# walking the breadline

the scandal of food poverty in 21st century britain







Niall Cooper and Sarah Dumpleton May 2013

# Acknowledgements

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**Church Action on Poverty** is a national ecumenical Christian social justice charity, committed to tackling poverty in the UK. We work in partnership with churches and with people in poverty themselves to find solutions to poverty, locally, nationally and globally. Further information can be found at www.church-poverty.org.uk. Registered charity number 1079986. Company limited by guarantee, registered in England and Wales, number 3780243.

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## Contents

Acknowledgements
Executive summary
Food poverty
Food aid
Hunger and stigma
Food deserts
Not enough
Safety net no longer
Beyond food banks
There is an alternative
Endnotes
About us

# **Executive summary**

- The explosion in food poverty and the use of food banks is a national disgrace, and undermines the UK's commitment to ensuring that all its citizens have access to food – one of the most basic of all human rights.
- We estimate that over 500,000 people are now reliant on food aid – the use of food banks and receipt of food parcels – and this number is likely to escalate further over the coming months. This is substantially higher than the headline figure of 350,000 supplied by the Trussell Trust, as at least half as many people again are provided with food parcels or other forms of food aid by non-Trussell Trust food banks and other emergency food aid projects.
- Some of the increase in the number of people using food banks is caused by unemployment, increasing levels of underemployment, low and falling income, and rising food and fuel prices. The National Minimum Wage and benefits levels need to rise in line with inflation, in order to ensure that families retain the ability to live with dignity and can afford to feed and clothe themselves and stay warm.
- More alarmingly, up to half of all people turning to food banks are doing so as a direct result of having benefit payments delayed, reduced, or withdrawn altogether. Figures gathered by the Trussell Trust (see page 13) show that changes to the benefit system are the most common reasons for people using food banks; these include changes to crisis loan eligibility rules, delays in payments, Jobseeker's Allowance sanctions and sickness benefit reassessments.
- There is clear evidence that the benefit sanctions regime has gone too far, and is leading to destitution, hardship and hunger on a large scale.
- There is a real risk that the benefit cuts and the introduction of Universal Credit (which will require internet access and make payments less frequently) will lead to even larger numbers being forced to turn to food banks. Food banks may not have the capacity to cope with the increased level of demand.
- The growth in food aid demonstrates that the social safety net is failing in its basic duty to ensure that families have access to sufficient income to feed themselves adequately. The exponential rise in the creation of food banks reflects a growing problem and only delivers mitigation. Food banks provide a vital emergency service to the people they support but they do not address the underlying structural causes for the growth of food poverty.
- Food banks should not replace the 'normal' safety net provided by the state in the form of the welfare state. Even in developing countries, food aid is increasingly seen only as an emergency stop-gap measure. International practice would now indicate a preference for cash payments over food handouts, not least because they distort local markets and are not part of a long-term development or anti-poverty strategy.
- It is unacceptable that whilst thousands are being forced to turn to food banks and millions are unable to meet the rising cost of living as a result of the Government's austerity programme, wealthy individuals and corporations continue to dodge their obligation to pay their fair share of taxes.

The explosion in food poverty and the use of food banks is a national disgrace

#### Recommendations

1. The House of Commons Work and Pensions Select Committee conducts an urgent inquiry into the relationship between benefit delay, error or sanctions, welfare reform changes, and the growth of food poverty.

- 2. The Department for Work and Pensions publishes data on a regular basis on the number and type of household who are deprived of their benefits by reason of benefit delay, error or sanctions; the numbers leaving and returning to benefits after a short period of time, and the number of referrals from Jobcentre staff to local food banks.
- 3. The Department for Work and Pensions commission independent monitoring of the roll-out of Universal Credit, to ensure that there is no unintentional increase in food poverty.
- 4. All referrals to food banks/emergency food aid provision, made by government agencies, be recorded and monitored in order to establish more accurate numbers on people experiencing food poverty in the UK.
- 5. HM Treasury make tackling tax dodging an urgent priority, including promoting robust and coordinated international action at the forthcoming G8 meeting in Northern Ireland in June to reduce the need for future cuts in benefits, and restore the principle that benefits should at least rise in line with inflation.

## Food poverty Defining food poverty and acknowledging the reality

**Government figures**, last updated for 2010–11, show that around 13 million people are in poverty in the UK<sup>1</sup>. According to the Food Ethics Council, at least four million of them suffer from food poverty.<sup>2</sup>

There is currently no established government measure of food poverty. A recent report by the Centre for Economics and Business Research defined households who have to spend more than 10% of their annual income on food as being in food poverty.

The Food Ethics Council states that food poverty means that an individual or household isn't able to obtain healthy, nutritious food – they have to eat what they can afford, not what they choose to.

"Food poverty is worse diet, worse access, worse health, higher percentage of income on food, and less choice from a restricted range of foods."

Tim Lang, Professor of Food Policy at City University, London

"A decade of national debt risks being followed by a decade of destitution. Food banks open across the country, teachers report children coming to school hungry; advice services and local authorities prepare for the risks attached to welfare reform. There is evidence of a rising number of people sleeping rough, and destitution is reported with increasing frequency."

Julia Unwin, Joseph Rowntree Foundation<sup>3</sup>

In households which cannot afford an adequate diet for their children, 93% have at least one adult who 'skimps' on their own food to try to protect the children. Half a million children are not adequately fed in the UK today, not as a result of negligence but due to a lack of money."

