

Written evidence from Feeding Britain [SWP0026]

1. Staff at the Department for Work and Pensions (DWP) deserve the utmost credit and support for the speed and urgency of their immediate response to the COVID-19 pandemic. Their administration of more than 1 million new claims for Universal Credit, within such a short period of time, represents a mammoth task.
2. Elements of policymaking – in particular, the immediate cessation of deductions from Universal Credit to repay historic debt and overpayments, as recommended by Feeding Britain and others – have displayed a similar sense of speed and urgency. This reform looks set to put at least £44 million back into poorer households' budgets each month.
3. Our main recommendation to the DWP is to extend this flexible approach to the sums deducted from Universal Credit to repay advance payments. These deductions currently exceed £50 million each month. Among the options we would support are advance payments being replaced with targeted grants, and implementing with immediate effect the policy announced in the Budget, of lowering the repayment rate and extending the repayment period, which is not due to take effect until October 2021.
4. Our second recommendation, given the likely increase in demand for this service during the COVID-19 pandemic, is to require all telephone assessments for Personal Independence Payment (PIP) to be recorded by default. Recorded assessments are much more likely to deliver fair and reliable outcomes, and to prevent the need for vulnerable people to try navigating their way through the lengthy appeals process with no, or little, money.
5. Our third recommendation is to introduce, through Universal Credit, a policy of automatic registration for passported benefits (especially free school meals), and for all children in households with no recourse to public funds (who recently became eligible for the Department for Education's free school meal voucher scheme) to be included within that policy.
 - a) Prior to the COVID-19 pandemic, 140,000 children from families on low incomes were missing out on their free school meal entitlement as they were not registered to receive them. Following the tidal wave of new claims being made for Universal Credit, that number looks set to increase during the pandemic.
 - b) The DWP's digital systems should be adapted so that, when a claim is made for Universal Credit, explicit consent is gained from the claimant for their data to be used for the purposes of automatic registration.
 - c) As soon as eligibility for Universal Credit is confirmed, and where a claimant has given their explicit consent, data should be used automatically to check their household's entitlement to passported benefits and, where eligible, to register them accordingly.
6. Our final recommendation is to implement a job guarantee scheme for young people at risk of long-term unemployment, and whose future career prospects may be harmed in the absence of such action. If an initial period of searching for jobs is unsuccessful, the DWP should subsidise the creation of new job placements for people in this cohort. This could be of particular assistance to the community and voluntary sector which, while attempting to meet high levels of need, is drawing upon a smaller pool of volunteers.
7. These four recommendations would ease at least some of the pressure on food banks during the COVID-19 pandemic.
8. The following trends provide the backdrop to these recommendations. First, we demonstrate how the ability of Britain's poorest households to afford a basic minimum food budget has been stretched to

breaking point over the past five years. Second, we identify those immediate triggers within the benefits system which have left people hungry and unable to afford food. We are grateful to the House of Commons Library for producing the data, and an accompanying analysis of the Joseph Rowntree Foundation's Minimum Income Standard for food budgets¹, which underpin the data presented in the Appendix.

