



LOCKDOWN, LIFELINES AND THE LONG HAUL AHEAD:

The impact of Covid-19 on food banks
in the Trussell Trust network

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FOREWORD

When the coronavirus pandemic struck, we had already been experiencing year-on-year rises in the number of people unable to afford food and consequently forced to use food banks across the country. Now, our research finds that the devastating effects of Covid-19 have led to thousands of new people needing to use a food bank in our network for the first time.

This is not right.

Looking forward, we face yet tougher times ahead with mass unemployment predicted on a scale not seen since the early nineties. The projections in this research indicate that if we don't take action now, there will be further catastrophic rises in destitution in the future, with six parcels being given out per minute by food banks in our network over the coming months. But it doesn't have to be like this.

If the pandemic has taught us anything, it has exposed the power of what happens when we stand together in the face of adversity.

Communities across the country have shown enormous resilience and determination to provide vital support to people unable to afford the essentials. In some food banks, our volunteers have helped more than double the number of people they normally would, and in the most difficult circumstances. It is an honour to work alongside such dedicated people. This goes for all the food and poverty charities, individuals and businesses who have stepped up to help.

But this cannot go on. We must harness the power we have when we come together and make the changes that are needed to prevent people being locked into poverty this winter. The government response to threats posed to jobs and incomes during this pandemic has shown what a difference it can make when the right support structures are put in place. The much-needed rises to some benefit levels and the job retention scheme have safeguarded many people through these difficult times. We know without these provisions, many more people would have been forced into poverty. But as these emergency measures wind down, extremely worrying times lie ahead.

We now sit in the eye of the storm – a period of relative calm after the initial shock of lockdown as we benefit from the Job Retention Scheme and investment into Universal Credit. But these measures are, for now, temporary.

We can either continue forward into a future with the widespread destitution predicted within our research – or we can choose to take a different path and embed the changes we need to make a lasting difference. There should be no higher priority than preserving the lifelines that have saved many of us from destitution through this pandemic. This autumn's Budget and Comprehensive Spending Review present a crucial opportunity to ensure we have a chance of weathering the storm left in the wake of Covid-19 – we must take it.

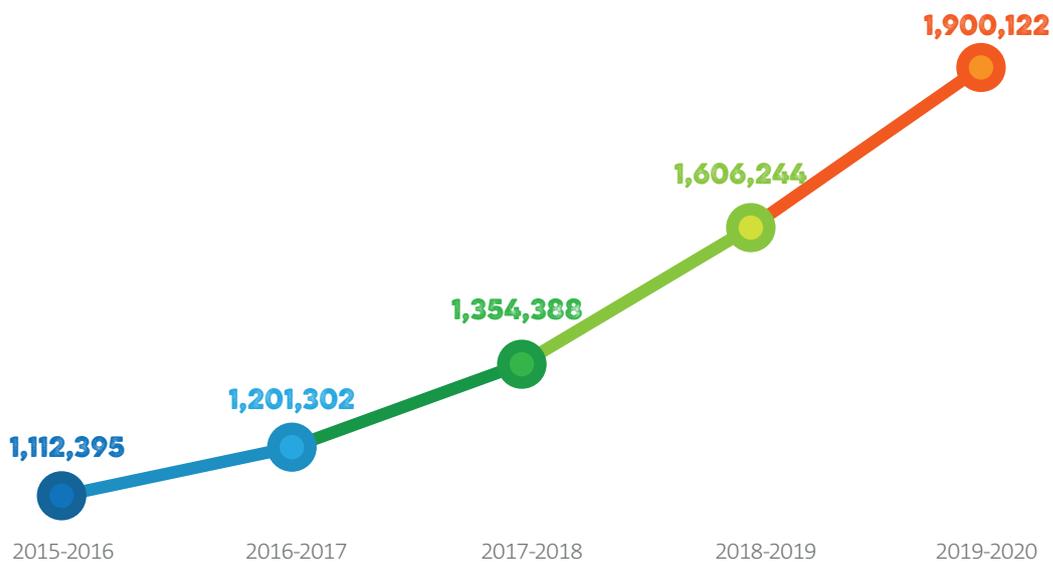
Emma Revie

Chief Executive of the Trussell Trust



EXECUTIVE SUMMARY

1. Well before Covid-19 hit the UK, food banks in the Trussell Trust network had been seeing year-on-year increases in levels of need, with 1.9 million emergency food parcels given out in 2019/20. Previous research has found that the overwhelming majority of people using food banks in the Trussell Trust network are destitute and, even before the pandemic, the number of people struggling to make ends meet was increasing. This crisis has landed after years of stagnant wages and frozen, capped working age benefits - leaving those on the lowest incomes vulnerable to income shocks.



2. As Covid-19 hit the UK, the Trussell Trust saw an immediate and sustained surge in need across its food banks. In April there was an 89% increase in the number of emergency food parcels given out compared with the same month in 2019. This included a 107% increase in the number of parcels given to children, compared to the same period last year. The latest data shows that for the second quarter of 2020 need remained much higher than normal. New findings also show that almost 100,000 households received support from a food bank in the Trussell Trust network for the very first time between April and June.



at least

81%

increase in need across Q2

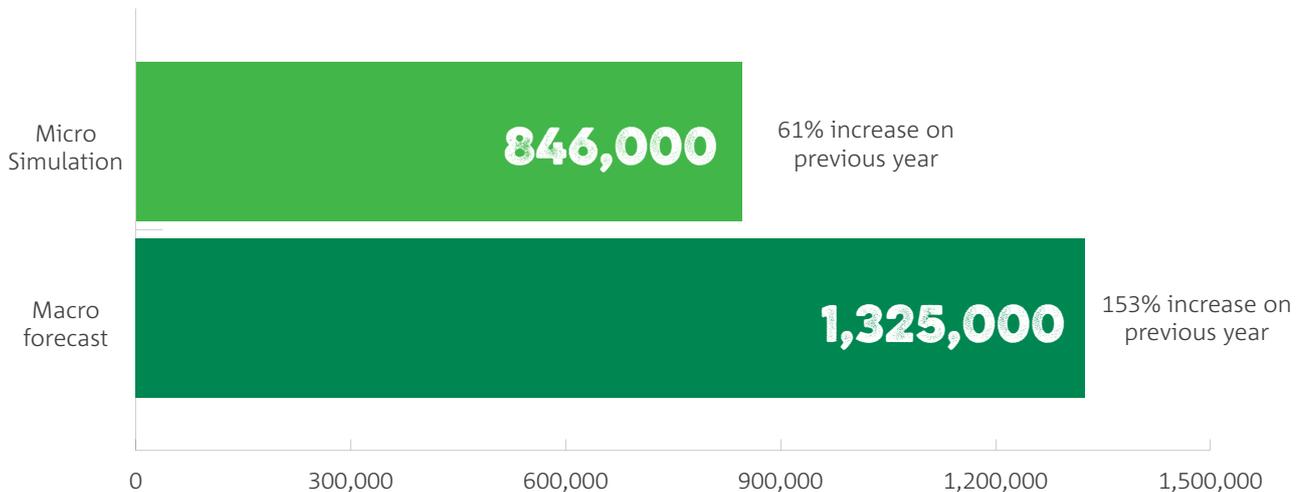
3. Food banks showed extraordinary resilience in meeting this need given the challenging operational environment they were facing. There has also an increase in the provision of emergency food by charities and other organisations across the UK – illustrating the incredible national response at this time of crisis.



39%

of people needing a food parcel had this delivered to them across June and July

4. At the start of the pandemic, the Trussell Trust commissioned work to understand the levels of need food banks in the network would be likely to see as the economic impact of Covid-19 unfolded. This modelling has been carried out by Heriot-Watt University, in partnership with the National Institute for Economic and Social Research. Two different approaches have been taken – one based on forecasts at the macro-economic level, and one based on a microsimulation model based on changes to household employment status and income levels.
5. The findings show that there is likely to be a significant rise in levels of destitution in the UK by the end of the year, and at least an extra 300,000 emergency food parcels are likely to be distributed by food banks in the Trussell Trust network in the last quarter of 2020 – an increase of 61% compared to the previous year. The modelling shows that – depending on factors like the strength of the economy and a second wave of Covid-19 – levels of need could be even higher.



6. Many of the measures the UK Government has taken will have protected large numbers of people from being swept into financial hardship and destitution. New findings set out in this report indicate that removing the current temporary increase in the Universal Credit standard allowance rate could increase use of food banks in the Trussell Trust network by almost 10%.



£20

the £20 increase is helping to protect people

-
7. Despite the Government's action, there has been a sustained increase in the number of people needing to turn to food banks in the Trussell Trust network and other forms of support as they cannot afford the essentials that we all rely on – and the new projections show that a storm lies ahead.
8. We have a vital opportunity as we rebuild to shape the society we want to live in, and to ensure that the safety net we all want to be there for one another is as strong as possible. As a priority, we are calling for the Government to:
- **Protect people's incomes by locking in the £20 uplift to Universal Credit**
 - **Help people hold on to more of their benefits by suspending benefit debt deductions until a fairer approach to repayments can be introduced**
 - **Make local safety nets as strong as possible by investing £250m in local welfare assistance in England every year**

We also urge the Government to rethink the impending cliff edge of the Job Retention Scheme coming to an end.

9. Food banks in our network have responded incredibly to this national crisis, as have countless other organisations. We want to see an end to the need for food banks in the UK by tackling the issues that drive people into destitution and needing crisis support. We urge the Government to lead the way.

CHAPTER ONE

A RISING TIDE: NEED FOR FOOD BANKS BEFORE COVID-19 AND THE INITIAL RESPONSE

Well before Covid-19 hit the UK, food banks in the Trussell Trust network had been seeing year on year increases in levels of need, with 1.9 million emergency food parcels given out in 2019/20. Previous research has found that the overwhelming majority of people using our food banks are destitute and, even before the pandemic, the number of people struggling to make ends meet was increasing. This crisis has hit after years of stagnant wages and frozen, capped working age benefits - leaving those on the lowest incomes vulnerable to income shocks.

The Government has put in place a range of very significant measures to try and address the economic impact of Covid-19. Specific steps have also been taken in each nation. But there have been notable gaps in the response and the economic data strongly indicates that extremely tough times lie ahead, which will have serious consequences for those individuals and families who are already living in destitution or are at high risk of being swept in to it.

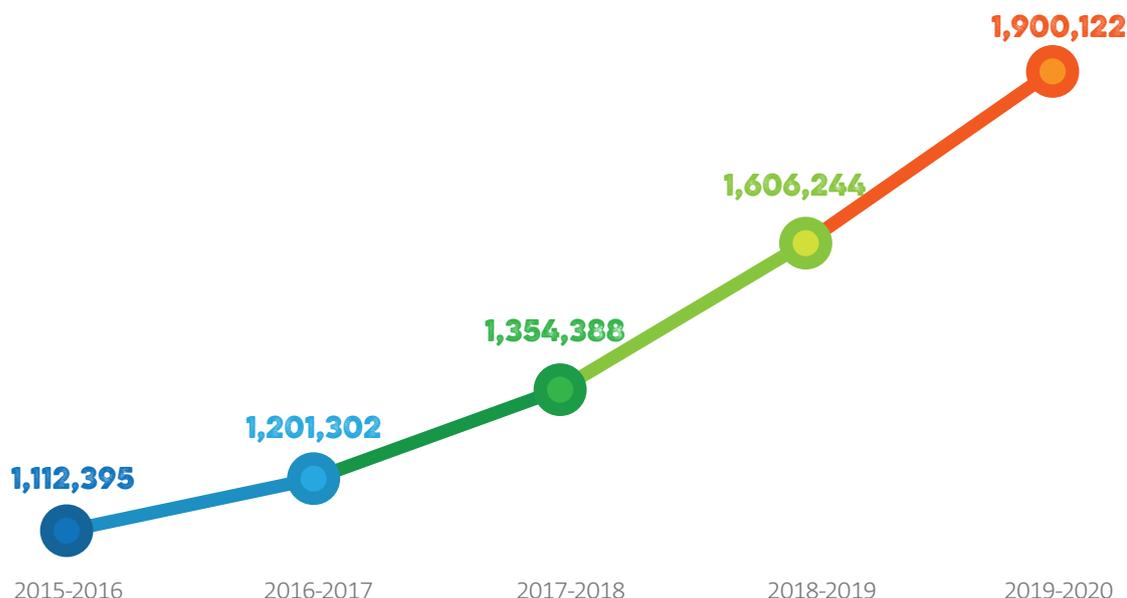
WHAT DID DESTITUTION AND NEED FOR FOOD BANKS IN THE TRUSSELL TRUST NETWORK LOOK LIKE BEFORE COVID-19?

The Trussell Trust supports a network of 1,200 food bank centres across the United Kingdom. People are referred to food banks in the Trussell Trust network by local partners in the voluntary, statutory and faith sectors, following an assessment of their financial situation. They are provided with a three-day emergency food parcel, and also receive support that can include help with dealing with benefits issues or signposting to other services. The support food banks provide is available to anyone who is in crisis.

Levels of need at food banks in the Trussell Trust network were rising steadily in the years before the pandemic. The Trussell Trust's network, has seen a 74% increase in the number of three-day food parcels distributed over the last 5 years, including an 18% increase in the year to 2019/20.¹

1 End of Year Statistics 2019/20 (2020), *The Trussell Trust*, <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

Figure 1.1 Increase in number of emergency food parcels provided by the Trussell Trust



Drivers of food bank use

Research carried out for the Trussell Trust by Heriot-Watt University shows that the need to use a food bank is typically caused by some combination of inadequate or reduced benefits, a challenging life experience (such as illness or a household breakdown) and a lack of informal and / or formal support.² Underlying this is a strong link between food bank use and destitution: in 2018 94% of people needing to use a food bank were destitute³, meaning they could not afford the essentials we need to be safe and well.^{4,5}

Although not all people that are destitute use food banks, being destitute clearly increases vulnerability to the types of shocks described above.

The causes of destitution are complex, but the following are important factors for many people:

- **Debt**, particularly multiple debts and harsh recovery practices – including from public authorities;
- The delivery of **working-age benefits**, which is designed to include a five-week wait for the first payment, as well as sanctions and delays;
- **Benefit levels**, which have been frozen since 2015 and were capped for more than 46,000 households claiming Universal Credit (UC) in February 2020, containing at least 123,900 children;⁶

2 The State of Hunger (2019), *The Trussell Trust*, <https://www.trusselltrust.org/state-of-hunger/>

3 In this analysis people are defined as destitute if they do not meet the 'destitution on essentials' criterion, the 'destitution on income' criterion, or both.

4 The State of Hunger (2019), *The Trussell Trust*, <https://www.trusselltrust.org/state-of-hunger/>

5 Destitution in the UK 2018 (2018), *Joseph Rowntree Foundation*, <https://www.jrf.org.uk/report/destitution-uk-2018> The items considered essential are shelter, food, heating a home, lighting a home, weather-appropriate clothing and footwear, and basic toiletries.

6 Benefit cap statistics: Households capped to February 2020, (2020), *DWP*, <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-february-2020>

In addition to the households claiming Universal Credit that are capped, 32,589 households claiming legacy benefits were capped in February 2020.

- **Poor quality employment**, including low-paid, insecure work and erratic pay;⁷
- **Health problems**, including mental and physical health.

Levels of poverty and destitution in the UK – and key drivers

The most recent data from the Joseph Rowntree Foundation shows that poverty rates for children and pensioners have risen in the five years to 2017/18. They found that around 14 million people were living in poverty in the UK in 2017/18. The majority (8 million) of these are working age adults, 4 million are children and 2 million are pensioners.⁸

More recent research by the Social Metrics Commission shows that, while the rate of poverty in the UK has remained fairly stable at 22% in 2018/19, the number of people living in poverty has increased – and the proportion of people living in deep poverty has increased too, to 7% up from 5% 20 years ago.⁹ This represents an increase of 1.7 million people (2.8 million in 2000/01 to 4.5 million in 2018/19). In this instance, those living in deep poverty are defined as being 50% below the Commission's poverty line of income.

Deep poverty here is a slightly broader definition than those living in destitution. Those that are destitute experience a more severe form of poverty, with measurement focusing on life's necessities. Those that are destitute often must go without the bare essentials that we all need to eat, stay warm and dry, and keep clean. The Joseph Rowntree Foundation found that in 2017 1.5 million people in the UK experienced destitution at some point, including 365,000 children.¹⁰ The Joseph Rowntree Foundation defines destitution through a minimum income threshold and / or lack of essentials.

In late 2020 the Joseph Rowntree Foundation is planning to release an updated baseline of the number of people that experienced destitution in 2019. With year-on-year increases in food bank use recorded since 2017, it is likely that the rate of destitution will have increased during this period.

The increase in the numbers of people affected by poverty has been driven by a range of inter-related factors, including but not limited to:

- **The freeze, cuts and cap on benefits** for working age people: The five-year benefits freeze alongside the range of cuts to benefit levels is one of the main reasons that real-term incomes for those in the lowest 10% of incomes have fallen in recent years, benefit levels lost 6% of their value between April 2013 and April 2019 purely as a result of the benefit freeze.¹¹ In 2018-19, real incomes for this group were no higher than they were in 2001-02.¹²
- **High levels of debt** among those on working age benefits: 25% of people receiving UC before the pandemic had problem debt, compared to just 8% of the general population – and 43% of people receiving benefits have had to take on debt to buy essentials such as food.¹³ When income from work

7 Destitution in the UK 2018 (2018), *Joseph Rowntree Foundation*, <https://www.jrf.org.uk/report/destitution-uk-2018>

8 UK Poverty 2019/20, (2020), *Joseph Rowntree Foundation*, <https://www.jrf.org.uk/file/54566/download?token=tq2TGsD&filetype=full-report>

9 Social Metrics Commission 2020 Report, (2020), *SMC*, <https://socialmetricscommission.org.uk/>
Deep poverty' is a relative poverty measure and refers to those living more than 50% below the poverty line

10 Destitution in the UK 2018 (2018), *Joseph Rowntree Foundation*, <https://www.jrf.org.uk/report/destitution-uk-2018>

11 UK Poverty 2019/20, (2020), *Joseph Rowntree Foundation*, <https://www.jrf.org.uk/file/54566/download?token=tq2TGsD&filetype=full-report>

12 The Living Standards Audit 2020, (2020) *Resolution Foundation*, <https://www.resolutionfoundation.org/publications/the-living-standards-audit-2020/>

13 Problem Debt and the Social Security System, (2020) *StepChange*, <https://www.stepchange.org/Portals/0/assets/pdf/social-security-mini-brief-report.pdf>

and benefits fails to meet essential living costs, people have no choice but to use debt to cover everyday expenses. This can have serious knock-on effects, especially if someone's income take a further hit and they can no longer make debt repayments.