Poverty and Social Exclusion UK<sup>4</sup>



Denise Bentley manages Tower Hamlets Foodbank

It's shocking that in the

seventh richest nation

in the world, people are

living in real dire poverty

#### Case study: the growth in food banks

Denise is manager of Tower Hamlets Foodbank, part of the Trussell Trust network of UK Foodbanks. She says:

"In 2011 and 2012, the Trussell Trust opened food banks at a rate of two or three per week. People are really struggling, and initially it was people that weren't earning, that were on benefits, but now it's hitting the working poor. It's shocking to believe that in the UK, the seventh richest nation in the world, people are living in real dire poverty."

# Food aid

#### The explosion in hunger and hardship across the UK

hilst the level of food poverty is worrying enough, what is of greater concern is the exponential growth in the numbers of people across the UK who are experiencing real hunger and hardship. Perhaps the most extreme manifestation of food poverty is the rising number of people who depend on emergency food aid.

The 'Enough Food for Everyone IF' campaign (www.enoughfoodif.org) was launched earlier this year in response to the growing numbers of people globally who are experiencing hunger, but the shocking reality is that hundreds of thousands of people in the UK are now reliant on food aid, principally in the form of food banks. Without the generosity of their fellow citizens operating food banks hundreds of thousands of people, let down by the safety net, would be simply unable to feed themselves.

There has been an explosion in the number of people using food banks in the last two years. The Trussell Trust (the biggest provider of food banks in the UK) has reported that more than 350,000 people turned to their food banks for help in 2012–13, almost triple the number who received food aid in the previous year, and 100,000 more than anticipated. 128,697 were fed by Trussell Trust food banks in 2011–12, up from 68,486 in 2010–11 (see the chart below). The Trussell Trust has launched almost 150 new food banks in the last year, and is currently approving three new food banks a week.

However, these figures from the Trussell Trust are indicative of a much larger problem, as they do not include the parallel growth in independent food banks and other informal emergency food aid interventions provided by hundreds of churches, charities, housing associations and community groups. Evidence from around the UK<sup>6</sup> indicates that a wide array of local churches and other projects are now providing emergency food aid. On this basis, we estimate the real number now reliant on food aid to be in excess of half a million people, and this number is set to grow as changes to the benefits system take effect.

#### Case study: food aid in Greater Manchester<sup>5</sup>

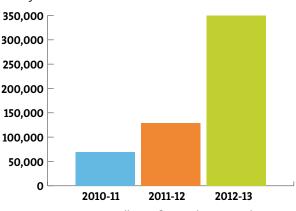
There is currently no central directory of food banks in Greater Manchester, but there are many organisations working to provide food parcels to people experiencing food poverty.

Evidence gathered for the Greater Manchester Poverty Commission in autumn 2012 identified eight organisations in Manchester, none connected with the Trussell Trust, who were between them providing an average of 730 food parcels per month – equating to more than 8,700 per annum.

The Diocese of Manchester also conducted research into the number and location of food banks and other organisations distributing food to those in need of support. This identified a total of 85 parishes across Greater Manchester which are involved in a food intervention, including food bank activity in Rochdale, Oldham and Bolton, while a further 45 organisations have been identified that provide support in the form of food banks or other support such as breakfast clubs.

At that time, the Trussell Trust was operating just three food banks in Greater Manchester, but this number has now grown to nine, with a further three in development.

The evidence from Greater Manchester would indicate that the numbers of people reliant on food parcels is substantially higher than the figures supplied by the Trussell Trust, which are based solely on statistics gathered via their own food bank network.



Trussell Trust figures show an explosion in demand for food aid.



## Hunger and stigma The devastating impact of food poverty

our out of five teachers are reporting that some of their children are arriving at school hungry<sup>7</sup>; one London survey found that 61% of teachers have given food to their students at their own expense<sup>8</sup>. Families are experiencing distress and humiliation as they have to turn to food banks to meet their basic needs. The social injustice of having to rely on food aid is strongly felt by those compelled to turn to food banks. Professionals who signpost people to food banks have spoken of their clients' reluctance to go because it feels like charity or begging. It is difficult for people who have never sought help before to admit that their situation has got to this point. Many distributors of food bank tokens have talked about how the people they refer find it humiliating to be forced to turn to a food bank (despite the efforts made by food bank staff and volunteers to minimise this)<sup>9</sup>.

"...it's like going back to the Victorian era, isn't it? Asking for some more please. It's degrading to some people."

Drug worker supporting offenders<sup>10</sup>

"My depression has worsened considerably, and the reduced amount I have to spend on food is affecting my diabetes and blood pressure. I also have more frequent panic attacks when thinking about our finances."

Citizens' Advice Bureau client in Greater Manchester<sup>11</sup>

"I have to cut down on basic living expenses as it is. I stay in bed to keep warm, especially in winter as I can't afford to put the heating on. The bleakness of this week to week is having an impact on my mental/physical health. I'm trying to find somewhere else to live, but so far have not been able to find anywhere affordable in this area. I have had to get occasional food parcels from the food and support drop-in service."

Citizens' Advice Bureau client in Greater Manchester<sup>12</sup>

## It's like going back to the Victorian era...

Asking for some more please.

It's degrading.

The reduced amount I have to spend on food

is affecting my diabetes and blood pressure

The bleakness of this week to week

is having an impact on my mental and physical health

# Food deserts

#### Health, nutrition and the Poverty Premium

imited access to food is also indicative of broader socio-economic inequalities. Areas where food poverty is high are often synonymous with a number of other factors that marginalise people and limit options.

People on low incomes in the UK pay higher prices for many essential goods and services than people who are better off. This is known as the Poverty Premium. Save the Children has estimated that it costs the average low-income household an extra £1,300 a year, as they pay more for food, fuel, finance and other goods and services.<sup>13</sup> The Poverty Premium is related to food poverty in a number of ways.