9. Since 2015, the proportion of a single adult's core benefit income required to meet the costs of a basic minimum food budget has increased by nine percentage points; from 59%, to 68%. Likewise, the proportion of core benefit income required to meet these costs, amongst lone parents with one child aged under the age of one, has increased by seven percentage points; from 34%, to 41%. Amongst couples with two children, this increase amounted to one percentage point; from 39%, to 40%.
10. Looking across all single-adult households, it is the poorest who have suffered the largest increase, of 3.8 percentage points, in the costs of a basic minimum food budget as a proportion of their overall income. The mean population increase was one sixth of this figure (0.6 percentage points). Meanwhile, amongst couples with two children, it is the very poorest group who have suffered an increase while all others have seen a decrease. Indeed, living in poverty often results in families having to buy goods and services through the most expensive means, and increasingly not having their rent paid in full.
11. Turning to the immediate triggers of hunger, 1,996,000 households making a new claim for Universal Credit, between December 2018 and November 2019, required an advance payment on their claim, to tide them over the minimum waiting period of five weeks before they were paid. Sums were then deducted from their monthly subsistence payments to repay that advance – in one month alone, a total of £50 million was clawed back for this purpose, with an additional £44 million deducted to repay historic overpayments and other debts. For more than half of households whose claims are subject to a deduction, between 20% and 30% of their standard Universal Credit allowance is clawed back by the Government. We need a total cessation of these hostilities against people moving onto Universal Credit, at least for the duration of the COVID-19 pandemic.
12. 79,702 households making a new claim for Universal Credit, between April and July 2019, did not receive their full payment after five weeks. They accounted for one in seven new claims made within that period. Within this group, one in four households with limited capability for work, and two in five households seeking help towards childcare costs, did not receive their full payment on time.

Appendix

Food budgets and core benefit income

¹ The Minimum Income Standard is defined as the income that people need in order to reach a minimum socially acceptable standard of living in the United Kingdom. It is calculated by specifying baskets of goods and services required by different types of household in order to meet these needs and to participate in society. Food budgets are adjusted by nutritionists.

Table 1 highlights the year-on-year erosion of food budgets amongst households who are now most likely to be referred to food banks.

Table 1: Comparison of Minimum Income Standard food budgets with core benefit income for different workless family types

Year	Single adult, working age			Lone parent, one child aged 0-1			Couple, 2 children (2-4 & primary school age)		
	MIS food budget (a)	Core benefit income (b)	(a) as percent of (b)	MIS food budget (a)	Core benefit income (b)	(a) as percent of (b)	MIS food budget (a)	Core benefit income (b)	(a) as percent of (b)
	£pw	£pw	%	£pw	£pw	%	£pw	£pw	%
2015	43.38	73.10	59%	53.73	157.57	34%	103.25	266.33	39%
2016	44.72	73.10	61%	56.85	157.57	36%	100.96	266.33	38%
2017	45.59	73.10	62%	57.95	147.12	39%	102.92	266.33	39%
2018	49.29	73.10	67%	59.71	147.12	41%	105.71	266.33	40%
2019	49.64	73.10	68%	60.03	147.12	41%	106.32	266.33	40%

Notes

(a) Weekly Minimum Income Standard budget for food, as determined by the JRF Minimum Income Standard for the UK. Budgets are periodically rebased (devised from scratch) which can result in large differences from one year to the next. Rebased figures are indicated in darker green in the table.

(b) Income from the following benefits: JSA/Income Support Personal allowance, Child Tax credits, Child Benefit. All adults aged 25 or over.

Food budgets and household income

Table 2 focuses on the food budgets of the largest group of people who are referred to food banks, namely single adults, while Table 3 demonstrates how, amongst couples with two children, it is the very poorest alone who have seen the cost of a basic minimum food budget increase as a proportion of their income.

Table 2: Minimum income standards food budget as a percentage of income

Single adult, working age, 2017/18 prices

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	Population median	Population mean
2014/15	34.3%	23.5%	19.6%	17.0%	14.8%	12.9%	11.2%	9.7%	8.0%	5.5%	13.8%	11.3%
2015/16	34.8%	23.9%	19.8%	17.1%	14.9%	13.0%	11.3%	9.6%	8.0%	5.5%	13.9%	11.3%
2016/17	35.7%	23.3%	19.4%	16.8%	14.6%	12.7%	11.1%	9.6%	8.0%	5.6%	13.6%	11.3%
2017/18	38.1%	25.1%	20.5%	17.7%	15.3%	13.5%	11.7%	10.1%	8.4%	5.9%	14.3%	11.9%
Percentage point increase between 2014/15 and 2017/18	3.8%	1.6%	0.9%	0.7%	0.5%	0.6%	0.5%	0.4%	0.4%	0.4%	0.5%	0.6%