- **Stagnant wages:** While there have been record levels of employment, it took until 2019 for average weekly earnings to reach that of 2007.¹⁴ Wage growth has been slowest for those on the lowest wages, with weekly gross wages for the 10th percentile increasing by only £34.80 in the last decade compared to an increase of £46.10 per week for wages at the 20th percentile. Wages at the 60th percentile have increased by £90.¹⁵
- **Lack of savings:** Low income households are more at risk from financial shocks if they don't have savings, potentially driving them further into debt or putting them at risk of negative outcomes such as homelessness. Six in 10 (59%) households in the bottom 20% of household incomes have no savings, compared to 9% of households in the top 20%.¹⁶ Data from the Institute for Fiscal Studies shows that one in three (30%) low-income households stated before the pandemic that they couldn't manage for a month if they lost their main source of income.¹⁷



£34.80

Weekly wages have increased by only £34.80 for the lowest earners in the last decade



59%

of low income households have no savings

These figures show that the number of people struggling to make ends meet was increasing even before the pandemic. This crisis has hit after years of stagnant wages and frozen, capped working age benefits, driving those living on the lowest incomes into high levels of personal debt and removing any financial cushion to get them through difficult times. This has left those on the lowest incomes vulnerable to income shocks and means redundancy or loss of hours as a result of the pandemic are more likely to sweep people into crisis.

THE GOVERNMENT'S RESPONSE TO THE IMMEDIATE ECONOMIC IMPACT OF THE PANDEMIC

The lockdown required to prevent the spread of the Covid-19 forced the closure of a quarter of UK businesses and prevented millions from working.¹⁸ Those with zero-hours or similar contracts were among those facing the most immediate consequences, with cancelled shifts meaning an instant loss of income.¹⁹

14 The Living Standards Audit 2020, (2020) *Resolution Foundation*, <https://www.resolutionfoundation.org/publications/the-living-standards-audit-2020/>

15 Analysis by the Trussell Trust of the Annual Survey of Hours and Earnings, All wages, ASHE Table 8, ONS. Figures from 2019 are compared to those for 2009. Figures are for the United Kingdom.

16 I-SPHERE analysis of UKHLS data from waves 8-9, Estimated savings by Income Quintile for working age households (Net equivalised after housing costs)

17 Covid-19: the impacts of the pandemic on inequality, (2020), *Institute for Fiscal Studies*, <https://www.ifs.org.uk/publications/14879>

18 Business Impact of Coronavirus (COVID-19) Survey questions: 23 March 2020 to 5 April 2020, (2020), *ONS*,

19 Industries heavily affected by the economic crisis like accommodation, hospitality and entertainment are more likely to make use of zero-hour contracts. 22.6% of employees who were on zero-hour contracts in 2019 worked in the accommodation and food sector. EMP17: People in employment on zero hours contracts, (2020), *ONS*, <https://www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2femploymentandemployeetypes%2fdatasets%2femp17peopleinemploymentonzerohourscontracts%2fcurrent/emp17aug2020.xlsx>

In the last two weeks of March, the Department for Work & Pensions (DWP) recorded over a million claims to UC – nearly seven times the usual rate of applications.²⁰ That so many needed to claim UC so quickly – and for many even before the strict lockdown started on 23 March – shows how fragile many people’s work situations are, and how vulnerable their incomes are as a result.

Unprecedented measures

Forcibly closing large parts of the economy to protect people’s health required the UK Government to take huge steps to protect people’s incomes. The most significant by far has been the Jobs Retention Scheme (JRS), which paid 80% of furloughed workers’ wages (up to £2,500 per month) and has supported around 9.6 million jobs.²¹

Similarly, the Self-Employed Income Support Scheme (SEISS) has provided those who’d been self-employed for at least a year before the crisis started with grants equivalent to 80% of profits (up to £2,500 per month). 2.7 million claims were made for a grant in the first round of applications.²²

These two interventions have supported the incomes of around a third of the UK workforce while businesses and workplaces have been shut down. This includes 32% of eligible employees being supported by the JRS for at least some time, and around half of self-employed people receiving support through the SEISS.^{23,24}

Changes have also been made to increase the levels of support provided by the social security system – with a total £9 billion boost to the benefit system.²⁵ One of the most significant changes has been the end to the freeze on, and the subsequent uprating of, the Local Housing Allowance (LHA), bringing levels back up to the 30th percentile of local rents for areas throughout the UK. In addition, as well as the planned uprating of working age benefits by 1.7%, there has been a flat £20 per week increase to the standard rate in UC and Tax Credits. This brings the standard allowance for a single person over 25 to £94.59 per week, up from £73.34 in March this year. As discussed subsequently there are limitations to this uplift, such as the benefit cap and the lack of eligibility for those on legacy benefits.

The temporary suspension of some types of deductions from UC (and the pause on evictions, which might have offered some people the opportunity to suspend repayment of rent arrears) also meant that people receiving UC were able to keep more of their benefit entitlement at the start of the crisis.²⁶ Since up to 30% of the UC standard allowance can be deducted to repay debts, this measure will have provided a significant increase to the incomes of many of the most financially vulnerable households across the UK. In May last year, 60% of UC

20 Between 16th March and 29th March 2020 1,040,840 individual declarations to Universal Credit. Up from 157,930 in the first two weeks of March 2020. Universal Credit declarations (claims) and advances: management information, (2020), DWP, <https://www.gov.uk/government/publications/universal-credit-declarations-claims-and-advances-management-information>

21 Coronavirus Job Retention Scheme statistics: August 2020, (2020), HMRC, <https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-august-2020/coronavirus-job-retention-scheme-statistics-august-2020>

22 HMRC coronavirus (COVID-19) statistics, (2020), HMRC, <https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics#self-employment-income-support-scheme>

23 Coronavirus Job Retention Scheme statistics: August 2020, (2020), HMRC, <https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-august-2020/coronavirus-job-retention-scheme-statistics-august-2020>

24 Self-Employment Income Support Scheme statistics: August 2020, (2020), HMRC, <https://www.gov.uk/government/publications/self-employment-income-support-scheme-statistics-august-2020/self-employment-income-support-scheme-statistics-august-2020>

Employment in the UK: May 2020, (2020), ONS, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/may2020>

[2.6 million people claimed a grant via the SEISS in the first round, around half of the 5 million people who were self-employed in 2018/19. This is also around half of the 5 million people estimated to be in self-employment in March 2020, based on the Labour Force Survey](#)

25 The Living Standards Audit 2020, (2020) Resolution Foundation, <https://www.resolutionfoundation.org/publications/the-living-standards-audit-2020/>

26 Deductions to repay government debts (such as benefit and Tax Credit overpayments and Social Fund loans, but excluding Universal Credit Advance Payments) were suspended from April to July.

recipients had deductions from their payments, with nearly one in three of those receiving UC experiencing deductions of 20% or more.²⁷



In May 2019
60%
 of Universal Credit
 recipients had deductions

Responses across the UK

Across the UK, measures were put in place to support families with children eligible for free school meals; the amount of support and mechanisms for providing this varied in each devolved administration.

In Northern Ireland, £7.8 million was spent on an emergency food parcel scheme for those who were shielding or could not afford food. Other initiatives included the suspension of benefit deductions for overpayments and loans and a Discretionary Support Covid-19 Short-term Living Expenses Grant.

In Scotland, £350 million was made available to support communities, including more than doubling the Scottish Welfare Fund with £45 million, £70 million to specifically tackle food insecurity and £50 million to meet increased demand for council tax reduction and social security.

In Wales, the Discretionary Assistance Fund received an additional £11 million to provide Emergency Assistance Payments and Individual Assistance Payments. A further £2.8 million was made available to local councils to help fund the increase in demand on Welsh Government's Council Tax Reduction Scheme.

Schemes specific to England have included the Hardship Fund to increase the support local authorities could provide through council tax relief, and more recently the £63 million funding for the Local Authority Emergency Assistance Grant for Food and Essential Supplies.

Gaps in the UK Government's response

These significant policy interventions have supported the incomes of millions. However, there are big gaps which left many people without support and therefore vulnerable at the height of the pandemic.

More than 1.5 million self-employed people weren't eligible for the SEISS – including an estimated 650,000 people who entered self-employment in the last year and so did not have a tax return for 2018-19.^{28,29} The SEISS also did not cover those who paid themselves in dividends. Similarly, the JRS did not support all workers affected by the crisis, as many were made redundant before the scheme was announced and employers were not able to rehire those who had been let go.

27 Million Universal credit households 'do not get full entitlement', (2019), *The Observer*, <https://www.theguardian.com/society/2019/nov/23/million-families-cut-universal-credit-benefits-debts>

28 Self-Employment Income Support Scheme statistics: August 2020, (2020), HMRC, <https://www.gov.uk/government/publications/self-employment-income-support-scheme-statistics-august-2020/self-employment-income-support-scheme-statistics-august-2020>

29 Income protection for the self-employed and employees during the coronavirus crisis, (2020), *Institute for Fiscal Studies*, <https://www.ifs.org.uk/publications/14786>

While increases to UC and LHA have made a real difference, the benefit cap is still in place and unchanged. This places a limit to the amount of income a person or household can receive from UC, and the increase to LHA in particular means many more people will reach the cap amount. This significantly reduces or even removes the effect of the increases to LHA and UC for many, especially for families in urban areas and in London and the South East. 154,000 households receiving either UC or Housing Benefit were subject to the benefit cap in May (up 93% from February). The majority (86%) of them are households with children.³⁰

Additionally, the increase to the UC standard allowance is a flat rate – doing little to recognise the situation of families with children, for example – and that legacy benefits have been excluded from the uplift.

The five-week wait built into UC has been largely unchanged during the pandemic. Although a run-on has been introduced for those moving to UC from legacy benefits such as Jobseeker’s Allowance, this was only implemented in July and was part of planned changes to UC rather than a response to the crisis. The five-week wait means that those starting a UC claim must choose either to receive no money for five weeks, or to take out a loan (or ‘Advance Payment’) which must be repaid from future UC payments within a year. In February 2020, 43% of all people receiving UC were repaying an Advance Payment.³¹ For many, the existence of the five-week wait means they have to take on debt – either privately or through the Advance Payment – in order to make ends meet before they receive their first payment.

The low level of UC means that the impact of repaying an Advance Payment can be significant and importantly these repayments were not included in the freeze to deductions. With benefits providing the minimum people need to live on (and often falling below), any further reduction will obviously affect people’s ability to make ends meet.

For those having to move from a legacy benefit, such as Tax Credits, to UC because of a change of circumstance, such as redundancy, they are not entitled to the same transitional protections that apply to those moving on to UC through the ‘managed migration’ process.

Finally, no additional social security provision has been made for the nearly 1.4 million people who live in the UK with no recourse to public funds (NRPF).³² While people with NRPF are entitled to support through the JRS or SEIS, for those who fall through those gaps there is no social security net.

The economic impact of Covid-19 to date

As of August 2020, the data available presents a mixed picture of the severity of the economic impact of the pandemic. National labour market statistics show relatively small changes; the Office for National Statistics (ONS) reports that there were 730,000 fewer employees on payroll in July 2020 compared to March 2020, and unemployment has remained stable at 3.9%.³³ These figures likely reflect the protective effect of the JRS.

However, the extent of the impact of the pandemic on the economy is clear elsewhere. GDP fell 20.4% in the three months to June 2020, with a record monthly fall of 20% in GDP in April alone.³⁴ In addition, the

30 Benefit cap statistics: Households capped to February 2020, (2020), *DWP*, <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-february-2020>

31 Universal Credit Written Question 54921, (2020), *UK Parliament*, <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-06-04/54921/>

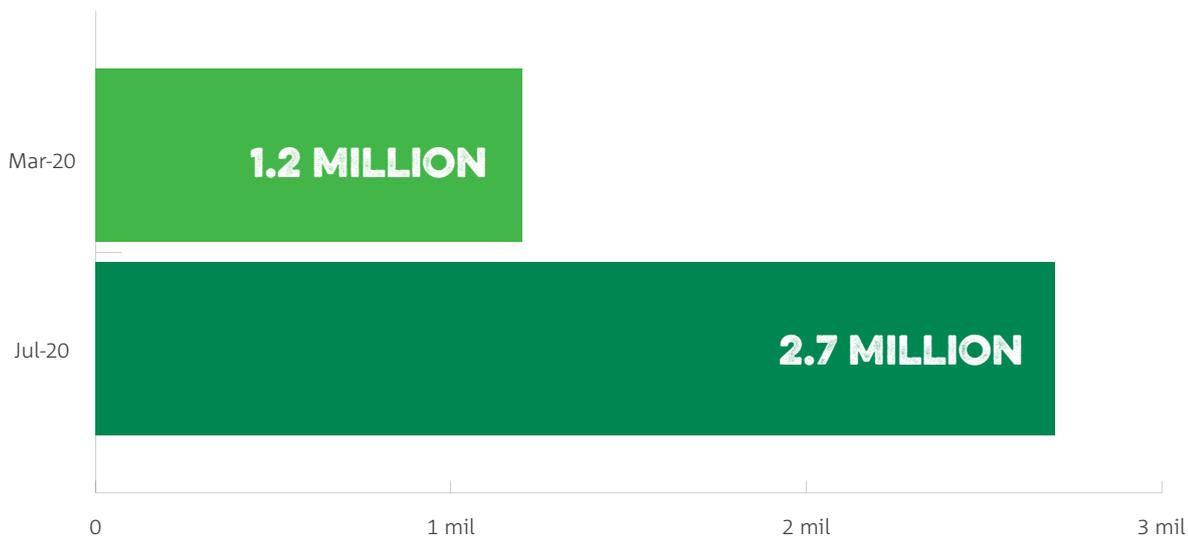
32 Citizens Advice reveals nearly 1.4 million have no access to welfare safety net, (2020), *Citizens Advice*, <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-reveals-nearly-14m-have-no-access-to-welfare-safety-net/>

33 Labour market overview, UK: August 2020, (2020), *ONS*, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020#vacancies>

34 GDP first quarterly estimate, UK: April to June 2020, (2020), *ONS*, <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/apriltojune2020>

experimental Claimant Count statistics show 2.7 million people were receiving out of work benefits in July, more than double the 1.2 million receiving these benefits in March.³⁵ There were also 5.6 million people claiming UC in mid-July, up from 2.9 million in February – showing that, as well as the millions who've experienced redundancy, millions more have experienced a loss of hours or lost income from work for other reasons.³⁶ The number of hours worked fell 18% in the three months to June 2020, compared to the previous quarter.³⁷

Figure 1.3 People receiving out of work benefits



The ability of those that have lost jobs to bounce back and find another role, as well as of those that have lost hours and need to find alternative employment to make ends meet, has been greatly affected by the crisis. Between April and June 2020 there were just 337,000 vacancies across the whole of the UK. This is a record low and represents a 58% decrease on the equivalent figures for January to March 2020.³⁸

How have people's lives been affected?

Evidence is mounting of the impact that the economic fallout of Covid-19 has had on people's lives so far. While the measures put in place by the Government has afforded a degree of protection, it has not been enough to support those already in or at high risk of financial hardship.

People in low-paid and insecure work have been particularly vulnerable to labour market instability. The Resolution Foundation estimates that more than half of those whose income falls in the lowest 10% of people in work have had that work affected, compared to less than a third of those whose incomes fall in the highest 10%.³⁹ Similarly, the Social Metrics Commission found that people employed and in deep poverty are almost

³⁵ Labour market overview, UK: August 2020, (2020), ONS, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020#vacancies>

³⁶ Universal Credit statistics 29 April 2013 to 9 July 2020, (2020), DWP, <https://www.gov.uk/government/publications/universal-credit-statistics-29-april-2013-to-9-july-2020/universal-credit-statistics-29-april-2013-to-9-july-2020>

³⁷ Labour market overview, UK: August 2020, (2020), ONS, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020#vacancies>

³⁸ Labour market overview, UK: August 2020, (2020), ONS, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020#vacancies>

³⁹ The Living Standards Audit 2020, (2020) Resolution Foundation, <https://www.resolutionfoundation.org/publications/the-living-standards-audit-2020/>

twice as likely to have experienced a negative labour change because of the pandemic, compared to those who were more than 20% above the poverty line prior to the crisis.⁴⁰ This is another example of the way in which the economic circumstances before the pandemic have left the poorest most vulnerable to its consequences.

Labour market impacts may also have a multiplier effect on the financial resilience of those in poverty, affecting not just the household themselves but other households that may rely on their support to get by. This chapter has already set out that those in the lowest income groups are least likely to have any form of savings. This means they are more reliant on taking on additional formal debt or needing support from friends or family to meet ongoing costs if they suffer an income shock.

Data from the April 2020 pandemic shows this to be the case. Low income groups are far more likely to need financial transfers from family if they have experienced a loss in earnings (16% of those in the bottom quintile did so vs. 6% of those in the top quintile).⁴¹ As the crisis broadens the scale of people's income losses, the ability to draw on these support networks may lessen for those in poverty, reducing their ability to manage.

The disproportionate impact on the lowest paid workers is also reflected in research by StepChange, which found that people who had less financial resilience are more likely to have been affected by the pandemic crisis. 45% of people in severe problem debt before the pandemic have been negatively affected financially by it, compared to 25% of those not in financial difficulty.⁴²

Some organisations, including Child Poverty Action Group (CPAG) and Citizens Advice, have also highlighted the broader effect of the crisis on specific groups. CPAG have focussed on the impact for families and found that school closures have hit low income families hardest, with 40% of low-income families missing one or more essential resource they need to support their children's learning from home.⁴³

Work by Citizens Advice has highlighted the difficulties migrants have faced during this crisis, particularly those who have NRPF. As well as seeing a 110% increase in enquiries about the rights of non-EU migrants to access benefits, they've found that 1.4 million people are subject to NRPF and that these restrictions mean many have felt forced to risk their health by continuing to work through the pandemic.⁴⁴

As we set out in the next chapter, the pandemic has resulted in a huge increase in the numbers of people needing to use a food bank, with many using a food bank for the first time. This gives another indication of the scale and severity of the impact of the pandemic on people's lives.

40 Social Metrics Commission 2020 Report, (2020), SMC, <https://socialmetricscommission.org.uk/>

41 The Idiosyncratic Impact of an Aggregate Shock: The Distributional Consequences of COVID-19, (2020), *Understanding Society Working Paper Series*, <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-09.pdf>

42 Coronavirus and Personal Debt: a financial recovery strategy for households, (2020), *StepChange*, <https://www.stepchange.org/Portals/0/assets/pdf/coronavirus-policy-briefing-stepchange.pdf>

43 The Cost of Learning in Lockdown, (2020), *CPAG*, https://cpag.org.uk/sites/default/files/files/The-cost-of-learning-in-lockdown-UK-FINAL_0.pdf

44 Nowhere to turn: How immigration rules are preventing people from getting support during the coronavirus pandemic, (2020), *Citizens Advice*, <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Nowhere%20to%20turn%20briefing.pdf>

CHAPTER TWO

LIFELINES IN LOCKDOWN: WHAT FOOD BANKS HAVE SEEN DURING THE PANDEMIC

As Covid-19 hit the UK, food banks in the Trussell Trust network saw an immediate and sustained surge in need across its food banks. In April there was an 89% increase in the number of emergency food parcels given out compared with the same month in 2019. Latest data shows that for the second quarter of 2020 need remained much higher than normal, at 81% above last year's levels. New findings show there has been a significant increase in the proportion of people receiving support from food banks in the Trussell Trust network for the very first time. Almost 100,000 households needed support from a food bank in the Trussell Trust network between April and June. Food banks showed extraordinary resilience in meeting this need given the challenging operational environment they were facing. There has also been an increase in the provision of emergency food by charities and other organisations across the UK – illustrating the incredible national response at this time of crisis.