The creation of large superstores and out-of-town shopping developments have driven local, independent retailers out of business and left the poorest people in 'food deserts' without access to affordable, healthy food. Superstores are difficult to reach for people on low-incomes; 85% of households with weekly incomes under £150 do not have a car.

The poorest people in the UK are paying more for their food than their richer counterparts. Research has found that a list of the cheapest available selection of groceries was up to 69% more expensive in some of the poorest parts of the country than in stores belonging to the same chain in richer areas<sup>14</sup>.

At least four million people in the UK do not have access to a healthy diet; nearly 13 million people live below the poverty line, and it is becoming harder and harder for them to afford healthy food. Lower-income families in the UK have cut their consumption of fruit and vegetables by nearly a third in the wake of the recession and rising food prices. At the end of 2010, lower-income households were buying 2.7 portions of fruit and vegetables per person, per day, compared to the average household which continued to buy about four portions per person, per day. These rates are likely to have declined further in the past year, as inflation has continued upwards and household incomes have shrunk.

#### **Case study: food deserts**

Audrey works at a drop-in centre in Salford; she buys food to provide meals for clients. She has noticed a change in the availability of cheap healthy food – and the impact this has had on people who are on low incomes:

"If you're unable to go anywhere else but Salford, then we haven't got a market any more that's worth looking at. We did have. Cross Lane market used to be absolutely buzzing when I came up here in 1981, and it's gradually gone to two food stalls and three butchers. How do you cut back and stay healthy?...

"This thing they've got now for putting these massive big [supermarkets] everywhere, it's too tempting for people. If you're going in, and you've got two kids with you and they've seen the sweet aisle and they've seen the pretty dresses, why wouldn't you be tempted? ... And there's not an awful lot of loose food in the big supermarkets."

"In the most deprived part of the borough [Westminster], life expectancy for men is 17 years shorter than in the richest part of the borough. If I went to Glasgow it's even worse – a 28 year difference in male life expectancy. Life expectancy in the poorest part of Glasgow is 8 years shorter than the average male life expectancy in India. That's how bad health inequality is in the UK."

Sir Michael Marmot (Director of the International Institute for Society and Health)

Poor families are not only hit with the problem of how to put food on the table in the short term, they are also suffering the double injustice of the long-term effects of food poverty. People who are forced to live on an inadequate diet have a significantly increased risk of developing serious health conditions such as cancer, heart disease, obesity and diabetes; they are also more likely to suffer from stress, ill health, poor educational attainment and shortened life expectancy. Poor children suffer from lower nutritional intake, bad dietary patterns, hunger, low fruit and vegetable consumption, and problems accessing food in the school holidays.

In the UK, the poorer people are, the worse their diet, and the more diet-related diseases they suffer from. This is food poverty.

Faculty of Public Health, Royal College of Physicians<sup>14</sup>

[Food poverty] means people are too poor to choose diets that are healthy for them. They develop diseases, they have health problems. Olivier De Schutter (UN Special Rapporteur on the Right to Food) Olivier De Schutter (the UN's Special Rapporteur on the Right to Food) recently commented upon the situation, acknowledging that starvation is not what happens to the poor in developed nations; food poverty in the UK not only means being unable to afford food, "it means people are too poor to choose diets that are healthy for them. They develop diseases, they have health problems."

A poor diet which results in people being overweight or obese is known as modern malnutrition, a phenomenon which is more common in people from lower socioeconomic groups. Poor diet is a risk factor for the UK's major killers of cancer, coronary heart disease and diabetes; however, it is only in recent years that the problem has been quantified: poor diet is related to 30% of life years lost in early death and disability. Tackling food poverty is recognised as key to achieving government targets on reducing inequalities and priority health areas. The Faculty of Public Health of the Royal College of Physicians has called for a real change in the 'food environment': the accessibility and affordability of food and the culture in which people live.<sup>15</sup>

It is estimated that the treatment of ill health caused by poor diet (obesity, diabetes, coronary heart disease and cancer) costs the National Health Service at least £4 billion each year.<sup>16</sup> It is clear that the government could save billions by tackling preventable diseases caused by food poverty. If benefit levels were raised in line with the cost of living and the government gave more help to people on low incomes, so that the poorest households could afford a healthy diet, real savings would be made in the long term. It is difficult to calculate the food element of benefits, but figures from the Family Budget Unit<sup>17</sup> suggest it falls considerably short of the amount needed to prevent malnourishment.

There is a myth that low-income families eat unhealthy foods through choice, and that given more information they would make better choices. In fact, evidence shows that people on low incomes are aware of the need to eat fresh produce and are keen to do so. A survey found that given an extra £10 per week, most low-income parents would spend it on fresh meat and poultry, fruit and vegetables.<sup>18</sup>

### Case study: working poverty and access to healthy food

'Kate' (not her real name) works at a community centre in Salford. Despite receiving tax credits to top up her salary, she is finding it increasingly difficult to feed herself and her son:

"[At work] if I'm here all day sometimes I might go almost all day without something to eat, and at home I never have a lot of stock food in. If I go shopping at one of the cheaper places, and I buy bulk vegetables and salads, they go off really quick but they're a lot cheaper than going to one of the higher brand shops. So I tend to buy cheaper, but I end up wasting a lot as well, unfortunately...

Just in general, over the last three years specifically, I've noticed that my income hasn't changed but my expenses have soared, so I've found myself going deeper and deeper into the red every month, and that's just from my basics – I seldom go out, I don't drink, I buy from charity shops, I never go to high street shops... I don't know where to shop any more.

Everything is about budget and the cheapest places to shop, from food right down to hygiene. I'll go to the budget pound shops, but I'm still finding myself overdrawn more and more, increasingly over the last three years."



