poor-quality work. There are also high costs, particularly housing. Over the years, we have seen that a large amount of the benefits of things such as raising pay and reducing taxes have been completely knocked away by rising housing costs, as well as the weakening of social security in recent years. Those three things are the really big drivers: work not doing enough to free you from poverty; housing costs pulling you down, even if you're able to increase your pay; and social security not being the kind of anchor you need to keep steady when those things are happening.

Alison Garnham: Fundamentally, benefits such as universal credit, which will become the dominant means-tested benefit, represent a poverty trap. The 63 pence in the pound that you lose means that, as your income improves, if more money goes into minimum wage, you do not necessarily receive that: you lose 63 pence in the pound. The same happens if, for example, we raise the personal tax allowance. The level of income is determined by the level of universal credit, and your new income basically gets absorbed into that taper. Your overall income goes up very little. It is a very slow way of increasing household income. The best way to address it would to be address what is happening to universal credit.

The Chair: Are you saying that what is given with one hand is taken away with the other?

Alison Garnham: Yes. For example, we have had a four-year benefit freeze. The Institute for Fiscal Studies reckons that that has reduced the value of benefits by about 6.5%, affecting about 10.5 million households. That has had a massive impact on the level of income that people receive.

Now that that is coming to an end, we expect benefits to rise by 1.7%, which is the inflation rate, in April, but, for example, pensions will be rising by 3.9% because of the triple lock. So families with children have taken the biggest hit with the cuts to and slow rises in social security. I think that that is why child poverty in particular has recently been rising rapidly.

Helen Barnard: The only other thing that I would mention is that, of all the people in poverty, around half are either disabled or live in a household with someone who is disabled. The situation that disabled people and carers find themselves in is a really big part of our poverty problem. There are several things to that: you can see that disabled people and carers are more likely to be out of work, even when they want to work; they are more likely to be low paid, even for the same level of qualification as someone who is not disabled; they are more likely to be stuck in a little bit of the labour market, because that is what they can make work for them; and they experience higher costs. That is very important.

Garry Lemon: Looking at things through the lens of people who are referred to food banks, it very much matches up with the bigger picture on poverty. Essentially, you can look at groups of people who are overrepresented in food banks compared to the low-income population or the general population and draw conclusions from that. Nearly three-quarters of people in our food banks reported poor health and more than half reported poor mental health, and a quarter of households had some long-term physical condition or illness. You could also see that single parents—the vast majority are single mothers—were massively overrepresented, at about 19% of the population in food banks, compared to just 5% in the general working-age population.

As part of the *State of Hunger* research that I talked about earlier, Heriot-Watt University undertook some regression analysis in which we looked at eight years' worth of Trussell Trust data about food bank referrals alongside DWP and ONS data to pick out what had changed over that time that was driving people to food banks. We found that, for every 100 failed PIP assessments, you would expect to see 93 more food parcels distributed in the area. Conversely, every £1 increase in the benefit freeze led to 80 fewer parcels. Also, 100 people paying bedroom tax—or removal of the spare room subsidy—led to 68 extra food parcels. For every 100 sanctions, you would expect to see 31 food parcels. For rollout of universal credit—just its very presence—you would expect to see 27 extra food parcels for every 100 people.

As a driver to food banks, the five-week wait until people are allowed to access the first payment of universal credit to which they are entitled is of great concern to us. The normal response from the Government is that there are advances in place that people can take in order to bridge that gap. However, in our experience, you are essentially left with a choice of destitution now or destitution later: if you take the advance, that money is immediately clawed back out of your already cut and too small universal credit monthly allowance, or you forgo the advance and fall into debt and further poverty until you can bridge that five-week gap.

The Chair: Thank you very much.

Baroness Janke: May I follow up? You mentioned disabled people. I am thinking of our hard-to-reach groups. My understanding is that half of the children in single-parent families are in poverty. Do you find that the poverty hits disadvantaged groups harder than others? Are you aware of any other countries where there is a universal protected right for adequate food, particularly for children? There are entitlements in our legislation for security, education and so on.