SUSTAINED SURGE IN NEED FOR SUPPORT FROM FOOD BANKS IN THE TRUSSELL TRUST NETWORK

The economic and social consequences of the pandemic have driven historic levels of need for food banks in the Trussell Trust network. The level of increased need recorded in April 2020 meant that was the busiest month ever up to that point in time. Emerging evidence from the network indicates that levels of need have continued to be extremely high in the ensuing months.

The first wave of data collected from food banks in the Trussell Trust network covered the last two weeks of March, when the immediate economic impact of the Covid-19 pandemic was becoming apparent. This found an 81% increase in the number of people supported by emergency food parcels, with 122% more children receiving support from a food bank in the network in comparison to the same period last year.⁴⁵

April was busier still for food banks, with an 89% increase in the number of three-day parcels given to people, including a 107%

“When I first started working at the food bank you might see 20 people come on a normal day. At the peak of lockdown it could be as much as 80 a day. One day we saw 90 people.”

Gwen Williams, Caernarfon
Foodbank in North Wales

“We’ve seen a huge increase in demand through the pandemic... We changed to delivery only and during the busiest times we saw a 100% increase, at least... We are concerned the effects of this will go on for months – even years.”

- Jane Emery, Nantwich Foodbank
in Cheshire, North West

⁴⁵ Food banks report record spike in need, (2020), *The Trussell Trust*, <https://www.trusselltrust.org/2020/05/01/coalition-call/>

increase in the number given to children, compared to the same period last year.⁴⁶ This means that the crisis food banks in the Trussell Trust network saw at the beginning of lockdown continued throughout April, despite the introduction of Government measures to support people on low incomes.



Indicative data from all food banks across the Trussell Trust network shows that for Q2 2020 (April – June) levels of need have increased by 81%. This figure is likely to rise as food banks complete their data processing.⁴⁷

“We would normally give out 110 vouchers a week – but at the worst points we were making 150 deliveries (amounting to 220 people in need) per day. This was because of unemployment due to Corona. We’ve been really aware of very elderly people coming for help as well as an increase in families.”

- Daphine Aikens, Hammersmith and Fulham Foodbank in London

Scale of food insecurity reported by other organisations

It is not only data from the Trussell Trust that illustrates the scale of food insecurity across the UK as a result of Covid-19, but evidence from a range of other organisations.

- The Independent Food Aid Network has found that its member food banks distributed 175% more parcels in April 2020 than April 2019⁴⁸, and 177% in May 2020 compared to May 2019.⁴⁹ Differences in referral mechanisms, closures by local agencies during lockdown and geographic locations may account for the variation in the percentage increases seen between the Trussell Trust and the Independent Food Aid Network’s (IFAN) figures.
- The Food Standards Agency (FSA) has found that millions of people have had to turn to a food bank or charity during this time. Its survey for July shows that⁵⁰:
 - 9% of the population had had food delivered to their home by a food charity or food bank in the month to July, with households with children over-represented. The level of need is likely to be higher, as many people will have visited food banks or other forms of support in person during this time.

46 UK food banks report busiest month ever, (2020), *The Trussell Trust*, https://www.trusselltrust.org/wp-content/uploads/sites/2/2020/06/APRIL-Data-briefing_external.pdf

47 Food banks manually enter voucher data which means that there is a lag between when someone receives support from a food bank and when the data is processed. This means that percentage increases are likely to be higher than stated.

48 Independent Food Bank Emergency Food Parcel Distribution in the UK: Comparing February – April 2019 with February – April 2020, (2020), *IFAN*, https://uploads.strikinglycdn.com/files/5b3b4407-201d-4db1-a848-b062a806a002/INDEPENDENT%20FOOD%20BANK%20EMERGENCY%20FOOD%20PARCEL%20DISTRIBUTION%20IN%20THE%20UK_FINAL.pdf

49 Independent Food Bank Emergency Food Parcel Distribution in the UK: Comparing February – May 2019 with February – May 2020, (2020), *IFAN*, https://uploads.strikinglycdn.com/files/0f6e2f2c-8b8a-4149-8eab-053693cc3104/INDEPENDENT%20FOOD%20BANK%20EMERGENCY%20FOOD%20PARCEL%20DISTRIBUTION_FEB-MAY_2019_20_FINAL_PUBLISHED_9.7.20..pdf

50 COVID-19 research tracker – wave four, (2020), *Food Standards Agency*, <https://data.food.gov.uk/catalog/datasets/da60fd93-be85-4a6b-8fb6-63eddf32eeab>

- The reasons for needing support from a food bank or charity are both economic- and health-related. One in four (26%) of those that used a food bank or charity did so because they were self-isolating or shielding. One in five (20%) simply said they did not have enough money to buy food.
- One in six people (16%) report cutting down on the size of their meals or skipping them altogether due to a lack of money. Again, households with children are over-represented.
- The longitudinal survey *Understanding Society* has run several additional waves to assess the impact of the crisis. This found that 2% of the UK adult population in private households had used ‘a food bank or a similar service’ in April.⁵¹ As with the FSA dataset, families with children are over-represented in the sample of those that had used food banks. Over one in three (36%) of those that had used a food bank had a dependent child in the household, compared to one in four (27%) of the population overall.
- The Food Foundation has conducted multiple waves of surveys throughout the crisis. They found that in May:⁵²
 - 4.9 million adults were food insecure compared with two million pre-lockdown – 1.7 million children lived in those households.
 - Reasons for food insecurity relate to both being unable to afford food and/or being unable to access food. One in four (26%) said that they were only food insecure because of economic factors. Over one in five (21%) said they were food insecure because of one or more reasons.

HOW HAS THE PANDEMIC AFFECTED THE OPERATION OF FOOD BANKS IN THE TRUSSELL TRUST NETWORK?

The pandemic has driven an economic crisis that has swept many into destitution and poverty. It has also seriously challenged the ability of food banks to continue to support people in their local communities. Despite these challenges, the network has gone to extraordinary lengths to provide emergency food parcels and other vital support on an unprecedented scale.

Government recognition of the essential role of food banks

The governments of the UK recognised the crucial role that food banks unfortunately currently play, and they were included in the lists of essential services that did not have to close in March.

Challenges faced by food banks resulting from the initial lockdown included the impact of shielding requirements on many volunteers and the need to change their typical operating model due to social distancing requirements. Around 40% of volunteers at food banks in the Trussell Trust network are over 65, and over 70% are aged over 55. Despite these challenges, nearly every food bank in the network has continued to provide food parcels since the beginning of the crisis, with some short-term closures while food banks established new ways of working to meet social distancing requirements.

51 Trussell Trust analysis of Understanding Society COVID-19 study, 14,811 UK adults aged 16+ weighted individually, interviewed online, 27th May to 2nd June 2020.

52 Food Foundation Polling: Fourth Survey – seven weeks into lockdown, (2020), *Food Foundation*, <https://foodfoundation.org.uk/vulnerable-groups/>

Maintaining the referral process

To access emergency food parcels from food banks in the Trussell Trust network, it is expected that everyone goes through the referral process. This means that the vast majority of people using a food bank have had a discussion with a referral agency – which can include a local advice agency, a social worker, or a local authority – about the support they need to address the underlying causes of their financial crisis, and whether an emergency food parcel is required as part of this support. In some cases people will self-refer if they are unable to access a referral agency.

Just as the lockdown and social distancing had an impact on the running of individual food banks, so did they affect the agencies and partners that in normal times refer people to food banks. Many struggled to operate in the opening weeks of the crisis and had to move to operating online or over the phone, and in some areas there continue to be fewer referral partners than normal.

To support referral partners in this time and ensure that people could access emergency food if needed, the Trussell Trust accelerated the roll out of e-referral. Where previously the majority of people referred to a food bank would have arrived at the food bank with a paper voucher issued by the referring agency, more were referred electronically via the referring agency. This meant that physical attendance at either the referring agency or the food bank itself was not required.

This is one of the ways in which the pandemic has created opportunities as well as challenges. In addition to the acceleration of e-referral, many food banks have also been able to strengthen relationships with referral partners in their local area. There are also reports of increases in funding and public support for food banks.

Social distancing and new delivery models

Many food banks rapidly put in place arrangements to deliver food parcels to people's homes, in addition to or instead of operating a collection model from their food bank centres, in order to comply with social distancing requirements. Estimates suggest around half of food banks in the Trussell Trust network continue to offer some form of delivery. Many have opted to solely deliver food parcels to enable them to only use warehouses or larger spaces for packing food parcels that are safer for staff and volunteers.

A survey of people that had to use food banks in the Trussell Trust network during the pandemic shows that four in 10 (39%) people needing a food parcel had this delivered to them across June and July. This may have been even higher during the earlier months when lockdown restrictions were stricter. Most parcels (57%) were still collected from food banks

“Since March it has been very challenging in terms of logistics changing to a delivery model. We saw a significant increase – just over 100% and demand still remains high. However, our volunteers, the public and our local community has been incredible – we couldn't have coped otherwise.... We have seen a lot more families and people coming for the first time. People saying they never thought they'd be in this position – people who had been furloughed or waiting for wages because companies were in difficulties.”

- Hannah Worsley, Norwich Foodbank, East England



39%

of people needing a food parcel had this delivered to them across June and July

The shift to delivering food parcels also meant that some food banks started to provide seven days' worth of food, rather than the usual three days in a single food parcel. This approach meant that the potential need for repeat support was reduced and helped people to comply with social distancing or shielding requirements. During April 2020 9% of parcels given out were seven-day parcels.⁵³

"It was scary at the beginning with people panic buying – we thought if there's no food on the shelves who is going to donate? But actually, we were inundated with donations...The community has been so generous and Tesco has been amazing – we have also had so many volunteer offers. We got to know our clients really well again because we were working in a different way, which has been fantastic. It's been a long and busy five months but we are ok."

- Bethany Biggar, Edinburgh Food Project in Scotland

A rapidly evolving landscape of emergency food support

Since the outbreak of Covid-19 in the UK, there has been a significant increase in the provision of emergency food to different groups in different parts of the country. As noted in a report on food vulnerability during Covid-19, responses to food insecurity have been on a scale and of a complexity not seen in recent times in the UK, and have come from all sectors (public, private and voluntary) and at all levels (local, national, UK).⁵⁴

There is as yet no comprehensive assessment of the number of people who have been supported and for what length of time by this broad range of interventions, or of the extent to which people in one target group (eg shielding) may have otherwise experienced difficulties in affording food. Findings from the FSA and the Understanding Society survey do however, as mentioned above, indicate the scale of support that has been available from a range of sectors. It is likely that levels of need seen at food banks in the Trussell Trust network – while extremely high – may have been suppressed by the availability of other forms of support.

Ways in which emergency food has been provided include:

- **Provision for people shielding for medical reasons** - across the UK, schemes were put in place to deliver to people who were advised not to leave their homes for medical reasons. In England alone, more than 2 million food boxes had been delivered to people by the end of May. Given social isolation and economic vulnerability often correlate, it is possible that people in the shielding group who were economically vulnerable were more likely to receive this support. In Northern Ireland, government food parcels over April to June were also available to people who were in economic need of food.
- **Other local authority provision** – some local authorities have provided support to other groups experiencing food insecurity, including those who have been unable to afford food. This is likely to have included support provided for rough sleepers during the lockdown period.
- **Free school meals** – support for children eligible for free school meals has been extended to cover the school holidays across the UK – a time that normally sees an increase in food bank use by families as this support is usually only available during term time.
- **Local community provision** - The government made available up to £16m for frontline charities and community groups in England – such as refuges and homeless shelters – to enable them to provide meals.⁵⁵ Measures were also put in place to help to redistribute thousands of tonnes of surplus food. In

53 All food banks in the Trussell Trust network for 1st April – 30th April 2020.

54 Mapping responses to risk of rising food insecurity during the COVID-19 crisis across the UK, (2020), Lambie-Mumford et al <http://speri.dept.shef.ac.uk/wp-content/uploads/2020/08/Food-Vulnerability-During-COVID-19-first-project-report.pdf>

55 <https://www.gov.uk/government/news/16-million-for-food-charities-to-provide-meals-for-those-in-need>

Scotland, £10 million was allocated for voluntary and community sector organisations. Many faith-based organisations have also provided additional support to people, and a number of new food banks have been set up.

- **National charities** – organisations such as the British Red Cross and the Salvation Army have provided support to tackle food insecurity, for example through the direct provision of food to people, hardship grants, logistical support or through partnerships with the private sector. As noted earlier, IFAN member organisations have seen major increases in need for emergency food parcels. The organisation has also seen an increase in the number of food aid providers joining its network. Of 144 organisations joining IFAN since the end of March, more than 40 were newly operating food banks. There are now 385 independent food banks in the IFAN network, while IFAN has identified at least 916 independent food banks distributing food parcels regularly at least once a week.
- **Local crisis support** – across the UK, additional funding has been made available to provide crisis support for people through different schemes.

WHICH GROUPS HAVE BEEN USING FOOD BANKS DURING THE PANDEMIC?

Through the State of Hunger research, the Trussell Trust has strong evidence on which groups of people are more likely to need to use food banks, and the issues driving them to be in that position. As set out in the previous chapter, destitution is the overarching driver, in turn caused by factors such as problems with the benefits system, loss of earnings or a significant negative life event.

Work carried out over the summer enables some early conclusions about the extent to which Covid-19 has led to changes among the groups of people using food banks in the Trussell Trust network and the reasons for this. This is based on a survey of 435 people using food banks in our network across the last week of June and into July. The survey was distributed through the same sample of food banks that took part in an equivalent survey of 716 people in January and February 2020. This allows us to compare across the two time periods. Analysis of the Trussell Trust's administrative data is also presented where available.

In summary, we can see:

- There has been a **significant increase in the proportion of people receiving support from a food bank for the very first time** – over half in April (52%) and 45% in May compared to one in three (34%) across January and February 2020.
- **Families with children have been hit hardest** - they made up four in ten (38%) households that needed support from food banks in April 2020, in comparison to one in three (33%) in April 2019.
- Just 4% of people using food banks during the pandemic were **furloughed**, potentially highlighting the success of this scheme.
- Significant growth in both the percentage and absolute number of those **born outside of Europe** have been seen since the start of 2020 (7% in early 2020 vs. 18% during the pandemic).
- People identifying as **Black or Black British are significantly overrepresented** in those that need to use food banks (9% vs. 3% of the UK population).
- The prevalence of **mental health issues** has continued to be extremely high for people needing to use food banks. 72% of households using a food bank in June or July reported someone experiencing poor mental health.

Figures provided here from the survey are a snapshot of the population that used food banks in the Trussell Trust network in June – July 2020. Food banks selected to distribute surveys were chosen to be representative of food banks in the Trussell Trust network. Data was weighted to be representative of the population of people that used food banks in the Trussell Trust network in June and July. Comparisons are made to a survey carried out in early 2020 at the same food banks. A technical report can be found in Appendix A and the full results are published alongside this report. It is important to recognise that while some percentages dropped between early and mid-2020, the significant increases in the number of people needing support from food banks mean that the absolute number of each group is unlikely to be lower⁵⁶.

There are some indications from the administrative data that the Trussell Trust collects that the demographic composition of households is similar in June 2020⁵⁷ to that seen in April 2020. When looking at the total number of instances of food bank visits,⁵⁸ in April 2020 families with children made up 38% of all households in April and 36% in June. The distribution of parcels shows similar patterns. In April 2020 39% of parcels were given to children that needed support. Correspondingly this was 38% in June. Further demographics are not available, but these indicate that the households seen at the start of the crisis are not drastically different to those that needed support in later months.

Significant number of people ‘new’ to the Trussell Trust require support

It is clear from both the broader economic data and specific poverty and hunger statistics that some groups have been hit harder than others by the economic crisis since March. The degree to which these groups are ‘newly’ destitute is a key question. Emerging data from the Trussell Trust provides some evidence on this.

The Trussell Trust collates information that is collected by food banks⁵⁹ on people that have received support from food banks in the network before. In January and February 2020 about one in three (34%) people that were referred to food banks had not used a Trussell Trust food bank previously.

This figure has increased significantly during the crisis period. Over half (52%) of people referred to food banks were ‘new’ in April 2020, and over two in five (45%) were new in May. Figures fall in June to 36%. This may in part be because those ‘new’ from March onwards are not tagged as such for the proceeding months. Between April and June 2020, 99,300 households needed support from a food bank in the Trussell Trust network for the first time.

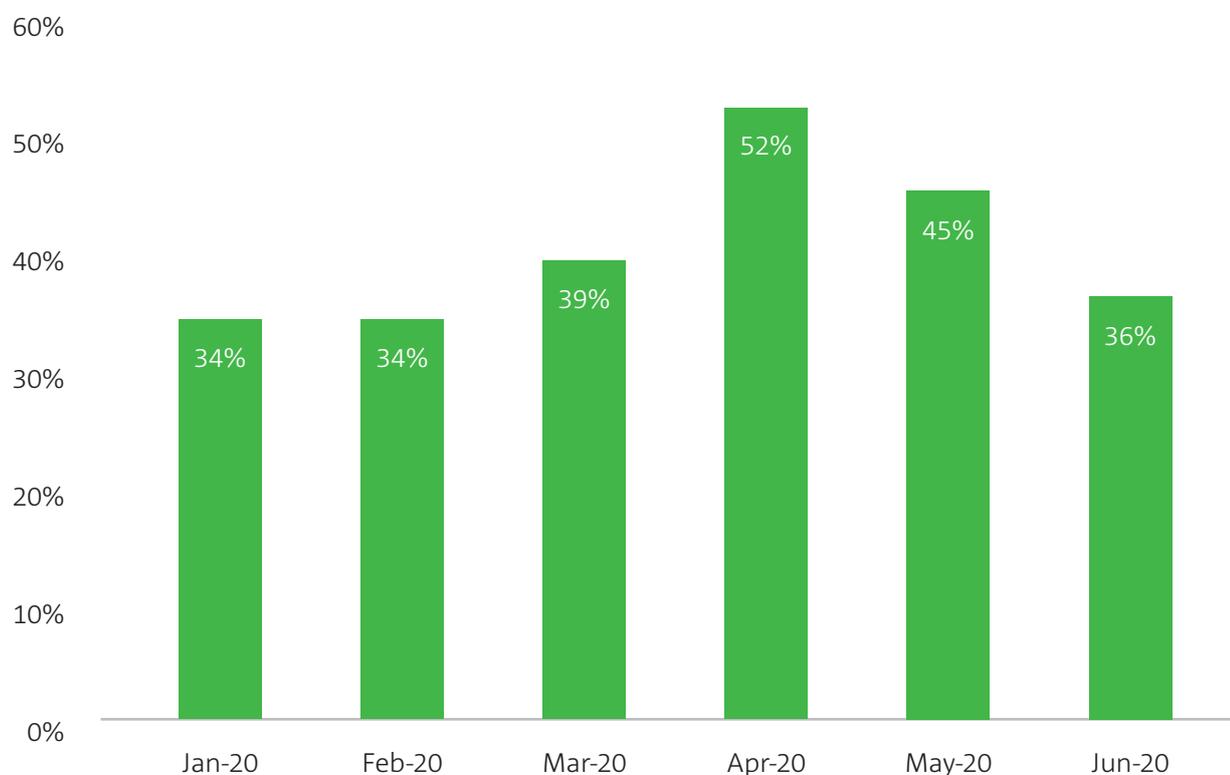
56 For example, the proportion of single people living alone has dropped in comparison to the same period last year, but in absolute terms the number of such people using food banks increased.