## Not enough Increasing costs and reducing incomes

**ood banks** are reporting that most of those accessing their services are lowincome families in crisis, many of which are working households. 62% of children in poverty are living in families where at least one parent has a job, indicating that wages are too low and that current Minimum Wage legislation is not adequate to lift people out of poverty through work.

Although a range of factors are leaving families and individuals in food poverty (including delays to benefit payments and benefit sanctions), the rising cost of food is a significant issue. Oxfam have reported that food prices have risen by 30.5% in the last five years; this is double the rate of inflation, and two and a half times the rate of increases in the National Minimum Wage.<sup>20</sup>

People are spending more on food but eating less: expenditure on food and non-alcoholic beverages has increased by almost 20% in the last five years, but the volume of food being consumed has fallen by 7%. It is predicted that the average food bill will increase by £257 over the next five years, further increasing the number of people affected by food poverty.<sup>21</sup>

The rising cost of living combined with austerity cuts is forcing poor families to choose whether to pay their bills or put food on the table; research has found that parents are regularly going without food in order to feed their children. A recent survey found that one in five mothers regularly go without meals so that their children can eat, 16% are being treated for stress-related illnesses (due to financial worries), and one third are borrowing money from friends and family to stay afloat. Most mothers stated that their situation is worse than a year ago with less money coming in compared to this time last year.<sup>22</sup>

It is predicted that the changes to the welfare system which took place in April 2013 will only add to the existing problems of food insecurity for the poorest people in Britain. Welfare payments will only go up by 1% this year; this is well below the rate of inflation, which currently stands at 2.8%. Cuts to housing benefit, the benefit cap and the introduction of Universal Credit will have a major impact on the poorest and most vulnerable.

Case study: benefits and food prices

After selling all of her possessions to pay off debts, Jack was left with just a bed and a sofa and a few items that were later donated by friends. She has had to live on a budget of £10 a week for food for a long period of time. She had to make sacrifices to save money, including never using the heating, taking out excess light bulbs and not having a freezer or tumble drier. She buys basic products and tries not to buy meat or dairy products as they are too expensive. Her local food bank is able to provide nappies and five items of food each week.

On reading an article in *The Independent*, she was shocked to find that nine of the 16 criteria that class a child as being in poverty applied to her own son, including: not having outdoor space to play, not having two pairs of shoes, and not having meat or dairy in his diet. **"It was a shock to me. I thought, 'My child is in poverty', and I wondered if I was a bad mother."** 

As a result of blogging about her experiences, Jack is now working as a journalist and an activist on UK hunger issues.

The rise in the use of food banks clearly reflects increasing hardship and the difficulty families face in making ends meet, as prices rise and incomes fail to keep pace. Kate Green MP<sup>9</sup>

What's happened is that the level of income inequality has been increasing. And by that we mean that the very rich have been getting more and more money, and people lower down, have been getting less. Michael Marmot



Jack is a single mother who lives on housing benefit and child support

## It was a shock to me. I thought, "My child

is in poverty", and I wondered if I was a bad mother.



Lorna has three children and works as a school dinner lady

## I couldn't do what a mum should do for them – look after them. I couldn't even

feed them.

#### Case study: working poverty and rising prices

Lorna's oldest son, Shaun, has a disability and attends a special residential school in Brighton during the week. Lorna lives in Tower Hamlets, on the doorstep of the City of London, and can see the towers of Canary Wharf from her living room window.

Tower Hamlets is one of the richest boroughs in the country, but also has the worst rates of child poverty. Inequality in the borough is on the rise, and many residents will be hit by both the 'bedroom tax', and the benefits cap in the autumn (which will limit the total amount a household can receive in benefits). There is severe overcrowding in the borough, and many residents fear they will be forced out of their homes when the benefit cap comes in, and relocated outside of London. Although there is a huge shortage of housing, luxury flats are springing up around the borough to cater for the growing population of City workers and wealthy Londoners.

"Tower Hamlets is, at the same time, one of the richest and one of the poorest parts of Britain. It has the highest rate of child poverty in the country and yet the average salary of those who work in the borough is £58,000, the second highest in the UK after the City of London. This is a place where many kids sleep six to a room yet the borough has an economy worth more than £6 billion a year." Revd Giles Fraser, chair of Tower Hamlets Fairness Commission

Although Lorna works as many hours as she can fit around school hours, she is struggling to put food on the table. Her very low wage means that she is dependent upon housing benefit and tax credits to top up her low income, but still she has repeatedly found herself seeking help from the local food bank, as she simply does not earn enough to keep afloat. With benefit rises this year capped at just 1%, the soaring costs of food, fuel, gas and electricity have hit her very hard.

Lorna's first referral to the food bank came from her son's school, who were concerned that she had held him back from school for two days because she couldn't afford a packed lunch for him, and was ashamed to send him into school without. As a dinner lady, not being able to feed her son during his school day was too much to bear.

Lorna is now waiting to move into a three-bedroom flat, as Shaun needs a room to himself because of his disability. However, she will now be hit by the bedroom tax – as under current rules, Shaun would not qualify for his own room. If Lorna is forced to pay bedroom tax, she will be left with virtually no budget for food at all. To cope, she will have to take money out of Shaun's disability living allowance, which is intended for transport and extra care.

"I felt very ashamed having to go to food bank the first time. It was down to my son's school liaison officer coming round to my house, because I hadn't sent my son into school for a couple of days as I couldn't afford a packed lunch for him and I couldn't afford to pay for a school dinner. I couldn't do what a mum should do for them – look after them. I couldn't even feed them. That just makes you feel really low as a parent.

"I wake up every morning to look out my window and see Canary Wharf, all the top shot banks that are there. I do get angry because we are struggling and it's like nobody seems to take any notice... I'd like to invite David Cameron, or Nick Clegg to come and try to live like this – just for one week, with no electric, no gas, no food... then they'd see."