Alison Garnham: I personally would be very cautious about singling out food as a thing that you want to protect. There is a danger that you could end up going down an American route where you give people food stamps and think that that is the solution to the problem, when all it does is restrict what people can buy. It does not help people pay their fuel bills or sort out all the other things that they are also deprived of. I think that paying special attention to food would be the wrong route to take. We need to restore family incomes and restore what the benefits have lost. Lots of people have done modelling, including ourselves. For example, you could lift 700,000 people out of poverty if you abolished the two-child limit on the benefit cap, restore the child element of universal credit—the higher element within it—and put £5 on child benefit to restore some of the 23% lost.

Baroness Janke: The child benefit is another universal kind of provision.

Alison Garnham: Exactly, but these are the ways in which families piece together their income. At the moment, universal credit means that all their eggs are in one basket. If universal credit fails, they have nothing or very low amounts. One of the things that we have found in our work with food banks in Tower Hamlets is that families, particularly single parents, derive their only income from child benefit, because they receive that but not universal credit. So child benefit works. It is a good way of getting money directly to families without waiting for universal credit to be sorted out.

The Chair: Thank you very much. I would like to move on to Baroness Parminter.

Q34 **Baroness Parminter:** You talked about restoring family incomes, but that might not encourage people to eat healthily. What can you say about ensuring that poverty can be tackled in a way that ensures people eat healthy diets?

Helen Barnard: That is a really interesting question. There are a couple of things to say. If you take any group in our society, you will get a range of eating habits: some people will be brilliant at eating healthily all the time and some will find it harder. For most of us as individuals, you could have weeks when you are doing well and weeks where you could look back and think, "Yeah, that wasn't great". One thing is that I am not sure that it is useful to single out one group in society, such as those on low incomes, and laser in on healthy eating habits there. I think that you will get the same range that you get with any other group.

However, there is quite a lot of evidence that there are pressures that people are under when they are struggling to make ends meet that can make it harder to establish and maintain healthy eating habits. There are a few of those. One of those is the bandwidth. There is some interesting psychological research about the way that living in constant anxiety about money affects the way that you think about everything else. There is a tunnel vision that people get: if you are really anxious and worried about things, you will psychologically focus in on a very small number of crucial things, such as keeping a roof over your head or wanting your kids to go to bed feeling full. There is some psychological research where they tested out inducing anxiety and seeing what it did to decision making—and what it does is narrow your focus because those things that you are focusing on cannot fail.

It also reduces the bandwidth that you have to be able to look across lots of different options and start trading them off. I met a mother who goes around Aldi with a calculator to work out how she is going to piece together what her family needs. She has two teenage sons; they eat. When you are already doing that, I think that there is something about how much energy and bandwidth you have got to make to look at all these other things. In theory, we should all do them; in practice, I know that my eating gets worse if, for instance, I am stressed at work. If you imagine that stress all the time about food and about meeting your kids' needs, I think that makes it really hard.

There are other very practical things. People who are homeless and stuck in B&Bs do not necessarily have fridges or ovens, so they are in quite specific circumstances. There is also the way that being in poverty makes your life more expensive anyway, in all sort of ways: your fuel bills are higher because you are on a pre-payment meter; your credit is higher because, if you get into debt because of the five-week wait, you are paying more for it; there are even things such as having to buy smaller amounts. I talked to somebody who said that she cannot keep food or milk cold, so she has to buy it a pint at a time. A pint of milk is 50p; if you buy a four-pint bottle, it is £1.10. If you are buying in small amounts because your cash flow is not there, you will end up spending more on food. If you do not have the money to take three buses to get to the cheapest shop, you will end up paying more. So there is this accumulation of psychological and practical pressures that reduce people's options and make it really hard to hit all the things about healthy eating.