57 Due to lags in data processing all figures for June are indicative and do not represent all of the people that would have needed support in this period. Due to the volume of data processed percentages are unlikely to shift significantly.

58 Rather than unique households

59 The Trussell Trust instigated a client id system in April 2016. It is unknown whether any of these households would have used a food bank in the Trussell Trust network pre-April 2016.

Figure 2.1 Proportion of referred people that have not received support from a food bank in the Trussell Trust network before



Given the significant increases in volume of support that food banks in the Trussell Trust network have given across Q2 of 2020 compared to previous years, in absolute terms all these percentages represent a substantial 'new' population of people needing support from food banks.

The survey data highlights that the impact of the pandemic has driven additional levels of need. One in three surveyed during the crisis (35%) say that the main reason why they needed to use a food bank was because of the crisis, although just over half (57%) said that they would have still had to use a food bank, regardless.

Families with children hit hard by crisis

The Trussell Trust's administrative data shows that the impact on families with children has been severe during the crisis. Overall, between April 2019 and April 2020 food banks in the Trussell Trust network saw an 89% increase in parcels given out. This rises to 95% for families with children. Indeed, almost half (46%) of the increase in parcels given out from April 2019 to April 2020 was due to families with children needing support.

This has changed the distribution of households receiving support from food banks in the Trussell Trust network. In April 2020 single person households remained the single biggest group accessing support from food banks, at 42% of all households. However, this has declined from 51% for the same period in 2019. In contrast, families with children made up 38% of households receiving support in April 2020, compared to 33% a year earlier.

Indicative data previously presented in this chapter shows that the household distributions have not significantly changed between April and the later stages of the crisis.

Table 2.1 Household type for households that received a food bank parcel, and change from April 2019

	April 2019 %	April 2020 %	% of net increase
Single	51%	42%	31%
Single Parent	18%	19%	21%
Couple w/ children	15%	19%	25%
Couple	11%	12%	13%
Other	6%	7%	10%
Families with children total	33%	38%	46%

The Trussell Trust's statistics show just how disproportionately children have been hit by the economic impact of the pandemic. Despite children aged 0-16 accounting for just 20% of the UK population as of mid-2019,⁶⁰ these latest statistics show that parcels to children made up 43% of the additional parcels distributed across April 2020.



43%

Despite children aged 0-16 accounting for just 20% of the UK population as of mid-2019, parcels to children made up 43% of the additional parcels distributed across April 2020.

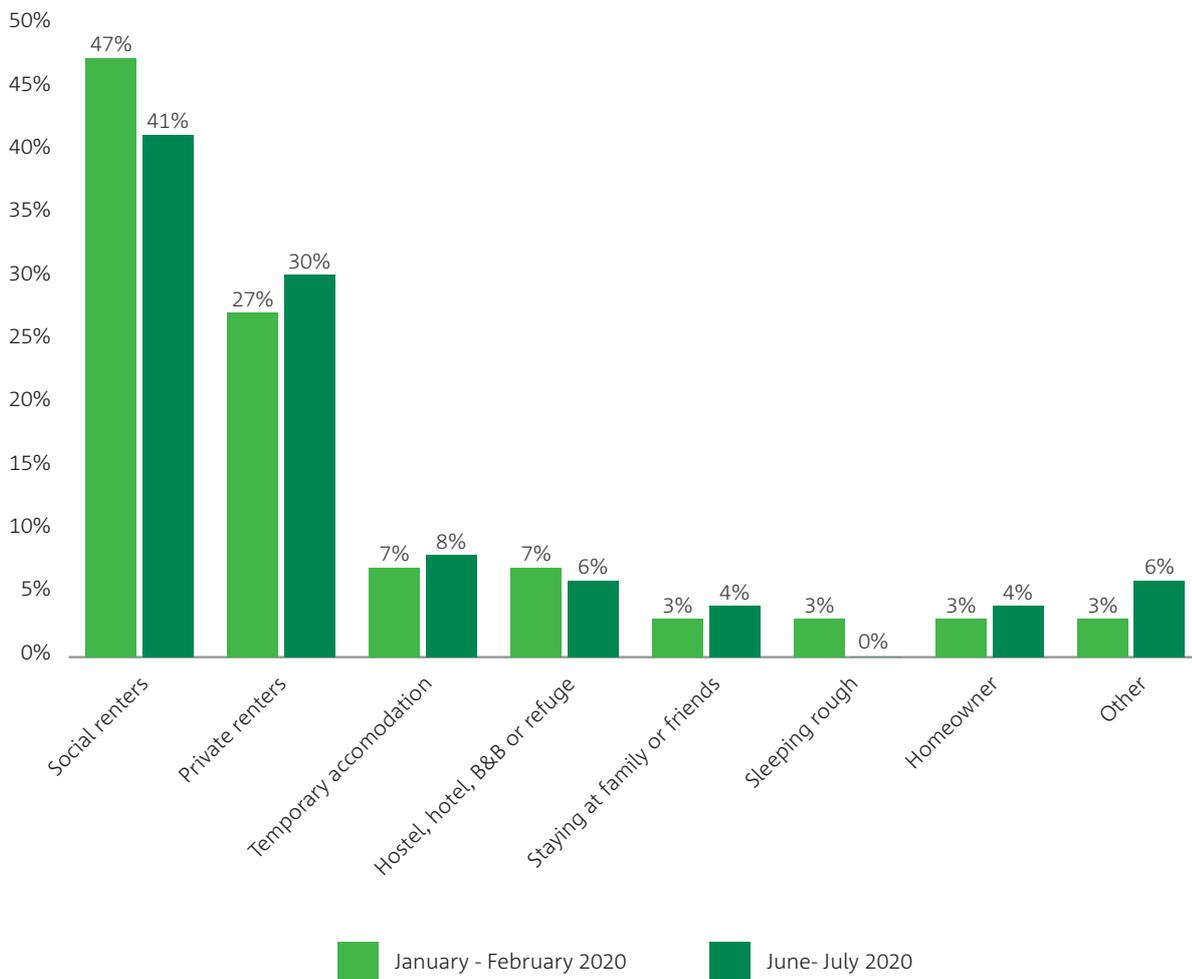
Social renters remain largest group in terms of housing tenure

During the pandemic social renters continued to be the largest group of households that needed support from food banks in the Trussell Trust network. However, as a proportion they have decreased by six points since early 2020 (47% to 41%). Increases are relatively evenly spread across the other tenures.

One in three (30%) of those needing support from a food bank during the pandemic were private renters. This is despite the LHA rate increasing to align with the 30th percentile of local private rents for private renters. Homeless households remain significantly overrepresented amongst those that need support from food banks in the Trussell Trust network.

60 Mid-year population estimates: Persons by single year of age and sex for local authorities in the UK, mid-2019, (2020), ONS, <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesandnorthernireland>

Figure 2.2 Tenure of those using food banks in the Trussell Trust network



Overall household employment at point of use of food bank remains at pre-crisis levels

The majority (81%) of households that needed support from a food bank in June or July did not have someone working. This is the same proportion as in the pre-crisis period (83%).

Just 4% of people that needed to use a food bank in June or July were furloughed. This may in part reflect the success that this scheme has had in keeping people out of destitution or poverty – and raising concerns about the levels of need that food banks will see as this scheme is withdrawn and workers potentially lose their job or work reduced hours. It may also highlight that some of those that needed to use food banks were not eligible for the furlough scheme. Since early 2020 there has been a doubling in the proportion of those who were ‘not in paid work for some other reason’ (4% to 10%).

Chapter One identified that those in insecure employment were most at risk of job losses and data collected from the survey evidences this. Of those that indicated that they or their partner had a job before March, 43% stated that they worked on a temporary, zero-hour or no contract basis.

Crisis period sees increased proportion of people with mental health conditions

The Trussell Trust’s previous research has highlighted the extent of the mental and physical health issues that those using food banks are living with. Our State of Hunger report published in 2019 found that nearly 75%

of people using food banks reported someone in their household having a health issue.⁶¹ These figures were matched in early 2020 with 71% of those using a food reporting someone with a health issue.

During the crisis this has increased, with 83% of those using a food bank in June or July reporting someone with a health issue in the household. Increases have been particularly high for those experiencing poor mental health (including, stress, depression or anxiety). This has increased from 51% in early 2020 to 72% in June and July.⁶² A similar proportion of households with someone with a long-term physical condition or illness was also reported (28% in June July vs. 23% in early 2020).

This reflects overall trends seen in the general population. Almost one in five adults (19%) were likely to be experiencing some form of depression in June 2020. This has almost doubled from around one in 10 (10%) before the pandemic (July 2019 to March 2020).⁶³

Increased prevalence of those born outside Europe during crisis

The proportion of people using a food bank who were born outside Europe is higher now than at the start of 2020. In early 2020 just 7% of those needing to use a food bank were born outside of the UK. This almost tripled to 18% in June and July. This compares to one in 10 (10%) of the UK population being born outside Europe. During this period just over three quarters of people using food banks were born in the UK, in comparison to nine in 10 in early 2020 (79% vs. 91%).⁶⁴

Of those that were born outside the UK, the majority (60%) state that their household is receiving benefit income indicating that either they, or someone within their household, has eligibility for social security. It is important to note though that this is some 29 percentage points lower than the equivalent figure for all households (89% vs. 60%).⁶⁵

People from ethnic minorities overrepresented

Data collected during the crisis highlights that people from ethnic minorities are significantly overrepresented amongst people needing support from food banks in the Trussell Trust network.

One in 10 (9%) of people that were referred to food banks in the Trussell Trust network during the crisis identify as Black or Black British. This is three times the rate of the UK population (3%). In contrast, just seven in 10 (71%) identify as White British, with a further 5% identifying as White Other. In the UK population these groups make up three in four (79%) and one in 12 (8%) respectively. Full breakdowns by ethnicity are published alongside this report.

9%
of people who received a food parcel from a food bank in the Trussell Trust network in June/July identified as Black or Black British

just **3%**
of the UK population are Black or Black British

61 The State of Hunger (2019), *The Trussell Trust*, <https://www.trusselltrust.org/state-of-hunger/>

62 Methodological differences may capture part of the differences here. For more detail please refer to the survey's Technical Appendix.

63 Coronavirus and depression in adults, Great Britain: June 2020, (2020), ONS, <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/coronavirusanddepressioninadultsgreatbritain/june2020>

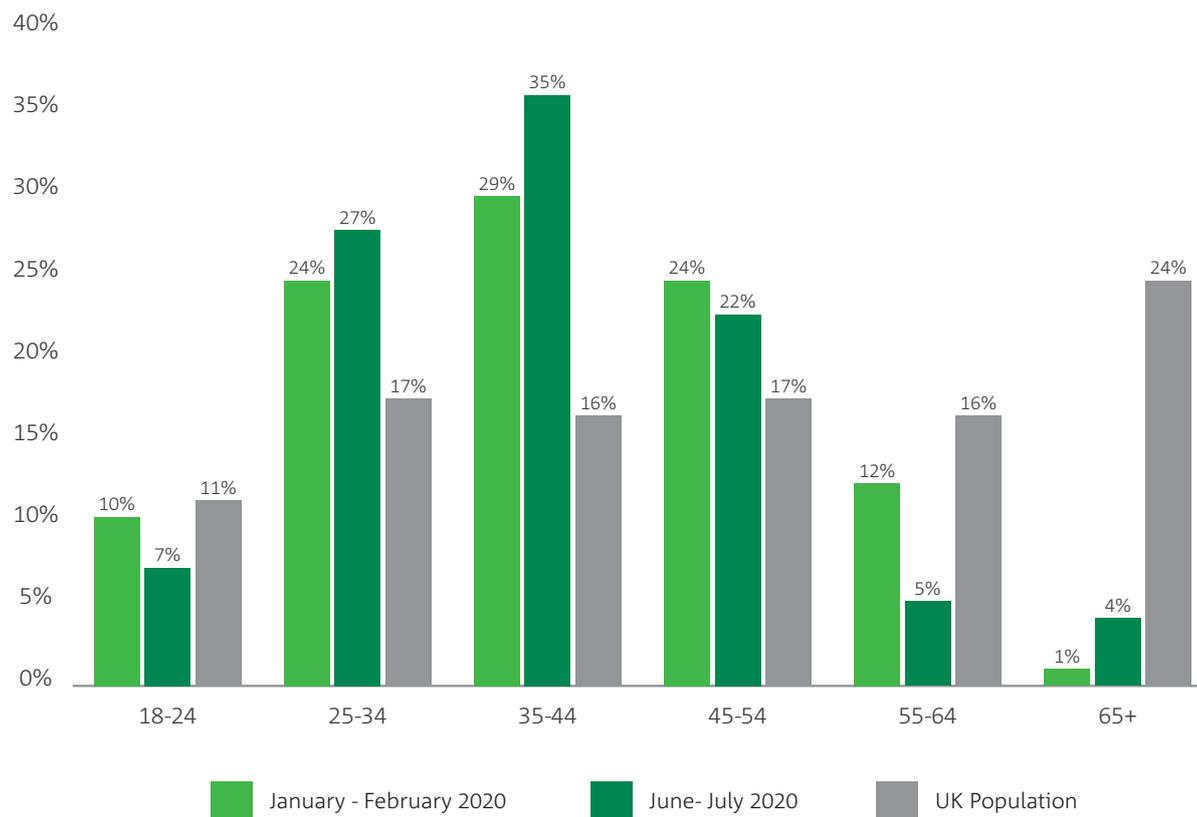
64 Due to the sensitivity of the question those surveyed were not asked whether they had no recourse to public funds. This measure is used as an approximate proxy.

65 This result should be regarded as indicative due to the small sample size (n=42)

Younger people worse off

People needing to use a food bank in June or July were comparatively younger than both the population of those receiving emergency food in early 2020, and the UK overall. Close to two in three (62%) of those that received emergency food in June or July were aged 25-44, up from 53% in early 2020, and significantly higher than the UK population (33%).⁶⁶ There has been a downwards shift in the proportion of the population aged 55+ receiving parcels from early 2020 (13% to 9%).

Figure 2.3 Percentage age distribution of those using a food bank



WHY ARE PEOPLE HAVING TO USE FOOD BANKS?

Previous evidence shows that there are some socio-demographic factors that may make people more at risk of having to turn to food banks during this crisis. However, underlying the majority of these factors is a fundamental lack of income to sustain a minimum standard of living. This - combined with a lack of support from social networks, no or low levels of savings, and reliance on eligibility for social security - makes people incredibly vulnerable to income shocks.

The Trussell Trust's previous work on identifying the drivers of food bank usage clearly pointed to destitution as the key factor behind food bank use, with 94% of people needing support from food banks living in destitution.⁶⁷ Our more recent findings highlight destitution again as a key issue.

⁶⁶ National Population projections by single year of age, (2020), *NOMIS ONS*

⁶⁷ The State of Hunger (2019), *Trussell Trust*, <https://www.trusselltrust.org/state-of-hunger/>

In summary, we can see:

- Low income remains a significant factor in need for food banks. Destitution levels remain extremely high, and the majority (95%) of households needing support from food banks are living in relative poverty after housing costs.
- Most households (56%) that needed to use a food bank during the pandemic had experienced a drop of income since March 2020. This was mostly likely due to a drop of benefit income (46% of those who experienced any income drop), followed by a drop in earned income (40%).
- Increased levels of income were seen from early 2020. On average households received £77 per week (after housing costs) up from £57 in early 2020. This is likely due to the uprating of the standard allowance, LHA and the pause to deductions. They are likely to have prevented even greater levels of need during this crisis. However, they have clearly not provided enough protection to people in crisis potentially due to:
 - The wait for social security placing people at risk - one in five (22%) of households during the pandemic were waiting for a decision on a benefit application, or the first payment.
 - Levels of debts and arrears – 73% of households owed money when surveyed. Those using a food bank during the pandemic are more likely to be in arrears to two or more sources (48% vs. 41% in early 2020) or three or more (32% vs. 22%).
- Increases to social security levels during the crisis have not benefited everyone to the same extent. For instance, the £20 per week uplift to the Standard Allowance was only to UC and not to other income-replacement benefits. There is also some evidence of the impact of the benefit cap on those that need to use food banks. One in five (22%) of those that received benefit income said that their household was affected by the benefit cap⁶⁸.

Food banks users just as likely to experience destitution

Low levels of income remained the main reason for referral for people that needed to use a food bank in April 2020. The Trussell Trust's administrative data shows that over two in five (43%) were referred by agencies because their income was not at a level to sustain a minimum quality of life. One in ten (11%) referrals were due to benefit delays, and 6% were due to benefit changes. Sickness was also important, accounting for 6% of referrals.⁶⁹ Indicative data from June 2020 shows similar patterns with a slight increase in the percent of those being referred for low income (50%).⁷⁰

Given these referral reasons it is unsurprising that the Trussell Trust's survey during the pandemic found that people needing to use food banks were just as likely to be destitute as in early 2020. The survey asked three questions that are used as a measurement of destitution with each matching data collected pre-crisis.

68 This result should be treated indicatively. This is a self-reported measure and as such may not be accurate. A high proportion of respondents said that they did not know for this result, indicating low overall awareness of the benefit cap.

69 UK food banks report busiest month ever, (2020), *Trussell Trust*, https://www.trusselltrust.org/wp-content/uploads/sites/2/2020/06/APRIL-Data-briefing_external.pdf

70 All food banks in the Trussell Trust network for 1st June – 30th June 2020. Due to lags in data processing figures are indicative, although with the volume received are unlikely to shift significantly.