#### I do get angry

because we are struggling

and it's like nobody seems to take any notice

## Safety net no longer Is the benefits system creating hunger?

livier De Schutter (the UN's Special Rapporteur on the Right to Food) recently pointed to increases in the number of food banks in developed countries as an indicator that governments are in danger of failing in their 'duty to protect' under the International Covenant on Economic, Social and Cultural Rights (IESCR), which states that all citizens should have access to adequate diet without having to compromise other basic needs.<sup>23</sup>

Whilst the Department for Work and Pensions (DWP) claims that the benefits system provides a 'safety net for essentials such as food', the evidence increasingly does not support this claim. In fact, there is mounting evidence that the inadequacies of the welfare safety net are now directly driving the growth of hunger and reliance on charitable food handouts.

#### Benefit sanctions, destitution and food poverty

In recent years there has been growing concern about the hardship caused by an increasingly harsh and punitive benefits sanctions regime.

In 2010, in response to the Department for Work and Pensions' consultation *21st Century Welfare* (Cm 7913), a number of consultees raised concerns that if conditionality is increased, protections must be put in place to ensure that vulnerable people are not penalised.<sup>24</sup> At the time, Oxfam's UK Poverty Programme warned that the new sanctions regime being introduced alongside Universal Credit would "expose people to the risk of destitution. Removing benefits and leaving people with no income will result in extreme hardship for them and their families."<sup>25</sup>

In April 2011, *The Guardian* published an analysis of DWP statistics which showed a 40% increase in the number of people who have lost their Jobseeker's Allowance (JSA) between April and October 2010.<sup>26</sup> In October 2012 a new JSA sanctions regime came into force, which introduced a new and 'more robust' system, with low-, intermediate- and high-level sanctions. A broadly similar sanctions regime will be introduced under Universal Credit (the revision to the entire benefits system which the DWP started to roll out this month).

Just three months later, in January 2013, an internal DWP 'scorecard' leaked to *The Guardian* revealed that more than 85,000 sanctions had been applied or upheld against JSA claimants in one month alone. This would translate into more than a million sanctions per annum, against a total JSA caseload of just under 1.5 million.<sup>27</sup> Most of the policy debate on sanctions to date has focused on the extent to which the sanctions regime is fulfilling its primary purpose in promoting 'good behaviour' on the part of benefit claimants. More recently, there has been a growing controversy as to whether Jobcentres have 'quotas' for getting people off benefits. As a result of this debate, the Government has now agreed to set up an independent inquiry into the use of sanctions, which is a welcome move.<sup>28</sup>

However, to date there has been little or no Parliamentary debate, or Government or Parliamentary research, on the wider impacts of sanctions in terms of generating material hardship, stress or hunger.

As far back as 2006, the Social Security Advisory Committee conducted an evidence review of sanctions in relation to Jobseeker's Allowance, Income Support and Incapacity Benefit.<sup>29</sup> This identified that "a consistent message has emerged in terms of the impact of JSA sanctions on individuals. Several reports have discussed the material hardship and emotional problems associated with sanctions."

The Advisory Committee noted that "the Department [DWP] has little information on the longer-term impacts of sanctions. For example, there is currently no information on people who may become homeless as a result of a sanction or whether a sanction leads to long-term health impacts such as anxiety or depression."

In spite of mounting evidence that the sanctions regime is directly leading to food poverty, no research has been commissioned by the DWP into the wider impact of the increasing use of benefit sanctions.



Stephen is a 32year-old from North Manchester

#### If I'm trying hard

and following

all the rules,



even pay you to survive,

you feel like there's no point

#### **Case study: benefit sanctions**

Stephen had his benefits stopped for two months, due to administrative errors by the Jobcentre. During this time he was left destitute and lost almost two stone in weight.

The problems began when he missed an appointment at Salford Jobcentre because he had not received a letter notifying him of the appointment. His Jobseeker's Allowance was stopped and he was sanctioned for four weeks. The Department for Work and Pensions then claimed that he wasn't doing enough to find work, and sanctioned him for another month.

"How am I supposed to live? I've been going on a course three days a week, plus I'm applying for ten jobs every fortnight ... it's their mistake and I am suffering."

Despite the sanctions, Stephen successfully completed his rendering and plastering course at Salford City College and received an NVQ Level 2 qualification. He walked the five-mile round trip to attend the course three days a week as he couldn't afford the bus fare, often going without food while there.

Stephen lives a hostel for single, homeless people; his JSA covers the £20 service charge for the hostel, as well as food. When Stephen was sanctioned he had to borrow money in order to keep his place at the hostel as he was threatened with eviction.

"I felt really low: suicidal, depressed. I just thought that no-one was helping or caring. If I'm trying hard and following all the rules, and they won't even pay you to survive, you feel like there's no point. So why should you even try?"

Stephen has been searching for a job since leaving prison in 2011; he is hopeful that the company who ran his course will give him a trial that could lead to a full-time job.

"In the hostel, every other week you see someone [who has been sanctioned]. The DWP don't seem to care. They think we're scum ... We shouldn't all be treated the same. If we're trying to get work we should get more help."

#### **Case study: benefit sanctions**

Kay is in her early thirties, a single parent and currently expecting another child. She is currently on Jobseeker's Allowance and is required by her Jobcentre Plus Adviser to search for six jobs every fortnight. Although Kay will need to have maternity leave in the near future, work is very important to her, and she is still actively looking for employment and attends a voluntary job club on a weekly basis.