Alison Garnham: Those options are really low in school as well. The £2.30 that you get for a free school meal has not been uprated for years. When you talk to children in schools, they tell you that it is not enough to buy a full meal with: it will buy you a main course and a drink or a pudding and a drink, but you cannot get all three. So, while other children around you are having the lot, children on free school meals are not; they are having a very reduced calorie intake by comparison. It needs to be uprated.

There is also the issue of entitlement to free school meals. When universal credit was first introduced, everyone on it was entitled to free school meals because they had not yet made a decision about the level of cut-off. A new threshold has now been introduced of £7,400 of earnings. In the long term, this will have the effect of taking about 1 million children out of free school meals. Given that seven out of 10 poor children have at least one working parent and that universal credit is the benefit that working families receive, it would make sense to include more people on universal credit in free school meals.

Helen Barnard: The only other thing I would say is this. Do you know the hierarchy of needs pyramid? There is one for food. The first thing you need from food is the feeling of fullness. On top of that you put health and energy and so on. If you think about it, if you are not achieving that feeling of fullness, that becomes what you need for yourself and your kids: you need people to leave the table feeling full and ideally not to need snacks before the next meal, because you do not have a lot of spare food around. Think about the amount of potatoes that you have to eat to feel full compared to the amount of green vegetables that you have to eat to get the same feeling and longevity of fullness. If you are not able to meet that very first layer of the pyramid—just feeling full, because that is what lets you get through your day—it is much harder to layer the other stuff on top, which is what we would all want people to be able to do with food.

The Chair: Thank you very much. We will move on to Lord Whitty.

Q35 **Lord Whitty:** Let us look at specific government interventions to improve the quality of food. We have been told by one of our witnesses that these programmes are rather badly implemented. You have everything from school food standards through to the Healthy Start voucher programme, and now we have the school meal cost grants on top of the free school meal basic entitlement. Are these working together? Are they effective? Are there problems about the nature of the government interventions or do you think that, generally speaking, it just needs a bit of tweaking and the levels improved, and then those programmes will deliver healthier and more equal access to good diet and good food?

Alison Garnham: For me, it goes back to the point about free school meals. There is a problem about food standards and quality in schools. One of the issues is around cafeteria systems. For low-income families who get this payment of £2.30, cafeterias are a very difficult way of getting the food that you need, particularly in secondary schools. In the old days, you were given a meal; now you are choosing between a small roll and a bottle of water that costs a pound, and the better-off kids who can add some money are buying a baguette. It is not the same as we imagine when you used to have people sitting down for a meal. There is a lot that needs to be done about making sure that schools have kitchens again and that they provide proper meals with high nutritional standards. However, at the moment, we are dealing with the fact that fewer and fewer children qualify for free school meals in the first place: it is about 15% in higher and special schools, and this is declining. We need to respond to the fact that most children's parents are in paid work and getting universal credit. More need to be brought into entitlement.

I would also mention school holidays. Under the national childcare strategy, there used to be a programme of encouraging all schools to become extended schools, being open from 8 am to 6 pm and throughout the school holidays. That would have provided you with an opportunity to provide food to children at all times of the day, including in school holidays, when many children are not entitled to free school meals. It is very patchy around the country. It also has the advantage that it enables more parents to work. We know that in families where there is a second earner—coupled families—if the second earner can enter work, the level of poverty falls significantly. So there is a whole policy that needs to be developed again around those kinds of things.

Garry Lemon: I cannot speak to the quality of the service, but it is important. During school holidays, we see increases in demand across the food bank network. When you are on such a low income, that pound or two a day that you are now having to spend on food—which would have been free school meals—can be utterly ruinous to people's finances when they are already surviving on so little. Alison's point about that support being available to more people is really important. It would reduce the number of people who need to come to food banks.

Lord Whitty: There are two aspects to the question. As you were saying, one is that a lot of people are not hit by these programmes who should be because of level and catchment. I think we take that point. Where they are being delivered, do you think that they are having a significant effect on the health and dietary balance of those who receive them and reducing health inequalities, if you like?