Table 2.3 Measures of destitution

	January - February	June - July
Destitute on food criterion		
Yes	77%	72%
No	23%	28%
Destitute on clothes and shoes criterion		
Yes	52%	49%
No	48%	51%
Destitute on minimum income criterion		
Yes	72%	69%
No	28%	31%

Evidence from the survey shows that the majority (95%) of those that needed to use a food bank during the pandemic were living in relative poverty after housing costs. Similar levels (96%) were seen in early 2020.

Routes into destitution and food insecurity

Most people (56%) that needed to use a food bank during the pandemic had experienced a drop in household income since early March 2020, indicating that income shocks continue to be an important factor driving food bank use.

Of those that had experienced a drop in household income since March, a drop in benefit income was the most common reason. Almost half (46%) of those who experienced any income drop had experienced a drop in benefit income. Four in 10 (40%) of those that experienced a drop in income prior to visiting a food bank had seen reductions in earned income.

This link to loss of earnings is also seen by the pre-lockdown employment status of those needing to use food banks. Before March 2020 one in four (25%) of those using food banks during the pandemic had someone working in the household. This drops to 16% at the point at which they were surveyed over the summer. Big increases in unemployment were seen for those using a food bank in June or July. One in five (18%) reported being unemployed in February, compared to one in three (32%) during the crisis.

For those that did not see an income shock during the crisis, longer term issues with benefits, lack of informal support, income levels after housing costs, debt and deductions are likely to have driven their need to receive support from a food bank. Over four in 10 (45%) said that a lack of support from family, friends or local organisations was directly related to their need to use a food bank.

This is despite the income levels of those using food banks during the pandemic being higher than those in early 2020. During the crisis period median weekly equivalised incomes after housing costs were £77, an increase from £57 in early 2020. Increases in income are likely to be driven by the changes to the standard allowance of UC, shifts in other benefits related to housing, and the pause on deductions helping people to keep more of their money. Those that are new claimants to UC are also not immediately subject to the benefit cap. It is however important to recognise that £77 is still well below the destitution threshold of income.

The increase in the UC standard allowance and support for housing costs will – as discussed in the next chapter – have protected many people from being swept into destitution and having to use food banks during this crisis. However, it must be noted that the increases and reforms have not been enough to protect everyone.

Wait for social security may put people at risk

Increases to household incomes may be mitigated in part because of the wait to receive a first payment and the hardship that this entails. Previous work from the Trussell Trust has consistently shown the five-week wait to be related to increased levels of support from food banks.⁷¹

One in five (22%) of those that used a food bank during the pandemic were waiting for a decision on a benefit application, or the first payment. Of those that were waiting, one in five (20%) had not received a decision on their first payment for six weeks or longer.

The majority (78%) of those that used a food bank while waiting for a UC decision or payment, had been waiting for five weeks or less at the time they visited a food bank. This highlights the lack of resources that households possess to cope with the wait for support from social security.

Additional data from the FSA shows the importance of receiving benefit payments promptly and without delay. One in four (27%) that had food delivered from a food bank or charity in the month to July did so because there was a delay or problem with their benefit payments.⁷²

DWP has significantly improved the timeliness of payments of new UC claims during the pandemic, which may have mitigated against some additional levels of need. However, many are still not receiving their full payments on time. When combined with the hardship of the five-week wait this can leave many people barely getting by, and lead to others being swept into destitution.

In March 2020, 12% of new claims either did not receive any of their payment or some of their payment on time. This falls to 4% in April 2020 but given the number of new claims during the late March and April period this represents a significant number of people.⁷³

Debt and repayment crisis for those using food banks during pandemic

As found in early 2020 and in 2019's State of Hunger report, the costs that households are having to cover with their income are significant, often pushing them further into destitution. The debts, arrears and deductions that households have when visiting the food bank are incredibly high and may further explain why the increase in standard allowance is not protecting people from falling into destitution. The level of income that people receive as part of their core benefits is barely enough to cover a subsistence level of living and in many cases does not even go this far. Our work in the State of Hunger report highlighted that removing income from this subsistence level leaves households vulnerable to being swept into destitution and poverty.

The evidence from the Trussell Trust's surveys highlights that over the course of the crisis many are still struggling with levels of debt, including money owed to the DWP.

A large proportion of people using a food bank during the pandemic owed money to the DWP. The reasons for these deductions being made can include repaying advance payments taken out during the five-week wait, UC for a first UC payment, or repaying benefits which may have been overpaid in error.

71 Early warnings: Universal Credit and food banks, *Trussell Trust*, 2017

72 COVID-19 research tracker – wave four, (2020), *Food Standards Agency*, <https://data.food.gov.uk/catalog/datasets/da60fd93-be85-4a6b-8fb6-63eddf32eeab>

73 Households on Universal Credit: Table 6 – Payment timeliness New Claims (2020), *DWP*, Stat-Xplore

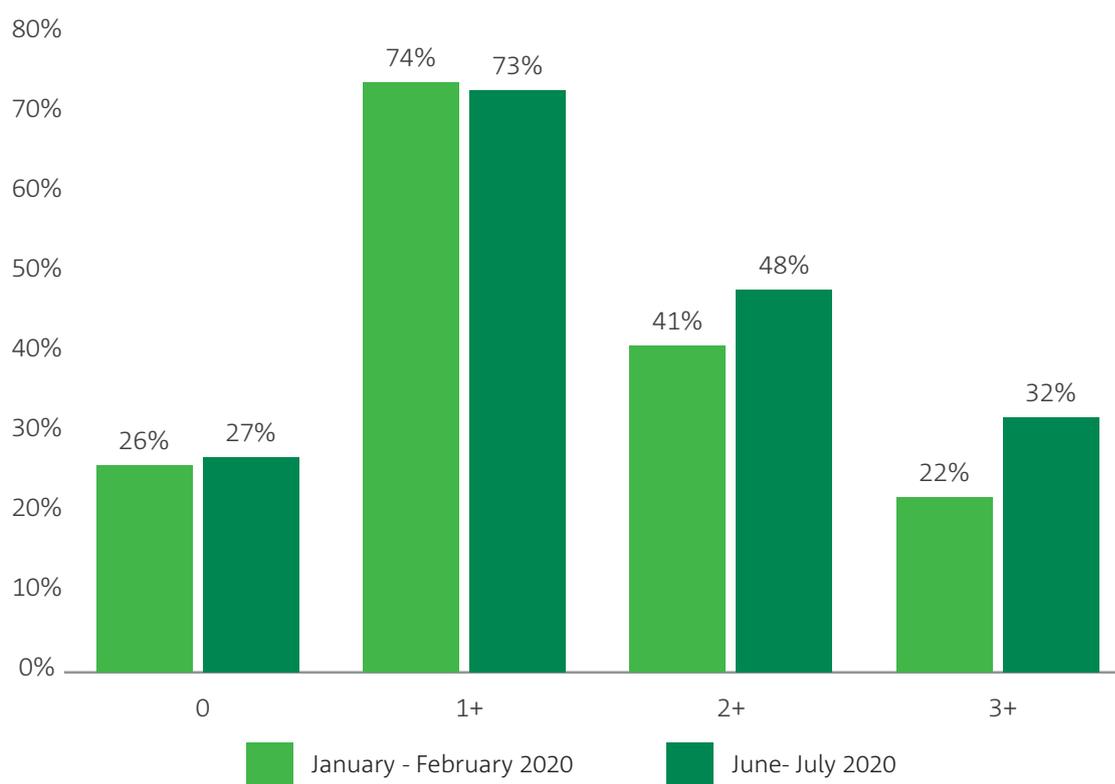
During the crisis 73% of those that needed to use a food bank and were receiving UC were repaying an advance payment. This is up from half (51%) in early 2020 and is higher than the average (43%) of all of those that were claiming UC in February 2020.⁷⁴

The number of people affected by advance payments has increased substantially during the crisis. Over 1.28 million advances were given out between 16th March and the 23rd June 2020.⁷⁵ This has not only impacted on new claims to UC but also people experiencing hardship and needing a budgeting advance, as well as those experiencing a change of circumstance.

People using a food bank during the pandemic were also paying back formal debt, with one in five (21% up from 15% in early 2020) paying money to the bank. Those that needed to use a food bank during the pandemic also owed money to informal lenders such as pawnbrokers (7%) and payday loans (15%).

This picture of an escalating debt crisis for those using food banks is seen when the figures for scale of arrears are viewed. During the crisis one in four (27%) households were not in arrears on bills. This is a similar figure to early 2020 (26%). However, those households that are in arrears seem to be more seriously so. Those using a food bank during the pandemic are more likely to be in arrears to two or more sources (48% vs. 41% in early 2020) or three or more (32% vs. 22%).

Figure 2.5 Count of households' arrears on bills



**Those needing support from food banks were asked about the following arrears on bills: rent / mortgage, energy, council tax, water, phone / broadband and other.

74 Universal Credit Written Question 54921, (2020), *UK Parliament*, <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-06-04/54921/>

75 Universal Credit declarations (claims) and advances: management information, (2020), DWP, <https://www.gov.uk/government/publications/universal-credit-declarations-claims-and-advances-management-information>

Others may not be able to benefit from changes

Groups within those surveyed during the pandemic may not have received the full increase to benefits that have helped many people. Increases to the standard allowance have only been for those on UC, with those on legacy benefits missing out. A significant minority (32%) of those that needed to use a food bank in June or July and were claiming benefits were not claiming UC. Many people may have also been affected by caps to benefit levels.

Of those surveyed during the pandemic (that were receiving benefit income), one in five (22%) said they were affected by the benefit cap which may have reduced the otherwise positive impact of the increase to the standard allowance and other benefits during this period. This percentage must be treated indicatively as this is self-reported information. Understanding of the benefit cap may not be high, with two in four (41%) stating that they didn't know whether they were affected or not.

EXISTING DRIVERS OF POVERTY PLAY OUT IN NEED FOR FOOD BANKS DURING CRISIS

This chapter has set out the groups that have been using food banks during the pandemic and presents evidence on why they may have had to do so. Chapter One identified four key drivers of poverty and referenced a number of factors that may increase people's vulnerability to income shocks. These factors have all played a role in driving increases in need during the crisis.

The next chapter presents a look forward to the rest of 2020 and early 2021 to estimate how levels of need will continue to evolve as the economic crisis deepens.

CHAPTER THREE

A GATHERING STORM: PROJECTIONS OF NEED AT FOOD BANKS IN THE TRUSSELL TRUST NETWORK

At the start of the pandemic, the Trussell Trust commissioned work to understand the likely levels of need food banks in the network would see as the economic impact of Covid-19 unfolded. This modelling has been carried out by Heriot-Watt University, in partnership with the National Institute for Economic and Social Research. Two different approaches have been taken – one based on forecasts at the macro-economic level, and one based on a microsimulation model drawing on the *Understanding Society* survey to model changes to household employment status and income levels. The findings show that there is likely to be an extraordinary increase in levels of destitution in the UK by the end of the year, and a major increase of at least 300,000 additional food parcels food banks in the Trussell Trust network are expected to provide when compared to last year. New emergency food provision may pick up some of the additional levels of need.

UNDERSTANDING FUTURE LEVELS OF NEED

In April the Trussell Trust commissioned independent work to assess what future levels of need for food banks in the Trussell Trust network might look like, given the early indications that Covid-19 would have a major effect on the UK economy.

These early concerns have unfortunately been borne out. While major changes in the unemployment rate have not yet been reported, this appears largely due to the protective effect of the JRS. Headline figures for GDP have fallen significantly in the second quarter of 2020.⁷⁶ Economic forecasts for the rest of the year continue to be pessimistic, particularly in terms of the unemployment rate.

Led by the I-SPHERE team⁷⁷ at Heriot-Watt University, in partnership with the National Institute for Social and Economic Research (NIESR), the work we have commissioned has developed two modelling platforms to forecast levels of need for the remainder of 2020 and the early stages of 2021. The I-SPHERE team have developed

⁷⁶ The UK economy at the end of Q2 2020 was 22.1% smaller than it was at the end of 2019. With two successive quarters of negative growth the UK economy is now in the largest ever recorded 'technical' recession, UK: August 2020, ONS, <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/apriltojune2020>

⁷⁷ The I-SPHERE team are experts in poverty and destitution and were supported in this project by Pro Bono Economics, IPPR, and Dave Simmonds Consulting.

a microsimulation model⁷⁸ based on the *Understanding Society* survey. The NIESR team, in association with Economics at Heriot-Watt University, has used its expertise in macroeconomic forecasting⁷⁹ to build a macro model looking at the relationship between economic indicators and food bank use.⁸⁰

Unemployment crisis forecast to unfold in late 2020

Both modelling approaches estimate the ‘additional’ level of need that food banks will see for the remainder of this year, going into 2021. Our existing work from State of Hunger shows both that most people that use food banks are not in employment and that significant life events such as becoming unemployed can drive food bank use. NIESR’s economic modelling also finds a macro relationship between changes to the unemployment rate and food bank use. Unemployment is therefore taken by both models to be a significant precursor of needing support from a food bank. Both models also look at the impact of loss of income for people in employment, which has been partially mitigated by the Government’s JRS scheme. The lack of small business support for the self-employed has also been factored in by both approaches.

In the remainder of 2020 and going into 2021 there are significant risks to the economy and more specifically the unemployment rate. Work conducted by NIESR, Pro Bono Economics and IPPR to support this project identify these as:

1. The removal of the JRS
2. Businesses beginning to repay accrued debt⁸¹
3. Businesses restarting payments such as rent⁸²
4. The potential of a second wave of Covid-19 forcing another economic shutdown

In August, NIESR published a review of economic indicators which provides insight into the economic storm to come. Using the International Labour Organization definition, the unemployment rate is expected to rise to 5.9% in Q3 2020 and increase sharply to 9.8% in Q4 2020 to coincide with the withdrawal of the JRS.



With almost one in 10 expected to be unemployed in Q4, this presents a higher rate of unemployment than any seen during the 2008 financial crisis and the highest level at any stage since early 1994.⁸³

78 A microsimulation is a computer program that mimics the operation of government programs and demographic processes on individual ("micro") members of a population—people, households, or businesses, for example. Information on the individuals is captured in survey form and interventions are applied to the survey data to change outcomes.

79 A macroforecasting model analyses relationships over time between national economic factors, in this case how unemployment and wage levels relate to food bank statistics. Using economic forecasts of unemployment it can then ‘predict’ what levels of food bank need will be if those forecasts occur.

80 Complete technical details of the respective modelling platforms are provided as technical appendices drafted by I-SPHERE and NIESR alongside this report.

81 A report by Pro Bono Economics prepared on behalf of Trussell Trust states that businesses may struggle with the private and public debt they have accrued during the crisis: “Not all these businesses will be used to making regular, structured payments out of operating cashflow, and potentially their operating margins might not be sufficient to afford such repayments. Furthermore, given uncertainty over recovery of demand, especially in sectors such as hospitality, tourism etc, SMEs may not see turnover recover to previous levels.” For further information on this report please contact the research team at Trussell Trust.

82 Until the end of September 2020, no business will be forced out of their premises if they miss a payment from 30th June to 30th September. Legislation also prevents landlords using Commercial Rent Arrears Recovery unless they are owed 189 days of unpaid rent. <https://www.gov.uk/government/news/government-provides-further-halt-to-business-evictions-and-more-support-for-high-street-firms>

83 LFS: ILO Unemployment rate: UK: All: Aged 16-64: %: Seasonally Adjusted, ONS, August 2020 <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/lf2q/lms>

Unemployment is projected to remain high but slightly improved in Q1 2021 at 6.8% as the economy rebounds slightly. A long-term increase of over 2% from the periods prior to Covid-19 is expected for the next two years.

Approaches to forecasting levels of need

The work we have commissioned uses two different methodologies to project what future levels of need will look like for food banks in the Trussell Trust network.

Microsimulation

Microsimulation analysis overlays, appends or applies additional data to existing 'micro' data. In the social sciences micro data is most often collected in large scale surveys and is recorded at either the household or individual level. By applying additional data, microsimulation models can test the impact of specific policies or societal changes on outcomes.

In this analysis I-SPHERE has used micro data from the *Understanding Society* survey. It applies calculated changes to a household's employment status, level of income from social security and level of earned income to existing data from the survey.⁸⁴ This is combined with indicators of existing savings and debts, and of potential family and social support and health / disability status, in a risk framework which predicts the likelihood of destitution. By applying an existing percentage of how many destitute people use food banks, and the average number of repeat visits per referral, a total number of additional need for food banks in the Trussell Trust network can be calculated.

A summary of this methodology is presented in Appendix B, and the full technical paper written by I-SPHERE is published alongside this report.

Macro forecast

Macroforecasting analysis looks at relationships over time between national economic factors to assess the extent to which they are interrelated. By understanding how different data and measurements interact, analysis can forecast how these trends may evolve and change over time. In this instance NIESR has looked at the historic interplay and relationship between use of food banks and macroeconomic data on GDP and unemployment. NIESR's analysis then uses its current macroeconomic forecasts to estimate the number of people that will need to use food banks in the Trussell Trust network for the remainder of 2020 and Q1 2021.

The different platforms therefore provide two independent approaches to answering the question of what levels of need will look like. The microsimulation work builds the risk of destitution, and from that food bank use from the bottom up at the household level. In comparison, the macro work takes a top-down approach by looking at headline figures rather than individual level data.

A summary of this methodology is presented in Appendix C, and the full technical paper written by NIESR is published alongside this report.

⁸⁴ The forecasts of the impact of the crisis on these factors is taken from analysis conducted by IPPR, Pro Bono Economics and David Simmonds Consultancy

HUNDREDS OF THOUSANDS OF ADDITIONAL PARCELS TO BE PROVIDED IN LATE 2020

The headline results for both approaches indicate significant ongoing increases in need for support from food banks in the Trussell Trust network. Both present a range of scenarios, dependent on the scale of economic change to come. The following sections describe the central model for both approaches.

In summary, we can see:

- The micro-simulation forecasts a 61% increase in the number of distributed parcels in the last quarter of 2020 when compared to the same period in 2019.
- This represents an additional 300,000 parcels and would mean that food banks give out over six parcels per minute for this quarter.
- Over 670,000 people are estimated to be swept into destitution in the last quarter of 2020.
- Single parents, younger people living alone, those that identify as Black or Black British and private renters are more likely to fall into destitution.
- The macroforecast estimates a 153% increase in the number of distributed parcels in the last quarter of 2020 when compared to the same period in 2019.
- This represents an additional 800,000 parcels and would mean that food banks give out over 10 parcels per minute for this quarter.
- The majority of the increase is driven by people becoming unemployed as the JRS is withdrawn.

Microsimulation – I-SPHERE, Heriot-Watt University

Food banks in the Trussell Trust network are forecast to distribute 846,000 parcels in quarter four of 2020. This represents a 61% increase on the number distributed in quarter four of 2019, which was the busiest quarter of that year – around an **extra 300,000** emergency food parcels in comparison to the same period in 2019.