Kay has little knowledge of computers and therefore relies on the support of the staff at the job club to help her with her search, especially now that the Universal Jobmatch system (job searches and recordings) is heavily computerised. One week in March, the job club lost all internet connectivity, and therefore she only managed to enquire about one vacancy. However, during the following week she 'fulfilled' her six job search quota by searching for another five jobs.

Kay believed all was well until her next visit to the Jobcentre to meet her Adviser; she was told by her Adviser that her search "was not good enough" because her six job searches were not spread evenly throughout the two weeks, and although Kay tried to defend her case, stating that she had no internet access, she was told that she would be sanctioned.

Kay was sanctioned a week's money of £71. This not only caused a lot of stress to her (being pregnant, a single mother and now having a vital income removed from the household); it also had the knock-on effect of forcing her to rely on her family for financial support.



Cartoon by Corrine Pearlman

#### Benefit delays and underpayments

According to the Trussell Trust, nearly a third of food parcel recipients had been referred to the Trust because their social security benefits had been delayed. A further 15% came as a result of their benefits being cut or stopped (up from 11% in 2011–12). The Trust said the majority of people turning to food banks were working-age families.<sup>30</sup>

Delays in determining benefit or tax credit claims and appeals can have devastating effects on claimants. This is particularly true in the case of means-tested benefits, where those entitled will by definition have very little or no income. Where the delay relates to housing or council tax benefit, there can be serious consequences in terms of problems with bailiffs and, ultimately, homelessness. For increasing numbers, it means quite literally that they are going hungry.

According to the DWP's own official estimates, some £1.3 billion of benefit expenditure was underpaid in 2011–12.<sup>31</sup>In 2011, the Public Accounts Committee criticised the DWP for focusing on reducing overpayments and neglecting underpayments, despite the hardship that underpayment of benefits can cause for claimants. It found that the average weekly underpayment in Income Support for affected customers was £24, a considerable proportion (29%) of their weekly payment. An estimated £1.3 billion of benefits went unpaid due to customer and administrative error in 2009–10, but the Department did not have a target to reduce this total.

The Committee concluded that "the Department does not have a sound understanding of where and

why errors arise and is not doing enough to prevent errors entering the system in the first place." Lastly, it cautioned that "Wider welfare reforms could reduce error in the long term by simplifying the benefits system, but could also distract the Department from its focus on getting error rates down now."<sup>32</sup>

The evidence from the Trussell Trust and others is that benefit delays and underpayment continue to cause substantial hardship and hunger.

Both Church Action on Poverty and Oxfam have welcomed the introduction of the new Universal Credit in principle. However, there are real concerns that aspects of its design and resourcing will unintentionally result in a further increase in hunger and destitution. Firstly, there is evidence that many people already struggle to make their fortnightly benefits last the full two weeks, and routinely 'go without' for the last two or three days before their next payment arrives. The fact that Universal Credit will normally be paid monthly, rather than fortnightly, runs the risk that the experience of running out of money before the end of the month will become much more widespread.

Secondly, many charities have called into question the feasibility of the DWP's presumption that at least 85 per cent of claims will be made online. Not only do low-income households have much lower levels of access to the internet than the population at large, but this also increases the risk that claimants will incorrectly complete online applications, leading to an increase in the number of claims which are delayed or rejected.

Reproduced from the *Huddersfield Daily Examiner*, 30 March 2013

## JOBLESS MELTHAM MAN CAUSED HARDSHIP BY LATE BENEFIT PAYMENTS

A JOBLESS man says he and his disabled wife are being caused hardship because their benefit is often paid late.

Former dyehouse operative David Hoyle, 61, and wife Susan, 58, of Meltham, receive £201 a fortnight. The money should be paid by the Department for Work and Pensions (DWP) every other Wednesday. But often the cash hasn't gone into the couple's account in time, leaving them without money for food. David said he was fed up of having to chase his money and

David said he was fed up of having to chase his metry is said: "There is no reason why it shouldn't be paid on time. It happened again on Wednesday and we had to ring up and the money was in by 4pm. It's happened five or six times now. Once the money didn't go in until Friday. We are struggling as it is and we only have enough food to last us through to benefit day. It's not too much to ask for the money to be paid on time."

David had an industrial accident in January 2007, in which his left wrist was crushed in a baling press. David, who also has lung problems and osteoarthritis in his hips, later worked for cleaning services at Kirklees Council. However, council doctors ruled him unfit for work and he now receives two

small pensions. Despite his health difficulties, the DWP says he is able to work and he was put on Jobseeker's Allowance.

"They say that because I can sit at a computer I am fit to work," said David. "I know I'm not but that's what they say. I've always worked and I'd love to get a job. I'm not one of those who spend all their benefit down the pub. My only pleasure these days is going shopping once a fortnight to have enough food to keep us going. I know they are not going to increase my money but I've paid into the system and all I want is a fair deal, which I'm not getting."

The couple, who have four grown-up children and nine grandchildren, will also have to find an extra £289 in council tax this year as a result of benefit changes. David last worked in 2011 and said: "I've always been a good worker. I can't believe it's come down to this."

A DWP spokesman confirmed payments had been made late but could not explain why. She said: "All we can do is apologise and we will keep a close eye on the account to make sure it doesn't happen again."

#### Welfare reform, hardship and food poverty

More widely, there are growing concerns that Government's £18 billion programme of welfare benefit cuts will inevitably have major consequences in terms of increasing hardship and hunger for tens, or potentially hundreds of thousands of families already struggling to make ends meet.

In January 2013 the chief executives of 27 organisations, including Church Action on Poverty and Oxfam UK Poverty Programme, signed a joint letter in response to the Welfare Benefits Up-rating Bill<sup>33</sup>, expressing concern that the introduction of a one per cent cap on benefit and tax credit increases would create a

"... hardship penalty [that] will hurt millions of families across the country. Families already struggling to pay for food, fuel, rent and other basics, will see their budgets further squeezed. "Many thousands have turned to food banks for help. Nearly half of teachers say they often see children going hungry. And shockingly, six million households are struggling to afford to heat their homes.