Table 3: Minimum income standards food budget as a percentage of income

Average 2017/18 prices, Budget for a couple with 2 children, one under 4 and one 4-11, Equivalised income for a couple with 2 children under 14

	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	Population median	Population mean
2014/15	39.0%	26.7%	22.3%	19.4%	16.8%	14.8%	12.8%	11.0%	9.1%	6.3%	15.7%	12.8%
2015/16	37.6%	25.8%	21.4%	18.5%	16.1%	14.0%	12.2%	10.4%	8.7%	5.9%	15.0%	12.2%
2016/17	38.5%	25.1%	21.0%	18.1%	15.8%	13.7%	12.0%	10.4%	8.6%	6.0%	14.7%	12.2%
2017/18	39.1%	25.7%	21.1%	18.1%	15.7%	13.8%	12.0%	10.4%	8.6%	6.0%	14.7%	12.2%
Percentage point increase between 2014/15 and 2017/18	0.1%	-1.0%	-1.2%	-1.3%	-1.1%	-1.0%	-0.8%	-0.6%	-0.5%	-0.3%	-1.0%	-0.6%

Universal Credit timeliness

Table 4 demonstrates how households seeking help towards their childcare costs, and others with limited capability for work, are particularly likely not to receive their first Universal Credit payment on time.

Table 4: New claims on Universal Credit, by entitlement type and timeliness of first payment									
<i>Great Britain</i>									
		Number of households				Percentage of households			
		April 2019	May 2019	June 2019	July 2019	April 2019	May 2019	June 2019	July 2019
All new claims: total		136,432	121,660	146,057	137,521	100.0%	100.0%	100.0%	100.0%
<i>of which:</i>	Full payment on time	110,297	102,894	127,175	121,606	80.8%	84.6%	87.1%	88.4%
	Some payment on time	10,654	7,540	7,860	6,137	7.8%	6.2%	5.4%	4.5%
	No payment on time	15,479	11,231	11,022	9,779	11.3%	9.2%	7.5%	7.1%
<i>of which: new claims on UC which have:</i>						100.0%	100.0%	100.0%	100.0%
Child entitlement		57,755	52,314	62,956	57,920	%	%	%	%
<i>of which:</i>	Full payment on time	43,892	42,954	53,614	50,141	76.0%	82.1%	85.2%	86.6%
	Some payment on time	6,861	4,741	4,921	3,960	11.9%	9.1%	7.8%	6.8%
	No payment on time	7,000	4,619	4,422	3,814	12.1%	8.8%	7.0%	6.6%
Childcare entitlement		2,622	2,522	2,845	2,451	100.0%	100.0%	100.0%	100.0%
<i>of which:</i>	Full payment on time	1,343	1,516	1,838	1,707	51.1%	60.2%	64.6%	69.5%
	Some payment on time	880	750	807	583	33.5%	29.8%	28.4%	23.7%
	No payment on time	405	253	199	165	15.4%	10.0%	7.0%	6.7%
Housing entitlement		74,003	65,615	78,342	71,572	100.0%	100.0%	100.0%	100.0%
<i>of which:</i>	Full payment on time	56,904	53,584	66,319	61,661	76.9%	81.7%	84.7%	86.1%
	Some payment on time	8,778	6,208	6,470	5,090	11.9%	9.5%	8.3%	7.1%
	No payment on time	8,321	5,820	5,551	4,827	11.2%	8.9%	7.1%	6.7%
Limited Capability for Work		5,119	4,630	5,556	5,019	100.0%	100.0%	100.0%	100.0%
<i>of which:</i>	Full payment on time	3,462	3,425	4,258	4,004	67.6%	73.8%	76.7%	79.8%

Some payment on time	1,143	791	856	651	22.3%	17.1%	15.4%	13.0%
No payment on time	513	422	440	364	10.0%	9.1%	7.9%	7.3%

April 2020