Food banks are forecast to give out 6.4 emergency three-day food parcels a minute in Q4 2020.

Levels of need will remain high going into mid-2021 and significantly above those seen pre-Covid-19 in 2019. The microsimulation presents a quarterly average of Q2 and Q3 2021 and forecasts 689,000 parcels to be distributed on average in these quarters. In comparison to the average for Q2 and Q3 2019 this represents a 63% increase in levels of need – around an **extra 267,000** emergency food parcels.

Table 3.2 Increase in food bank parcels from microsimulation

	Q4 2020	Mid-2021
	Central	Central
Reported levels of need for previous year (same quarter)	Q4 2019: 524,000	Mid 2019 average: 422,000
Total estimated level of need for food banks in the Trussell Trust network	846,000	689,000
Percentage increase from same period in the previous year**	61%	63%

**Mid-2021 is based on an average of Q2 and Q3 data held by the Trussell Trust for 2019

Substantial increases in the rate of destitution

These are incredibly large and daunting numbers and, of course, behind these are the individuals and families who are expected to be driven to destitution and therefore more likely to need to rely on a food bank. Many who are destitute will not use food banks, but remain at risk of being food insecure.

The initial impact of the crisis on the number of people that needed to use a food bank was significant and I-SPHERE's analysis shows a similarly substantial increase in the number of people that were destitute in the second quarter of 2020.

I-SPHERE's analysis estimates that over 720,000 additional people were swept into destitution in quarter two of 2020 during the initial phase of the crisis.

In 2017 just over 1.5 million people experienced destitution, going without the essentials and locked out of the chance of building a decent and secure life.⁸⁵ The economic crisis in 2020/21 is forecast to reshape this landscape, with over 670,000 additional people being swept into destitution for the rest of 2020 as they lose their jobs, income and businesses.

Figures for 2017 relate to the total number of people that experienced destitution within that year. An additional 670,00 people estimated to experience destitution in the last quarter of 2020 would represent a doubling in the rate of destitution in comparison to the same quarter of 2017.

Levels of destitution going into the crisis may be higher than the baseline reported here (2017). The Joseph Rowntree Foundation is planning to release an updated baseline for 2019 in late 2020. With levels of food bank use rising year on year since 2017 levels of destitution are likely to have increased in this period.

Table 3.1 Significant increases in destitution forecast for remainder of 2020 and early 2021

	Q2 2020	Q4 2020	Mid 2021
Additional destitute	721,000	673,000	424,000

Risk of destitution is not evenly spread across the population, and many of the groups already seen in the survey and administrative data presented in Chapter Two are again highlighted here. I-SPHERE's analysis looks at the working age non-destitute population and estimates the percent of each group that are likely to fall into destitution.

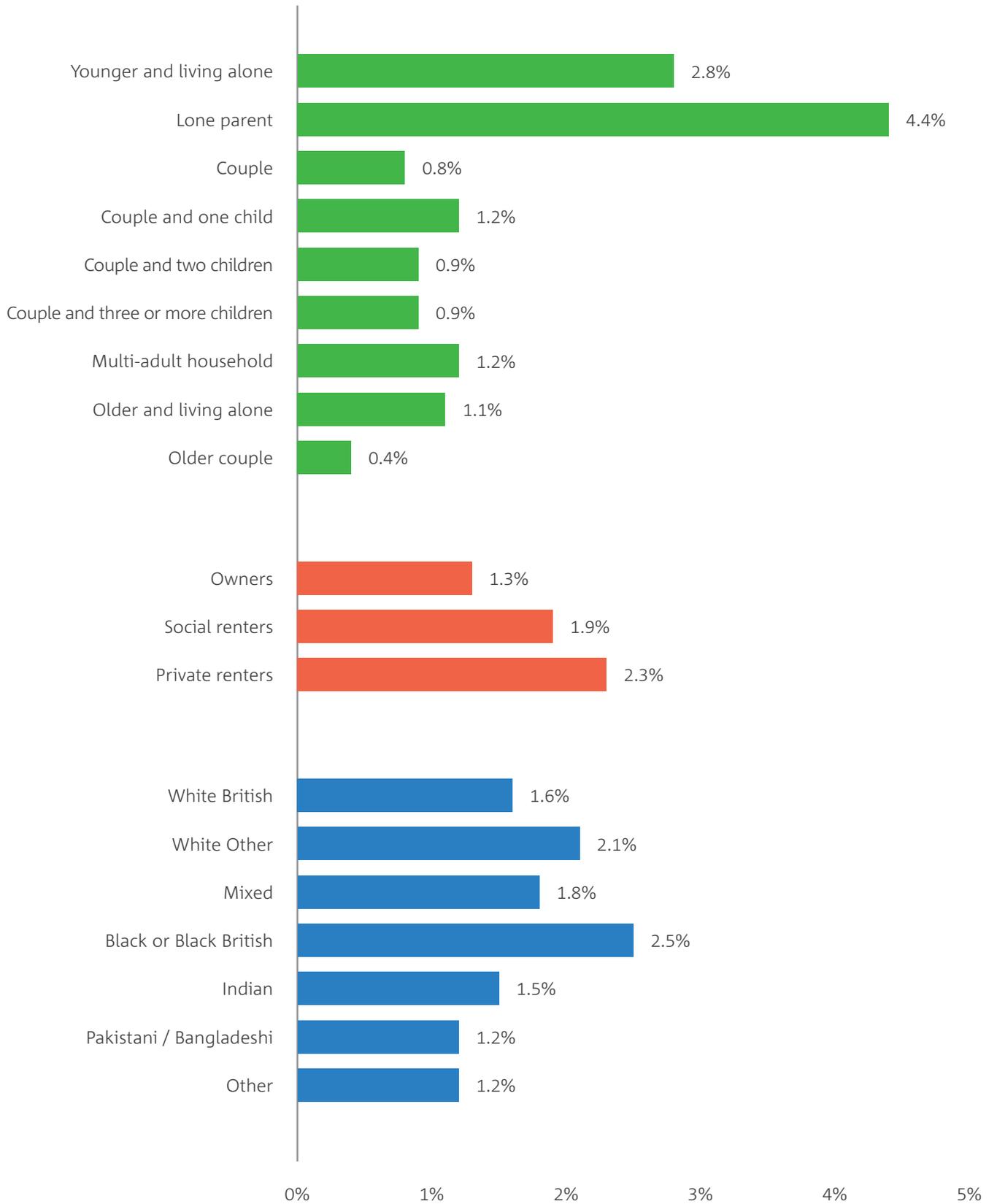
Based on the projections developed by I-SPHERE, the following groups are most at risk of falling into destitution in quarter four of 2020:⁸⁶

- **Single parent households:** 4.4% of single parents are likely to be destitute in comparison to 1.6% of all households.
- **Younger people living alone:** 2.8% of young people are likely to be destitute.
- **Those identifying as Black or Black British** and those from a **White Other** ethnicity are also more likely to fall into destitution. 2.5% and 2.1% of these ethnicities are estimated to be likely to fall into destitution.
- **Private renters:** 2.3% of working age private renters are estimated to be at risk of becoming destitute in Q4 of 2020, in comparison to 1.3% of owners and 1.9% of social renters.

⁸⁵ Destitution in the UK, JRF, 2018 https://www.jrf.org.uk/report/destitution-uk-2018?gclid=CjwKCAjw1ej5BRBhEiwAfHyh1BuSnxXsMYKc7Ghv-qaJG7ncrxG6ct4ocQILuGYhOpK_FoMASEMWUBoCKZAQAvD_BwE

⁸⁶ All figures relate to the working age population of those groups.

Figure 3.3 I-SPHERE analysis of groups most at risk of falling in to destitution in Q4 2020



The risk of destitution and therefore growth in need for food banks is based heavily on one data source for the microsimulation. The *Understanding Society* survey is a robust household survey but like others of its kind may not capture certain groups. I-SPHERE states that around 30% of destitute households do not live in private households. This may mean that the estimates of destitution and therefore increased food bank use are slightly underestimated, but it is likely that most new Covid-19 induced destitution will be among the private household population covered by the survey.

Macro forecast – National Institute of Economic and Social Research (in association with Economics, Heriot-Watt University)

NIESR's figures indicate the economic storm that the country is going to weather in the second half of 2020, as the removal of the JRS, the restart of rental payments for businesses and repayment of business debt start to kick in. The macro-forecast that they have built similarly shows a shocking increase in the number of people that are likely to need to use food banks.

Based on NIESR's modelling of need for parcels from food banks in the Trussell Trust network, their central scenario forecasts 886,000 total parcels distributed in Q3 2020. This would represent a 105% increase on the same period in 2019 around an **extra 450,000** emergency food parcels in comparison to the same period in 2019.

Levels of need are projected to rise further for Q4 2020 and reach 1,325,00 parcels - representing a 153% increase on the previous year. Given that Q4 2019 was the busiest ever quarter previously recorded before this crisis, this is a truly shocking estimate that would result in an **extra 800,000** emergency food parcels.

Given these estimates, food banks in the Trussell Trust network are forecast to distribute 10 three-day emergency food parcels a minute in Q4 2020.

As we move into the first quarter of 2021, levels of need are expected to be slightly lower as the economy recovers marginally. Over a million (1,007,000) parcels are still forecast to be distributed in the first three months of 2021 - an increase of 89% (470,000 parcels) on the previous year.

Table 3.3 Scenarios for increase in food bank parcels from macro forecast

	Q3 2020	Q4 2020	Q1 2021
	Central	Central	Central
Reported levels of need for previous year (same quarter)	Q3 2019: 431,000	Q4 2019: 524,000	Q1 2020: 534,000
Total estimated level of need for food banks in the Trussell Trust network	886,000	1,325,000	1,007,000
Percentage increase from same period in the previous year	105%	153%	89%

NIESR's work forecasts levels of need through the impact on three different groups - those that become unemployed, those that receive lower incomes while remaining employed, and those that are self-employed and whose businesses are interrupted.

NIESR's initial estimates of additional need show a striking impact for those that were self-employed. In NIESR's analysis for Q2 2020 73% of the additional adults estimated to have needed to use a food bank were self-employed. NIESR states that:

'As self-employment is less stable in terms of income, and a person could be self employed by less than two years, the support they receive from the Government is likely not to be enough to cover their basic needs, hence the sharp increase in Q2 2020'.⁸⁷

As a driver of additional levels of need for food banks in the Trussell Trust network, the significance of self-employment is projected to diminish after Q3 2020 and the principal driver of estimated need for Q4 2020 to Q1 2021 is established as loss of employment.

In the first two quarters of the crisis (Q2 and Q3 2020) unemployment was kept relatively low as the JRS kept people formally employed. As this is withdrawn the impact on unemployment and thus levels of need for food banks is expected to be profound. In the opening quarter of the crisis (Q2 2020) just 14% of the additional adults needing support from food banks were estimated from this modelling to be because of unemployment. This increases throughout the rest of 2020 to 48% in Q3 and 90% in Q4. At the beginning of Q1 2021 87% of the additional adults using food banks are expected to be unemployed.

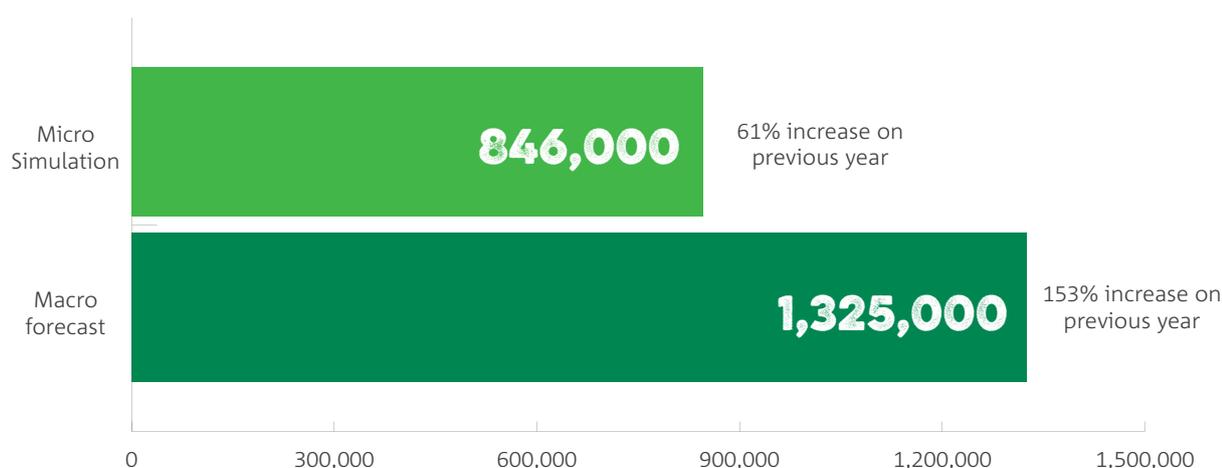
Throughout this period loss of income but not full employment or the closure of a business remains a stable channel for increased food bank use.⁸⁸

How do the models compare?

The headline results from the two platforms are shocking, but understandable given the context of the economic storm that the country is facing in the coming months. The models both estimate that hundreds of thousands of additional parcels will be distributed in the last quarter of 2020 when compared to the same period in 2019.

The models vary in their estimates of future levels of need, but both forecast substantial percentage increases on the previous year. The headline results for Q4 2020 imply 61% and 153% for the micro and macro models respectively, on Q4 2019.⁸⁹ An increase of 61% would result in over 846,000 parcels distributed in the last quarter of 2020, up from 524,000 in the previous year.

Figure 3.1 Estimated level of need at Trussell Trust food banks in Q4 2020



⁸⁷ Projection of Demand for food banks in the Trussell Trust network due to the COVID-19 Crisis: Quarterly at the UK (national) level, (2020), *National Institute of Economic and Social Research, in association with Heriot-Watt University*.

⁸⁸ Full results are available in Appendix C

⁸⁹ Data from the Trussell Trust's administrative database shows that 524,034 parcels were distributed in Q4 2019.

The main difference between the models occurs in Q4 of 2020, when the NIESR model predicts a very sharp spike, whereas the microsimulation shows numbers not so different from Q2. This is due to a combination of three factors within the macroforecasting including:

1. More pessimistic assumptions about the economy and policy - in particular, the complete cessation of the furlough scheme. The microsimulation in comparison includes some continuance of the furlough scheme.
2. The macroforecasting is driven by relationships with key variables (unemployment or income, depending on the group), which display sharp changes in this period, whereas the microsimulation prediction is driven by many variables, not all of which change.
3. The assumption that all additional destitute households/adult/children use food banks, whereas the microsimulation assumes that 56% of destitute people will need support from food banks. 56% is taken from existing research related to destitution.

HOW DO THESE FORECASTS RELATE TO FOOD BANK FIGURES FROM THE TRUSSELL TRUST?

Work on both modelling approaches began in early Q2 2020 as the initial economic and social impact of the pandemic were becoming evident. As such, both models produced initial estimates for Q2 of 2020, with the macro approach also producing an estimate for Q1 2020. These can be used to test the accuracy of the approaches against the figures collected for those periods by the Trussell Trust administrative database.

Food banks in the Trussell Trust network provided just over 530,000 three-day emergency food parcels in Q1 2020 and 743,000 in Q2 2020.⁹⁰ Table 3.4 below indicates that both the macro and micro approaches perform well when forecasting levels of need for Q2 2020.

Indeed, both models are within 5% of the data collected by the Trussell Trust for these periods. At this stage both models slightly overestimate levels of need. The macro approach also ran estimates for Q1 2020 to test robustness of the approach and results are within 5% of the actual results. This level of accuracy provides some confidence in the assumptions that underpin the modelling and therefore in the future forecasts, notwithstanding the high levels of economic uncertainty.

Table 3.4 Forecast total parcels for the first half of 2020 vs. actual Trussell Trust data

	Macro platform		Micro platform
	Q1 2020	Q2 2020	Q2 2020
Forecast total levels of need	554,000	762,000	744,000
Trussell Trust data recording for that period	534,000	746,000	746,000
Percentage difference from Trussell Trust recorded figures	4%	2%	0.3%

⁹⁰ Food banks in the Trussell Trust network input some data through paper vouchers. This means that for some food banks there is a lag between when a person receives a parcel from a food bank and that data being processed. This means that figures for Q2 2020 are likely to be an underestimate.

The assumptions from these modelling platforms are also represented in the survey data that we have collected so far:

- The JRS has so far suppressed larger levels of need - just 4% of those needing to use a food bank during the pandemic were furloughed. The majority (78%) of those that needed to use a food bank during this period had not suffered a drop in income caused by a drop in earnings since March 2020. Indeed, just 18% of households that used a food bank had someone employed pre-March.
- Demographic groups most at risk of destitution are over-represented in our survey data; e.g. single person households and single parents, those identifying as Black British, and private renters.
- Younger people are also estimated to be more likely to have experienced destitution in quarter two of 2020. Our survey data shows that in early 2020 63% of people that visited a food bank were aged 18-44. This has increased to 69% during the crisis.

LOOKING FORWARD

What might affect the levels of need that food banks see against these figures?

The accuracy of forecasts is always vulnerable to changes in the assumptions that underpin them. As such there is a risk that these figures may not prove to match those that come to be recorded by food banks in the Trussell Trust network. This could be positive as new government policies may reduce the projected increases in destitution. Or it may be that due to a range of factors relatively lower levels of need are seen by food banks in the Trussell Trust network, despite levels of destitution rising overall.

The following represent high-level factors that could confound the models:

1. **Changes to government policy:** Significant changes to social security policy or an extension to the JRS could bring a welcome fall in the number of people that are forecast to fall into destitution and need support from food banks over this period.
2. **Economic uncertainty:** The economy is currently prone to shocks depending on the outcomes of Government decisions, such as the tightening or loosening of lockdown measures. Other factors such as the results of Brexit negotiations or the finding of a successful vaccine for Covid-19 may also significantly shift real GDP and the unemployment rate. The modelling results attempt to take these into account by presenting different scenarios but cannot forecast all scenarios in this period of uncertainty.
3. **The continuation of a wide range of provision of food support:** As highlighted in Chapter Two the number of organisations providing emergency food has increased significantly during the crisis, alongside provision for those shielding. Both platforms assume that food banks in the Trussell Trust network will meet 60% of the provision of emergency food parcels in the forecast periods - emergency food being defined here in relation to economic need, where people fall into destitution and require support, rather than providing food parcels to those shielding because of health reasons. If alternative providers continue to operate figures may be lower than estimated. Crucially this does not necessarily mean that the increase in destitution would not have occurred, or that food insecurity will not have become more prevalent, just that more of this need would be being picked up by providers other than food banks in the Trussell Trust network.