Helen Barnard: We have not looked at the evaluations. I think that the chances of programmes such as those being able to undo all the effects of the bigger systems that are locking families in the position of poverty are very unlikely. I am sure that they help those families that receive them, but they are not the answer to the issues that we have been talking about here. The answer is to change the system so that families are free to be able to afford good food for themselves.

The Chair: Thank you very much. I would like to move on to the Earl of Caithness.

Q36 **The Earl of Caithness:** Could you write to us about how you are going to fund what you want to do? It is nice to be able to spend lots of money, but how are you going to raise it? What other parts of the government budget are you going to cut to afford that?

The Chair: Just to pause for a moment, would you be happy to send us some thoughts about that?

Helen Barnard: Yes.

Alison Garnham: Yes.

Garry Lemon: Sure.

The Chair: Thank you very much.

Alison Garnham: I would suggest changing tax bands.

The Earl of Caithness: I thought that you would have an answer. What role does the private sector play in helping to do this? What more could they do?

Helen Barnard: The private sector has a massive part to play, primarily as employers. There is a danger in assuming that social security can or should do all the heavy lifting in this area. Part of what drives the problems is that it is having to do too much of the heavy lifting.

There is an immense amount that private sector employers can do. Paying the real living wage is one basic thing, but so is offering secure and predictable jobs. We have just supported the Living Wage Commission launch of a new living hours standard, which is a complement to the living wage, to say that employers should be offering people predictable, regular contracts—16 hours upwards at the moment—as a default, as well as thinking about progression. When you think about the sectors that all these people locked in poverty are in, it is the big low-pay sectors: it is retail, hospitality and facilities management. There are some employers in those sectors who are really trailblazing on how to provide better jobs and open up progression routes for low-paid staff. It is the right thing to do and what the British people expect. They are also doing it because it is good for business: they are making better use of their staff's skills, filling in the shortages they get at supervisor and middle management levels, retaining staff and getting better customer service, all those things. So, for me, the first thing that I want the private sector to do is focus on the fact that they are employers and are providing work. That is a massive benefit to society. However, you can do that better and get benefits for your business and elsewhere.

Thinking about low-income people as consumers, which I think is the flip side of this, these are the biggest things that I have seen. There is something quite basic from my talks with the supermarkets, which is keeping prices low instead of having lots of complicated offers. It is much more useful for people to have consistently low prices than to have to comb through yellow stickers and buy one get one free offers to work out how to make their money stretch. There is also making it easy to make healthy choices. If you go back to the bandwidth issue, if somebody is spending all their time working out how to make their £10 feed the family for the next however long it is, try not asking them to also make massive calculations about the health aspects and make it really easy to make the healthiest possible choices. For me, those are the two things that we should be expecting the private sector to do in this space.

Alison Garnham: The food industry is quite strongly implicated in this. I agree with everything that Helen has just said. As she said, there is real difficulty for families to get enough hours of work. One of the problems is that, in supermarkets, for example, they use an algorithm to determine how many hours they package up in jobs. They keep these jobs in around 10-hour packages. If you have one slot of 10 hours, you cannot get another one, so, instead of being able to build up to a decent 20 to 30 hours' work, you get stuck on these short contracts. This is one of the reasons why people find it so difficult to lift themselves out of poverty even though they are working. I met a woman in a food bank who was in precisely this situation. She worked for a large supermarket—I will not mention which—for 10 hours a week and could not get any more hours. She had been hit by the bedroom tax and had had to use her money to pay her rent in order not to lose the roof over her head and therefore had no money for food. It was the classic entry route into a food bank, if you like. If she had been able to get more hours in order to improve her situation, it might have been easier. Supermarkets need to think really strongly about it. You can stand outside any supermarket and see these little jobs. They are not enough for people to live on.