"As the cost of fuel, food and housing rise again, we can expect to see these problems become even more severe and widespread. This hardship penalty is not an isolated cut. It comes on top of a raft of cuts being introduced this year. This includes freezes to child benefit and working tax credit, and cuts to housing benefit and council tax benefit. These changes will hurt both working and non-working households."

The Institute for Fiscal Studies predict that one million more children will fall into poverty by 2020, and say that "almost all" of this increase is accounted for by benefit reforms introduced since 2010.<sup>34</sup> But the Government has resisted calls to commission a full assessment of the likely or actual impact of benefit cuts and changes on low-income households.<sup>35</sup> In March, 43 Anglican Bishops – including Justin Welby, the new Archbishop of Canterbury – signed a joint letter to *The Sunday Telegraph* highlighting the devastating impact that benefit cuts would be likely to have on poor families:

"If prices rise faster than expected, children and families will no longer have any protection against this. Children and families are already being hit hard by cuts to support, including those to tax credits, maternity benefits, and help with housing costs. They cannot afford this further hardship penalty."<sup>36</sup>

More specifically, since administration of the Social Fund was transferred from the DWP to local authorities at the end of March, there are concerns that local Jobcentre staff are being guided to direct benefit claimants to local authority or charity-run food banks or voucher schemes, in spite of the continued existence of a DWP hardship fund. Several authorities have protested to Government ministers that Jobcentres are refusing to advertise the availability of shortterm benefit advances to claimants, but are instead 'passing the buck' to local authority crisis support schemes, some of which rely on charity handouts.

Newcastle City Council said that between 80% and 90% of the calls to its new crisis help scheme were from claimants who required a short-term advance, but who had not been offered one or told of their existence by Jobcentre advisers.<sup>37</sup> Hundreds of penniless benefit claimants who qualify for a short-term financial loan to tide them over until their first payment arrives are being told by Jobcentre officials to ask for food parcels at local council welfare offices.

As a result, there is an urgent need to commission an independent and ongoing review of the impact of welfare reforms, to ensure that they do not unintentionally lead to increased hardship and hunger over the coming months.

#### Case study: the bedroom tax and food poverty<sup>44</sup>

'Claire' (not her real name) is a Commissioner with Scotland's Poverty Truth Commission. She suffers from chronic Crohn's Disease, osteoarthritis and depression. She currently lives in a three-bedroom, two-bathroom flat with her partner and daughter. Due to the nature of her illness, she often needs to sleep in the spare bedroom, and also needs to use the bathroom at least four to six times a day, sometimes up to an hour at a time, or as often as every 15 minutes.

Before the bedroom tax was introduced, she applied (with support from her doctor) for 'Discretionary Housing Payments' and an 'Additional Bedroom Allowance' to allow her to retain an extra bathroom and bedroom. This was refused. She therefore has to pay £40.16 monthly bedroom tax.

"That might not sound like a lot of money to most people, but when it has to be found out of an already stretched benefit income it is a lot. I paid my first £40.16 out of April's ESA payment. I took the money out of my 'food allowance' budget, and for the three days before my next fortnightly payment of ESA was due, I lived on toast so the rest of my family could eat properly. If I don't receive DHP, I will have to do this every month.

The worry and stress of finding this extra money has had a huge impact on my health condition and stress levels.



## Beyond food banks Tackling the root causes of food poverty

ood banks and charities are currently meeting the essential needs of many families and individuals in crisis; they are feeding adults and children who otherwise would not have food on the table. The rise in the demand for food parcels should be seen as a warning about the number of people who are sliding into poverty.

However, it is important that we view food aid only as a short-term emergency response to the problem of food poverty. The root causes need to be tackled in order for the situation to be resolved. Food banks are currently plugging a hole in the social safety net, locating the solutions at a local level rather than looking at the structural causes. Food banks should not be seen as a normal part of our social security system, and should not become a substitute for an effective welfare system and decent work (including a Living Wage). Emergency food provision can give the impression that the problem is being addressed; when food banks become a permanent part of the welfare landscape, they can allow policy-makers to look the other way. The Trussell Trust very consciously runs a model that prevents any client becoming reliant on food aid and does not allow their food banks to become a substitute for state services.

Food banks and other emergency assistance have an important role in providing emergency food and signposting to other forms of help. However charitable food aid initiatives are "unlikely to make a significant impact to the overall food experiences of beneficiaries due to their inability to overcome or alter the poverty that underpins this problem" (Valerie Tarasuk, School of Public Health, University of Toronto<sup>38</sup>).

There is a need for informed debate about the presence of national-scale emergency food initiatives; the need for such interventions should be a cause for serious concern and the potential consequences, particularly the impact upon people suffering from food poverty, need urgent attention.



Food banks can signpost people to other forms of help or provide advice – but they cannot tackle the root causes of food poverty (photo by Oxfam)

Relying on food banks isn't a sustainable or socially fair answer, as experiences in other parts of Europe and north America show clearly. We need more creative answers from policy-makers and local people alike.

Elizabeth Dowler, Professor of Food and Social Policy, University of Warwick<sup>39</sup>

#### Case study: Real Food<sup>40</sup>

A community food project is being launched in Manchester which aims to feed an entire estate of 70,000 people. Indoor and outdoor food producing sites will be created during the five-year scheme in Wythenshawe. The organisers say the aim is for the public to be able to buy affordable, locally-grown food on their doorstep. The project will run a number of different projects and activities, all focused on getting the people of Wythenshawe growing, cooking and eating fresh, sustainable food. Support and activities will also help local people to establish new food businesses, social enterprises and markets that meet community needs.