4. **Changes to parcel distribution:** The Trussell Trust has historically just reported on the number of three-day parcels that are distributed. During the crisis some food banks have been distributing seven-day parcels to reduce repeat visits or deliveries. The modelling approaches do not distinguish between parcel size which may slightly overestimate the total number of parcels given out.

The impact of government policy

Looking to the long term beyond mid-2021 the decisions that governments at all levels make will affect how many people will need support from food banks. Analysis from I-SPHERE implies that the implementation of significant welfare reform, including the uplift to the Standard Allowance of UC, uprating of the LHA and pauses to deductions, may have suppressed even greater levels of need for 2020.

Suppressing existing levels of need

I-SPHERE's statistical analysis of drivers of food bank up to 2019, including welfare measures, indicated that levels of need in a non-Covid 2020 might have been suppressed by as much as 32% given the policies put in place in March – April 2020. This reduction would have been driven predominantly by the increase in the Standard Allowance.

This analysis is built off an existing model created by I-SPHERE⁹¹, to understand the relationship between food bank use and real-world factors such as rates of income, socio-demographic and geographic factors. The model was previously run to 'predict' levels of need for food banks in the Trussell Trust network in 2019/20. It forecast a c.20.5% increase in England which performs very well against the actual increase seen.

I-SPHERE's work does caution that real world decreases may be smaller than estimated due to statistical and practical reasons. For instance, it may take time for existing food bank users to exit from a cycle of destitution. The results from the survey of people needing to use food banks during the crisis does show that existing levels of need continue to be high. The size of the impact estimated in the model may also be overestimated.⁹²

Analysis of the impact of individual policies is also possible within the micro-simulation modelling. By changing benefit levels within the model, the follow-on increase in food bank use can be assessed. It should be noted that the following figures only relate to changes in additional need and do not take into account changes to the 'existing' population of people that might need to use food banks. The overall impact on food bank use is therefore underestimated.

One policy assessed was the uprating to LHA rates. Rates have been increased for those within the micro-simulation to account for higher levels of support. For estimates of mid-2021 these were subsequently removed in this analysis to assess the extent to which this policy change has suppressed additional levels of need for food banks.

The uplift to LHA rates will likely prevent an additional 2.5 percent of need for food banks in the Trussell Trust network in mid-2021. Overall, this is low in terms of total levels of need but is higher for specific at-risk groups. Private renters would likely experience an additional 12% increase in need in mid-2021 if these had not been uprated. The impact also disproportionately benefits people who identify as Black or Black British. The increase to LHA is likely to have prevented a further 25% increase in levels of need for food bank support from this group. As discussed in the following chapter this indicates the change to LHA has been essential for some groups, and a robust mechanism for uprating it in line with housing costs must be implemented.

91 State of Hunger(2019), *The Trussell Trust*, <https://www.trusselltrust.org/state-of-hunger/>

92 Firstly because the model may be capturing other national time varying factors not included in the model. Secondly because the specific microsimulation test of reversing the UC standard allowance showed a much smaller impact (see below).

Maintaining the social security safety net

This analysis can also be expanded to assess the implications of removing the uplift to the Standard Allowance from April 2021. The impact of this on increased levels of need is significant and must be considered when making the decision of whether to remove this measure. It is important to recognise that this analysis builds on already significant increases and represents excess levels of need to that already forecast.

Overall, removing the uplift to the Standard Allowance would likely further increase levels of need for food banks in the Trussell Trust network by 9%. The impact of this is concentrated amongst larger families, younger people and social renters.

- Those living in families – **couples with one (15%) or two children (21%)** would see higher rates of impact, highlighting that children could again be at the forefront of the impact of the crisis.
- **Younger people in their 20s** would see percentage increases almost twice that of the national average (17% vs. 9%).
- **Those who identify as Indian (37%) and Pakistani or Bangladeshi (27%)** are far more likely to be impacted than those identifying as White British (9%).

The forecasts presented in this chapter represent a reshaping of the landscape of poverty, destitution and food insecurity in this country. In September we sit in the eye of the economic storm to come. But we can still make a difference to these figures and to the lives of the individuals and families they represent. The Government must take heed of this and make the changes necessary to protect those most at risk of being swept into destitution.

CHAPTER FOUR

STRENGTHENING OUR

LIFELINES: GOVERNMENT

ACTION TO HELP WEATHER

THE STORM

Many of the measures the Government has taken will have protected large numbers of people from being swept in to financial hardship and destitution. Despite this, there has been a sustained increase in the number of people needing to turn to food banks in the Trussell Trust network and other forms of support. There is now a vital opportunity to rebuild and shape the society we want to be and to ensure that the safety net we all want to be there for us – and for each other – is as strong as possible. As a priority, we are calling on the Government to:

1. Protect people's incomes by locking in the £20 uplift to UC
2. Help people hold on to more of their benefits through the economic crisis by suspending benefit debt deductions until a fairer approach to repayments can be introduced
3. Make local safety nets as strong as possible by investing £250m in local welfare assistance in England each year

Food banks in our network have responded incredibly to this national crisis, as have many other organisations. We want to see an end to the need for food banks in the UK by tackling the issues that drive people into destitution and needing crisis support. We urge the Government to lead the way.

The impact of Covid-19 and the ensuing economic crisis on food banks has been profound, and all the indications are that as a country we face a major recession and a surge in unemployment. As set out in the previous chapter, the risk of this resulting in increasing levels of destitution and reliance on food banks and other types of emergency support is profound.

There have been repeated calls on the Government to extend the furlough scheme and avoid the cliff-edge that is approaching in October. The summer economic statement set out plans to boost employment and support people in to work. But there is too great a risk that millions of people will fall through the gap of the furlough scheme ending and the economy recovering, and that there will be a wave of redundancies. **We urge the Government to reconsider its plans to close the furlough scheme in its entirety.** Options put forward by experts in the field include taking a sector-by-sector approach or targeting a scheme at businesses and jobs

which are most likely to be sustainable. The government should also consider what further support is needed for people who are self-employed.

As well as taking steps to prevent more people losing their jobs and facing the risk of falling in to poverty and destitution, the Government must take urgent steps to **make sure the safety net that we all rely on is as strong as possible** and prepared to support people over what may be a long haul ahead.

BUILDING ON THE INITIAL RESPONSE

The government acted with urgency in response to the crisis, creating the Coronavirus Jobs Retention Scheme and the Self-Employed Income Support Scheme, introducing a £20 increase to the UC Standard Allowance and raising the LHA. This was built on by separate measures taken in England, Scotland, Wales and Northern Ireland, particularly investment in forms of local welfare assistance. A huge amount of effort was also put in to ensuring that new UC claims were processed quickly and people could start getting the support they are entitled to, and DWP should take credit for this.

This package of support offered by government at the start of the crisis has undoubtedly helped many people.

Although very welcome and important, these measures have not been enough to avoid the unprecedented level of food bank use seen across the Trussell Trust network over the past few months.

More action is needed to support families being pulled into hardship right now, including the millions of people are already relying on our social security safety net, and the many more who will come to rely on it over the coming months.

There must be a recognition of the unique role the social security system needs to play to protect people from serious financial hardship and to make sure that people already in destitution are pulled out of it swiftly and protected from falling back in.

There is a growing consensus around this. Polling conducted on our behalf by YouGov shows that seven in ten people agree that ‘it seems more important to have a good welfare system now than it did before the crisis’⁹³.

A crucial time for the nation

We believe that urgent action is needed on a number of fronts, and that there is a compelling need for the Government to support those most vulnerable to the Covid-19 economic crisis and to send a powerful signal about its concern for those at all groups in our society. The forthcoming Comprehensive Spending Review and Autumn Budget represent important opportunities for delivering these changes.

Our policy recommendations reflect the new evidence that is set out in this report. But they are also based on three core principles, which we believe should also inform the Government’s response:

- **Acting with urgency** - many people are already experiencing or at growing risk of destitution. Responses should focus on what can be delivered quickly, building on existing measures to offer protection through the recession.

93 Survey of 2,004 GB adults (18+) conducted online by YouGov on behalf of the Trussell Trust. Fieldwork was completed 16th – 27th June 2020. The figures have been weighted and are representative of all GB adults (18+)

- **Treating people with dignity** – people deserve the dignity to make their own choices, and solutions which are focused on raising incomes and reducing costs are always preferable to solutions involving the provision of food.
- **Leaving no one behind** - social security policy needs investment at multiple levels, to ensure particular groups are not left behind.

With this evidence and principles in mind, we have prioritised three calls on central government. This alone will not be enough to end the need for food banks, but we believe they will make significant impact on levels of destitution and ensure our social security system is weather-proofed quickly for the coming storm.

We call on the Government to:

Protect people's incomes by locking in the £20 uplift to UC

At the start of the pandemic, the Government announced the biggest boost to social security in a decade – in the form of the uplifts to UC, working tax credits and LHA. This benefited some of the hardest hit across all nations of the UK. This was desperately needed, with benefit values at their lowest level in decades going into the pandemic. The changes have stopped thousands from needing to turn to food banks across the UK, and without them the projections in this report would be even more alarming. The work by Heriot-Watt University indicates that removing the uplift in UC would see a rise in use of food banks in the Trussell Trust network of almost 10%.

The changes to UC and working tax credits were introduced as temporary measures. There is no reason why people will be in any better position come April 2021 than April 2020. A reduction of £20 to UC standard allowance will jeopardise the financial resilience of millions of individuals and families, and put many more at risk of destitution and food bank use. There should be a parallel increase in the value of legacy benefits, to ensure everyone is receiving this vital additional support.

It is very welcome that the uplift to the LHA will continue beyond April 2020. It is now vital that the Government commits to making sure there is a robust mechanism for uprating rates in line with housing costs.

The government did the right thing in increasing these benefits. Rather than considering pulling this lifeline away, it should commit now to maintaining it and extending it to everyone who relies on the social security system.

Help people hold on to more of their benefits through the economic crisis by suspending benefit debt deductions until a fairer approach to repayments can be introduced

The government should immediately suspend all benefit debt deductions until a fairer approach to repayments can be introduced to reduce the pressure facing individuals and families across all nations of the UK.

This suspension would cover debts such as Advance Payments and benefit overpayments which come as a result of the five-week wait or from administrative errors. It cannot be right that people are given with one hand by the social security system, but taken away from with the other through these kinds of deductions to their benefits – which too often push them to needing food banks.

Suspending benefit deductions will also help people afford essentials such as utility bills and rent through the crisis, with third-party deductions being excluded from this measure. These should be prioritised over the recovery of government debt.

Going into the pandemic, almost a fifth of UC claimants were having 30% or more of their Standard Allowance deducted, which would leave a single person with just £50 a week and put them within the threshold of destitution. As we enter a period of serious financial uncertainty, we should not be compounding people's hardship with excessive deductions by the Government. The suspension of several deductions at the start of the crisis was welcome and showed the ease with which this issue can be tackled. The plan to reduce maximum repayments down to 25% and extend the repayment period for advances to 24 months from October 2021 is also welcome, but comes far too late for the millions who will face financial hardship over the next 12 months.

That is why we are calling for the immediate suspension of benefit debt deductions, while the Government introduces fairer approach to repayments in line with private lenders' practice. This should include carrying out affordability assessments, reducing maximum deductions to 10% and writing off historic debts.

Make local safety nets as strong as possible by investing £250m in local welfare assistance

The government should invest annual funding of £250 million for local welfare assistance in England. This would bring spend in England closer to levels in Scotland, Wales and Northern Ireland.

In times of unpredictable crisis, including the ongoing reality of 'local lockdowns' to control the spread of the virus, local welfare assistance from councils can help people who are struggling to afford the most basic essentials and provide an extra safety net for people who fall through the gaps in national provision. However spending in England has fallen dramatically over recent years, and there are often significant barriers to people getting support.

The investment of £63 million for local welfare in England through the Local Authority Emergency Assistance Grant for Food and Essential Supplies has expanded the capacity of councils in England to provide support in the people in financial crisis, through cash grants or in-kind benefits. It represented the biggest investment in local welfare in a decade, but is only enough to cover what local authorities need for three months. This opportunity to rebuild local welfare will be wasted if further funding is not allocated for these essential schemes.

The Comprehensive Spending Review will result in new levels of funding in Scotland, Wales and Northern Ireland. It is vital that action on destitution is taken at all levels of government, and we will continue to highlight to the devolved governments the steps that they need to take.

An unprecedented opportunity for unprecedented times

The term 'unprecedented' has been used repeatedly these past few months – in terms of the global impact of Covid-19, the response of local communities, action taken by governments, and the way in which all of our lives have changed. Food banks in the Trussell Trust network have certainly never seen a time like this before, and – like many charitable organisations – have done an outstanding job of supporting enormous numbers of people in their local communities. As a nation, we now have an unprecedented opportunity to rebuild and reshape our society as we wish it to be and the safety net we should all be entitled to.

Appendix A: Surveys of people that need to use food banks

I-SPHERE at Heriot-Watt University have conducted two surveys on behalf of the Trussell Trust in 2020.

Early 2020: 716 adults aged 18+ that needed to use a food bank completed a survey questionnaire between mid-January 2020 and early March 2020.

The survey questionnaire was administered on tablets at 43 food banks across the United Kingdom, selected using stratified random sampling. The number of food banks per region was assigned to be proportional of the share of food parcels distributed by food banks in the Trussell Trust network. Further detail on sampling are available here: <https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/11/Technical-Summary.pdf>.

Data are weighted by the household composition and number of visits in the past 12 months to match the profile of all people who visited all food banks in the Trussell Trust network during the survey period.

Mid 2020: 435 adults aged 18+ that needed to use a food bank across the United Kingdom completed a survey questionnaire between 22nd June 2020 to 31st July 2020.

Due to social distancing requirements paper survey invitations were inserted into food parcels at random to be distributed, at the same 43 food banks selected for early 2020. Respondents had a choice of completing the survey online or over the phone.

Data are weighted by the household composition, region and whether the household ever used a food bank before March, to match the profile of all people who visited all food banks in the Trussell Trust network during the survey period.

UK comparisons: UK comparisons are from I-SPHERE's analysis of the Labour Force Survey Q4 2019 household dataset, unless a different source is stated.

Percentages are rounded to the nearest percent.

Appendix B: Micro-simulation modelling

This appendix provides a high-level summary of the approach, key sources and assumptions that underpin the microsimulation model. For a full outline of the methodology please view the paper published by I-SPHERE alongside this report.

The approach

On behalf of the Trussell Trust, the I-SPHERE team at Heriot-Watt University have built a static microsimulation of the impact of the economic shutdown on working age adults and households across the UK.

This platform models the way job losses and reductions in hours/earnings related to the economic crisis caused by COVID-19, affect different individuals and households, and the extent to which this leads them into more extreme forms of poverty and destitution. From this, additional levels of need for support from food banks in the Trussell Trust network can be estimated.

The 'static' qualifier in the title underlines that this approach involves making specified changes in the situation of selected members of a model population, but not attempting to represent the whole continuous process of change and adjustment in people's behaviour, choices and interactions in various markets.

I-SPHERE built this platform from the *Understanding Society 2017-18* survey drawing primarily on Wave 9 (2017-18) but bringing in some information from the preceding wave. This is a large representative survey that contains both individual and household data. Given relatively stable economic and societal conditions it can be taken to be broadly representative of the pre-Covid UK population. The sample size is large (N=36,055 individual adults in c.20,000 households). Some additional information (e.g. on housing markets) is attached to these micro data at Local Authority District (LAD) level (N=380). Financial variables are retained at 2017-18 values, except that the UC standard allowances have been adjusted to reflect the changes announced in late March 2020 in response to Covid-19.

Key sources

The I-SPHERE team have been supported in this work by ProBono Economics, David Simmonds Consultancy and IPPR.⁹⁴ They have produced separate reports that highlight different elements of the economic impacts of the Covid-19 crisis and associated lockdown measures, including the likely sectoral impact, the reach and limitations of government response measures, and impacts at local level and for particular groups:

94 For further detail on these reports please contact the research team at the Trussell Trust

Table B.1 Contribution of different organisations to micro-simulation

Organisation	Input
ProBono Economics	The impact of and take up of policy measures including the JRS and the SEISS.
	Specific business finance and viability issues for specific sectors.
David Simmonds Consultancy	Inter-industry and regional multiplier effects of economic change down to the local authority level.
IPPR	Likely impacts on overall employment by industry sector under three economic scenarios.
	Likely impact on overall employment dependant on employer behaviour

These reports were reviewed alongside a range of forecasts including NIESR's, issued over the period up to June, and made particular use of the ONS 'Business Impacts of Coronavirus' Survey from the end of May 2020. A release of data from HMRC also allowed detailed modelling of the take-up of the furlough scheme within the *Understanding Society* dataset. HMRC's release contained full sectoral breakdowns of the number of claimants as well as the value claimed.

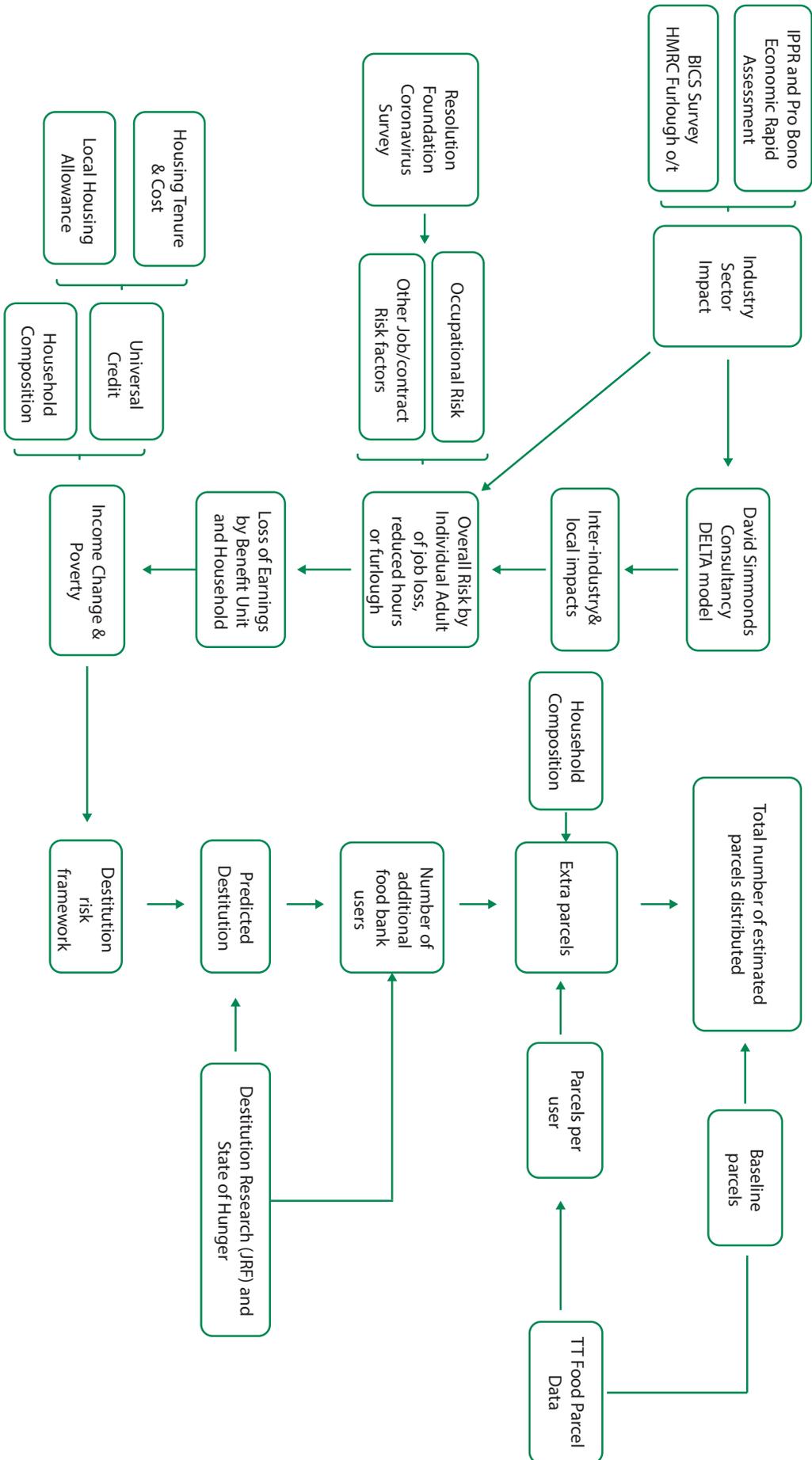
These different sources provided the foundation of how the platform models individual level job losses and reductions in hours / earnings. By applying this external information to the data that *Understanding Society* contains on employment for each household (including contract type, industry and length of employment) changes to the household's employment and income status were modelled.