Garry Lemon: To be honest, I do not have a huge amount to add to that. I think that those were very fulsome answers. I will repeat what I said: the income of people coming to food banks is so extremely low that the main thing that I would want employers to do is ensure that people get enough decent hours and decent work in order to be able to afford the absolute essentials, which would also take some of the burden off our social security system as well.

The Earl of Caithness: May I pick you up on supermarkets? There is an undoubted problem here. If you are fortunate to live in, say, Fulham, you can go and shop at the North End Road market. You can buy four bananas at the local supermarket or you get a socking great bowl of bananas for £1, the same amount of money. The problem is, if you are poor, you do not want a socking great bowl of bananas, you want three bananas and three tangerines. How can one get the shops to provide that sort of food? It is the same as your four pints of milk and one pint of milk. Is there anything that can be done in the retail sector to help on that?

Helen Barnard: The short answer is, I do not know. The big retailers are interested in how they are viewed by consumers and employees, as well as by the Government. They are interested in being good corporate citizens. However, they also operate on incredibly fine margins. By and large, the really big retailers are not bad employers. Where they can do a lot more is in looking at their supply chains.

What you are talking about is such a detailed intervention in the market. It is slightly hard to see how you can achieve it. You can make a moral call for people to do it, which might work, but I am not sure that that is where your main solution will come from, to be honest.

Baroness Sater: You were talking about your conversations with the private sector on issues around providing predictability of jobs and progression routes. What are they saying are their barriers? I know that Alison touched on how supermarkets operate. What are they saying that they cannot do?

Helen Barnard: In a way, I think that there are two different buckets. Part of the problem is the parts of the labour market that are essentially in a low-pay, low-skill equilibrium. There are businesses that operate very successfully on a basis of low pay, small packages of work and high turnover—that is the business model. There is a strong issue about how you motivate those businesses to edge up the value chain and move into a better business model.

There are lots of businesses that will recognise that there are problems with that and that that is not how they want to be. For them, there has been quite a big issue about capacity and understanding among managers. The Timewise Foundation has been in this space for a long time and works directly with lots of employers. One of the things that it does a lot of is skilling up middle managers to think about the fact that, if you have been used to staffing your shop with a particular shift pattern and insisting that all your managers must be full time because that is how you have made the shop work, you can package up that work differently to open up opportunities. It runs a programme through which people can get accredited as Timewise employers, and part of what it does is capacity-building: spreading the knowledge of how you can do that and seeing the payback. There are quite of lot of companies. Greggs is getting into some of this territory, looking at progression routes because it cannot staff supervisors; Pets at Home has done it with store managers; there is Business in the Community and Retail Pioneers, which is big retailers trying to push this stuff forward. So it is happening, but the challenge is how to scale it and get it beyond the vanguard of employers to be taken up by more.

The Chair: Thank you. Lord Empey.

Q37 **Lord Empey:** Outside of crisis interventions or smaller-scale initiatives, what do you think would be the most powerful intervention to stimulate positive system change and reduce poverty and food insecurity? What would be the most powerful thing that could be done?

Garry Lemon: We would say an end to the five-week wait for universal credit, to be replaced by a grant, particularly for the most vulnerable. And we have not yet touched on local crisis support and local welfare systems.

Lord Empey: Local welfare?

Garry Lemon: Yes. There used to be money set aside by central government and ring-fenced in local authorities. That could be there for people who fell into crisis. It might be cash or it might be for white goods. The ring-fencing was taken away and the central budget was reduced, and so that local safety net—which is great in a lot of ways, because it draws on the knowledge of the local council and the links that it has in order to offer more effective support—has been disappearing. If

I could ask for two things, it would be an end to the five-week wait for universal credit and a restoration of local welfare support.

Alison Garnham: I agree with those and I would add two more. It has to be the restoration of the value of benefits. Obviously, the freeze is coming to an end, but there needs to be an effort made to restore the value of people's income so that they are not constantly on this downwards escalator when everybody else is on an upward escalator. The second thing I would mention again is extended schools. This could be a very powerful policy for delivering food out of hours to children, but it also has the advantage of improving educational attainment and allowing parents to work. All this is about helping low-income families to improve their incomes, and it is a policy whose time has come.