With the price of food continuing to rise, it is hoped that the scheme will cut costs for lowincome families and improve their diet at the same time.

"The Real Food project will undoubtedly leave a lasting legacy on the local community but also lead the way for other cities to follow in our footsteps."

Nigel Wilson, Parkway Green Housing Trust

#### Case study: Community Foodshare<sup>41</sup>

In a radical break from the growing trend towards the creation of food banks, an alternative approach has been developing in West Dunbartonshire.

West Dunbartonshire has suffered from years of industrial and economic decline, combined with decades of regeneration initiatives that have failed to make any significant difference. The area has the second lowest life expectancy of all Scottish Local Authorities, and a quarter of children in the area are growing up in poverty.

The Community Foodshare project was set up after a meeting was called to discuss how the community could respond to the growing problem of food poverty. The words of Dom Helder Camara (former Archbishop of Sao Paulo) resonated with the audience: "When I feed the poor they call me a saint. When I ask why the poor are hungry, they call me a communist."

It was decided that the approach must be one of not only providing food, but also of community empowerment and resistance to policies which lead to food poverty. West Dunbartonshire Community Foodshare seeks to assist all those affected by poverty through:

- providing direct distribution of food to anyone in need;
- signposting of information, advice and support on matters of wellbeing;
- raising awareness of issues affecting the communities of West Dunbartonshire by lobbying and campaigning for changes in government policy on matters of social justice and poverty.

## There is an alternative Reducing food poverty by tackling tax dodging

t is a national scandal that in the seventh wealthiest nation on the planet, in excess of half a million people are now reliant on food aid. The evidence of this report is that austerity and cuts are leading directly to an explosion in hunger and hardship across the UK.

But there is an alternative.

These are tough times in the UK – but not for everyone. Many big corporations and super-rich people are getting away with dodging their fair share of tax – at our expense. It is estimated that between  $\pounds_{32}$  billion<sup>42</sup> and  $\pounds_{120}$  billion<sup>43</sup> is dodged in tax by wealthy individuals and major corporations every year, in the UK alone.

Clever tax accountants have helped clients to exploit loopholes for as long as the laws have been there, allowing them to use the tax laws to obtain a benefit which was not intended by parliament. The government periodically closes loopholes when they become over-exploited, but tax law is generally 20 years behind tax planning.

Fragile public revenues, both in the UK and amongst some of the world's poorest countries, are being fatally undermined through corporate profit-shifting and other transactions through tax havens. According to Action Aid, 98 of the top 100 corporations quoted on the London stock exchange (the 'FTSE100') have related or subsidiary companies registered in tax havens, and nearly 40 per cent of the FTSE100's 22,000 overseas companies are located in tax havens.<sup>45</sup> At a time when spending cuts are having a real and damaging impact on the lives of some of the poorest and most vulnerable people in the country, it is morally indefensible for some of Britain's richest companies to avoid paying their fair share of UK taxes. Every pound avoided in tax is a pound less to spend on childcare, social care, health, education or benefits.

Tax dodging deprives countries (our own and others across the globe) of the revenue to fund essential public services, and to tackle poverty. Tax dodging undermines the rule of law. Tax dodging undermines democracy. Tax dodging undermines the common good.

Tackling tax dodging will only be achieved through concerted action at national and international levels. The UK Government has taken welcome steps towards tackling tax dodging, both domestically and by putting the issue on the agenda for the G8 meeting which the UK is hosting this June.

We therefore call on the Government to redouble its efforts to require the nation's wealthiest individuals and corporations to pay their fair share of tax.

"In an age of austerity, it is the moral duty of individuals and companies alike to pay their taxes according to both the letter and the spirit of the law. Tax avoidance denies help to the poorest and most vulnerable people both in the UK and in developing countries."

Methodist, Baptist and United Reformed Church Joint Public Issues Team, June 2012

The evidence from this report is conclusive: the erosion of our welfare safety net has gone too far.

In a time of austerity, every pound of tax dodged is a pound less to spend on our benefits system and other vital services

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# About us



The gap between rich and poor in the UK is greater now than at any time in the past 50 years. The UK is one of the most unequal countries in the industrialised world.

With support from many national Christian denominations and agencies, Church Action on Poverty is campaigning for changes which would Close the Gap and build a more equal society. Happier. Healthier. Safer. Fairer.

One result of the unjust division in our society is a 'Power Gap'. People on low incomes lack a voice, while wealthy corporations have an undue power over public decisions. The stigmatisation exposed by this report is just one example of this problem.

We invite anyone concerned about these injustices to work with us to Close the Gap. Visit www.church-poverty.org.uk to find out how you can become part of the campaign by Giving, Acting or Praying.

The UK is the seventh richest country on Earth, yet one in five of its people lives in poverty. In fact, the UK is one of the most unequal rich countries in the world, with the poorest tenth of people receiving only 1 per cent of total income, while the richest tenth take home 31 per cent.

The combination in the UK of economic stagnation and public spending cuts is causing substantial hardship to people living in poverty. As millions face a brutal combination of rising prices, stagnant wages and the erosion of social security, some of the UK's individuals and largest companies operating on our shores are evading taxes.

Oxfam believes that, by making different political choices, the government can protect people in poverty. This is why we are calling on politicians to crack down on tax abuse to help millions escape poverty for good.

Visit www.oxfam.org.uk/foodpoverty to find out more about Oxfam's work on food poverty.









Download additional copies of this report at www.church-poverty.org.uk/foodfuelfinance or www.oxfam.org.uk/policyandpractice

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