The modelling approach

The following diagram provides a high-level summary of the stages and inputs that the microsimulation takes to estimate levels of need for food banks in the Trussell Trust network.

This diagram shows how the sectoral employment projection derived as described above, drawing on a range of outside inputs, was then complemented within the survey dataset by taking account of additional risk factors and working this through to estimates of income losses, benefit entitlement and resulting poverty levels for individual households.

Figure B.1 Flow diagram of micro-simulation



The destitution risk framework:

Once a household has been assigned an outcome on employment and income change due to the economic impact of Covid-19, the modelling platform uses detailed household and individual level information from data contained within *Understanding Society* to estimate a risk of falling into destitution. Higher scores on each of these factors worsens a household's chance of falling into destitution after they have become unemployed or suffered reduced hours / earnings.

The below summarises the four calculated risks associated with falling into destitution. These are presented as a red-amber-green. Within the modelling a greater emphasis or weight is placed on scoring for poverty and levels of savings or debt, than UC or social family and health.

Table B.2 Framework developed to assess household risk of destitution

	Red	Amber	Green
Poverty	Household income is less than 40% of the median (After housing costs). Or less than 60% of the median and the household suffers from three or more material deprivations.	Household income is less than 60% of the median but the household does not suffer from three or more material deprivations	Household income is greater than 60% of the median and the household does not suffer from three or more material deprivations
UC	Household is not eligible to receive a positive amount of UC.	Household eligible for positive amount of UC but affected by any of -Benefit Cap, Bedroom Tax or limit to LHA	Household eligible for positive amount of UC and not affected by caps
Savings and Debt	Household is under high level of debt stress ⁹⁵ or has no savings	Household is under moderate debt stress and has less than £500 of savings	Household is not under debt stress and has savings of more than £500
Social Family and health	Person has low levels of family support, is socially isolated and is either disabled or caring for someone.	Person has low levels of family support or is socially isolated and is either disabled or caring for someone within the household.	Person has higher levels of family support, is not socially isolated and has no disability and does not care for someone within the household

How the microsimulation considers changes to social security

As the opening chapter of this report detailed there have been several significant changes to social security introduced by governments across the UK. The modelling work deals with these in the following ways:

- Increase to Standard Allowance: for those claiming UC or estimated to claim UC, levels have been adjusted to reflect the changes announced in late March 2019 in response to Covid-19 (currently applicable for one year).
- Up-rating of LHA: Those claiming LHA or the housing element of UC (as a private renter) have had the amount they receive increased to the maximum for that area.

⁹⁵ Defined as households that are in arrears on housing or other bills, have problems with credit card payments, or have high credit card debt.

- Changes to deductions: the modelling cannot input these as there is not enough detailed information on the amounts of debts, overpayments and arrears that households are in.
- Increases LWAS funding and the introduction of free school meal support over the holiday period: These have not been modelled as not enough is known about their functionality at a local level.

Key assumptions on projected level of need for support from food banks

The modelling carried out within the microsimulation provides the total number of additional people that are at risk of being swept into destitution because of loss of employment, or income in late 2020 and mid-2021. The following assumptions are used to assess what this will mean for levels of support needed from food banks in the Trussell Trust network:

- That 56 percent of destitute households (excluding migrants and complex needs cases) will use a food bank. This is based off a survey of destitute people in 2017.
- That 60% of those that need to use a food bank will use one in the Trussell Trust network.
- That each person that will need support from a food bank in the Trussell Trust network within each quarter will return 1.78 times within that quarter. This is based off evidence of the number of visits within quarter two of 2020 from the Trussell Trust administrative database.

A Non-Covid-19 2020

The microsimulation model specifically estimates 'additional' levels of need. Some work has gone into estimating what a non-COVID 2020 and 2021 would have looked like without the economic crisis in order to provide a baseline to add this 'additional' need to.

The baseline includes an estimate of the impact of the introduction of the welfare changes on the existing population of people that would have needed support from food banks regardless of the economic crisis. This non-COVID 2020 and 2021 was calculated by:

1. Taking the average number of parcels distributed for the equivalent period a year earlier. E.g. for quarter two 2020 an average of the monthly parcels distributed in quarter two 2019 was used. For Mid-2021 an average across quarter two and three 2019 was used.
2. Inflating this by the annual growth trend voucher data from the Trussell Trust – taken here to be 10%.
3. Taking into account the impact of social security easements – taken here to reduce levels of need by 20 percent.
4. Reducing the total number of parcels distributed by 10,000 to allow for reduced level of need from homeless people due to the special provision for these individuals during the Covid-19 period.
5. Reducing the total number of parcels distributed by 10,000 to conservatively account for the increase in alternative food provision.

All scenarios and time period

The microsimulation provides estimates for three different time periods. The first is for Q2 of 2020. This analysis was used to calibrate the model to match closely with the recorded levels of need that food banks in the Trussell Trust network were seeing for this period. It also provides future estimates of need for Q4 of 2020 and an average for Q3 and Q4 of 2020. This platform provides three scenarios, ranging from optimistic to pessimistic.

Table B.3 Full range of scenarios of predicted food bank use and percentage increases on previous year

Scenario	1	2	3	4	5	6	7
Time frame	2020 Q2	2020 Q4	2020 Q4	2020 Q4	2021 Q2/3	2021 Q2/3	2021 Q2/3
Relative Economic Outturn	Est Act	Better	Central	Worse	Better	Central	Worse
Total TT parcels	743,562	782,338	845,740	932,143	618,516	688,947	754,536
Previous year actuals	Q2 2w019: 411,968	Q4 2019: 524,034			Mid 2019 average: 421,628		
Percentage increase on previous year	80%	49%	61%	78%	47%	63%	79%

Alongside the estimates for the number of three-day parcels needed to support people in these periods, the additional number of destitute people is also estimated.

Table B.4 Full range of scenarios of predicted additional destitute households and persons

Scenario	1	2	3	4	5	6	7
Time frame	2020 Q2	2020 Q4	2020 Q4	2020 Q4	2021 Q2/3	2021 Q2/3	2021 Q2/3
Relative Economic Outturn	Est Act	Better	Central	Worse	Better	Central	Worse
Percent of working age population that are additionally destitute %	1.71%	1.36%	1.62%	1.96%	0.74%	1.01%	1.30%
Additional Destitute households	316,613	251,999	301,205	363,451	138,243	187,588	239,442
Additional Destitute persons	720,576	566,895	672,905	817,372	305,775	423,536	533,201

Appendix C: Macro-forecast modelling

This appendix provides a high-level summary of the approach, key sources and assumptions that underpin the macro-forecast model. For a full outline of the methodology please view the paper published by NIESR alongside this report.

The approach

NIESR in partnership with Economics at Heriot-Watt University have built a macro-forecast looking at the impact of the economic shutdown on working age adults and households across the UK.

This platform models how job losses, the closure of business impacting on those that are self-employed and reductions in hours/earnings affect levels of need for support from food banks in the Trussell Trust.

The model looks at the historical relationship between unemployment and wages, and the number of emergency three-day parcels distributed by food banks in the Trussell Trust network to assess how forecasts of unemployment will impact on need.

The Wealth and Assets Survey 2017 which is a representative sample of Great Britain was used to project the impacts of income shocks on individuals that remain in employment (particularly self-employed individuals) and small businesses. The work in this survey allows NIESR to estimate the number of people who remain in employment but have lower levels of income and are therefore swept into destitution.

Key sources

The main source of economic forecasts for the macro model are taken from NIESR's NiGEM (National Institute Global Econometric Model, NIESR 2018) model projections from the August 2020 Review (NIESR 2020). The below table highlights the forecasts from this model:

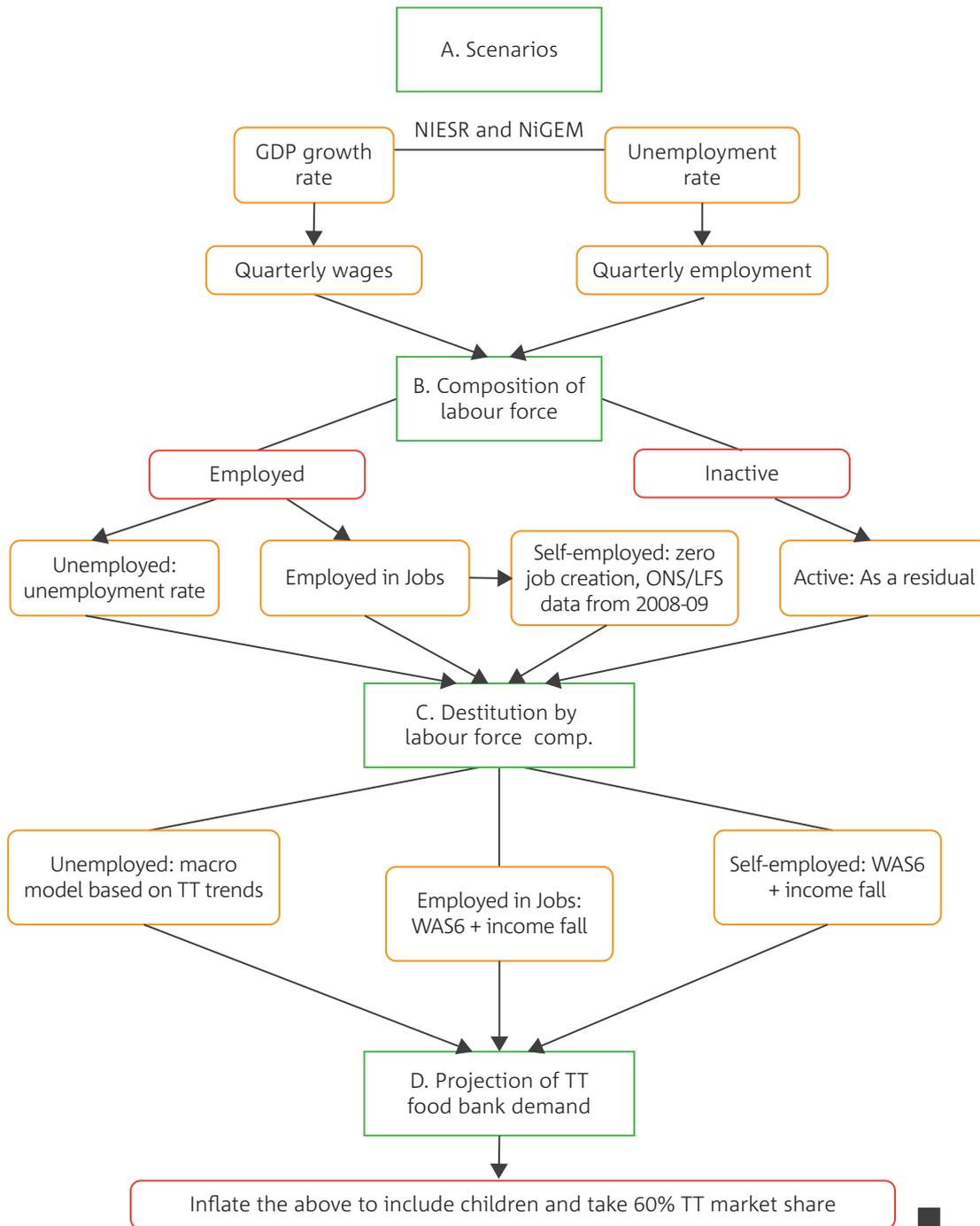
Table C.1 Projected growth rate of Real GDP (per cent relative to previous year)

Quarter	Growth rate scenarios			Likely scenario
	Pessimistic	Optimistic	Likely growth	Unemployment rate
2020Q1	-2.1	-1.4	-1.7	3.9
2020Q2	-21.7	-16.5	-19.1	4.3
2020Q3	-14.1	-12.0	-13.0	5.9
2020Q4	-12.2	-0.5	-6.3	9.8
2021Q1	-9.6	2.5	-3.5	6.8

The modelling approach

The following diagram provides a high-level summary of the stages and inputs that the macro-forecasting takes to estimate levels of need for food banks in the Trussell Trust network:

Figure C.1 Flow diagram of macroforecasting model



Framework for assessing levels of need for food banks in the Trussell Trust network:

It is assumed that the COVID19 impact on food banks arises from three sources:

1. Persons losing their livelihood (unemployment)

The number of people that lose their jobs and need to use a food bank is determined by historic macro analysis of trends between the unemployment rate, wages and income, and quarterly use of food banks in the Trussell Trust network. The model also takes into account seasonal differences and time trends in food bank use.

2. Persons employed in jobs suffering reduced income (either because of furlough or reduction in hours) and thereby pushed into food poverty.
3. Self-employed persons moved to food poverty either because of income loss or because their businesses are not being covered sufficiently by the Government's small business schemes.

The number of people who suffer income loss but remain employed, that need to use a food bank is based on analysis using the UK Wealth and Assets Survey data for 2017. For persons employed in jobs, this entails looking at the existing proportion that were destitute in the data, and comparing this with the proportion that would become destitute when the average decrease to wages are applied to them. For self-employed persons, in addition to reduced income as above, those who have paid very low taxes and paid themselves largely through dividends are also added in, assuming that these persons may not receive adequate small business support from the Government.

The table below details which groups are driving increased use of food banks throughout the forecast periods:

Table C.2 Drivers of increased demand on food bank use – total number of working age adults

Quarter	Increased demand on food bank use: Drivers		
	Unemployed	Lower income in jobs	Self-employed
2020 Q1	0	22,514	19,847
2020 Q2	22,691	22,263	118,862
2020 Q3	107,981	21,806	94,265
2020 Q4	377,064	19,908	20,084
2021 Q1	191,414	21,429	7,640

How the macro-forecast considers changes to social security

The macro-forecasting exercise, by its very nature, cannot take full account of micro-level changes in policy interventions related to social security. However, the macro-forecasting exercise accounts for the benefits system in two simple ways. First, the forecasts are based on income after housing costs, assuming that LHA and related benefits cover housing costs. Second, recent temporary enhancements to UC scale rates are approximately modelled by enhancing the destitution benchmark weekly earnings by £20.

Key assumptions on projected level of need for support from food banks

The modelling carried out within the macro-forecast provides the total number of additional working age adults that are at risk of being swept into destitution because of loss of employment, or income loss in 2020 and early 2021. The following assumptions are used to assess what this will mean for levels of support needed from food banks in the Trussell Trust network:

- It was assumed that the number of economically inactive persons is not affected substantially by the crisis. However, in principle, percentage of inactive persons may be on the lower side during the crisis, since other household members may find job search and retention more difficult. Inactivity rate had been falling over the past few years and just up to the crisis, it was at its lowest ever at 35.6%. This is assumed fixed at this proportion over the period under study.
- This model inflates the number of working age adults by a ratio of children to adult need for food parcels. For every additional working age adult that is estimated to need to use a food bank 0.6 children are added. This is based off evidence from the Trussell Trust's administrative database during quarter two of 2020.
- Every person that is estimated to need to use a food bank in the Trussell Trust network is assumed to need to return 1.78 within a quarter. This is based off evidence from the Trussell Trust's administrative database during quarter two of 2020.
- That 60% of those that need to use a food bank will use one in the Trussell Trust network.

A Non-Covid-19 2020

The macro-forecast model specifically estimates 'additional' levels of need. Some work has gone into estimating what a non-COVID 2020 and 2021 would have looked like without the economic crisis in order to provide a baseline to add this 'additional' need to. NIESR describe this as a non-COVID counterfactual.

The non-COVID counterfactual on levels of need for 2020 and 2021 was obtained by time-series regression of growth in semi-annual food parcel demand (Trussell Trust, 2020) on the unemployment rate and wages (in logarithms), after accounting for non-stationarity and seasonal trends in the relevant variables. About 53% of the total variation in annual growth rate of Trussell Trust food bank use is explained by this model.

All scenarios and time period

The macro-forecast provides estimates for five different time periods. The first is for quarter one of 2020. It also provides future estimates of need for quarter three and four of 2020 and for quarter one of 2021. This platform provides three scenarios ranging from optimistic (O) to pessimistic (P).

Table C.3 Full range of scenarios for macroforecasting model

Time frame	2020 Q1			2020 Q2			2020 Q3			2020 Q4			2021 Q1		
	O	Central	P	O	Central	P	O	Central	P	O	Central	P	O	Central	P
Scenario															
Total TT number of parcels non-COVID	482,101			483,977			505,105			615,580			631,920		
Total forecast additional TT parcels	64,777	72,014	81,179	241,996	278,487	544,058	218,943	380,887	665,897	606,606	708,995	817,221	279,491	374,822	483,393
Total forecast TT parcels	546,878	554,115	563,280	725,973	762,464	1,028,035	724,048	885,992	1,171,002	1,222,186	1,324,575	1,432,801	911,411	1,006,742	1,115,313
Previous year actuals	Q1 2019: 454,312			Q2 2019: 411,968			Q3 2019: 431,287			Q4 2019: 524,034			Q1 2020: 533,917		
Percentage increase on previous year	20%	22%	24%	76%	85%	150%	68%	105%	172%	133%	153%	173%	71%	89%	109%



LOCKDOWN, LIFELINES AND THE LONG HAUL AHEAD:

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in the Trussell Trust network

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