The Chair: May I ask about that? If you extended school hours, who would do the staffing?

Alison Garnham: Schools do it already. You can employ one person. This may be somewhere where the private sector could also come in to support these kinds of activities. They often have an organiser. It is not hugely expensive. I am sorting out my son's school at the moment. It was a government requirement but was deprioritised a few years ago. We know that enriching activities for all children, particularly low-income children, improve their educational attainment. Better-off parents pay for these activities for their children, so it is a missing element of low-income children's experience at the moment. It is an opportunity to provide food. It makes the school a hub for the community. Parents can be brought in for education and training too. It is being done in some places. The problem is that it is very patchy; it needs some proper policy focus.

Lord Empey: I know that, in my own area, 40% of the schools are in deficit already. So, without assistance, I do not see how they could re-energise those programmes.

Alison Garnham: Sure, of course, that is the problem. That is why some of the schools that were doing well have stopped doing it or are doing it less—but some of us are fundraising.

Helen Barnard: I would add that I completely agree that it is important that we get social security and crisis services right. However, I also think that there is danger in assuming that that is the whole answer. We also need to change some of the systems that force so many families to need those things. There are two big priorities on that. The first is increasing access to really affordable homes. I think that housing costs and so many people being stuck in expensive and insecure private rented homes is one of the biggest things in terms of pressure on the social security budget and on families. We should make this Parliament properly kick-start the supply of really affordable homes—by which I mean not the technical definition of affordable but social rent, and close to.

The other thing is to think about the massive momentum behind the levelling-up agenda, which is a massive opportunity to say that many people are in local economies that hold them back because the economies do not have enough jobs or the right kind of jobs. We should really make sure that we leverage all the infrastructure spending that we think is coming with the levelling-up agenda to really improve the labour market outcomes and prospects for people in poverty in those parts of the country that have been shut out. Those things are vital, as well as strengthening the social security side of things.

Lord Empey: Chair, replying to Malcolm here on his request for something in writing, I feel that we were getting to the core issues there in your responses. Could those be added? It is narrowing it down to specific measures that we feel could form part of our recommendations. Perhaps you could add those points to that. Is housing benefit paid to the claimant here?

Helen Barnard: As a default in England, yes.

Lord Empey: Where I come from, we pay it to the landlord, so at least the roof is there.

Helen Barnard: In Scotland, you have the choice. Around half the people in Scotland take up the flexibility.

Alison Garnham: The problem is that your rent no longer covers your real rent, only a proportion. You get a token contribution. Even if it were paid direct, it would still only be a contribution towards your rent. You would have some more to pay.

The Chair: Thank you very much indeed to our three witnesses. I will draw this session to a close. You have been very helpful to us. You have agreed to write in response to the question from the Earl of Caithness about where the money will come from.

Baroness Janke: Regarding the writing in, there was mention of the Heriot-Watt piece of research on small changes to the benefit system and the impact on food banks.

The Chair: Yes, could you send us that research by Heriot-Watt if it is available?

Garry Lemon: Yes, absolutely.

The Chair: I think that Lord Empey was asking whether there were any additional points that you would like to make on the last question, to which you gave some very clear answers about what you think ought to change. If you wish to develop those at all, please also write about those.

Baroness Sater: On the last point, if you have any examples of what local economies can do to support this—Helen brought this up—that would be very useful.

Helen Barnard: Yes.

Baroness Sater: Thank you.

The Chair: Thank you very much indeed. I am drawing the session to a close. As was said at the beginning, you will have a chance to comment on the transcript before it is finalised. If you wish to make any corrections or write with any other points that you felt we did not question you thoroughly enough on or that you wanted to say but we did not give you an opportunity to, please feel free to add those. Thank you very much.