



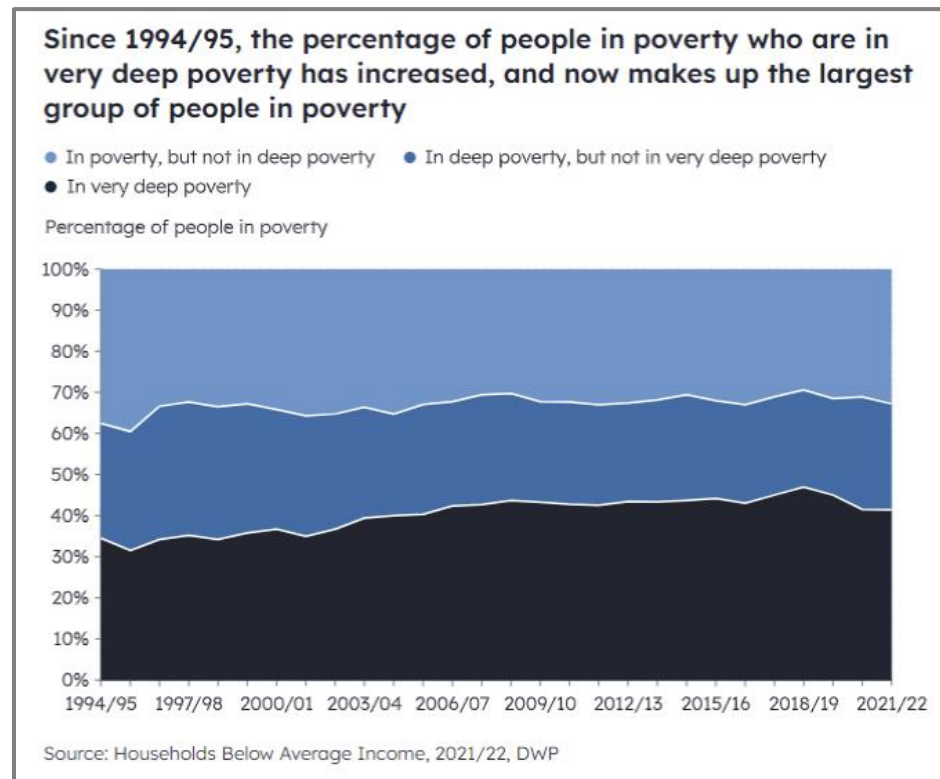
Tackling UK food poverty

Preamble

- A lot of people in this country go hungry.
- For the very poor, it is a common experience.
- There are others, less poor, who often skip a meal because they don't have the money, or have to spend it on something else.
- Possibly those who suffer food poverty the most are children.
- A great number of people who are hungry don't have to be.
- Particularly those who are either on, or who qualify for, Universal Credit.
- There could be £20 billion of benefits in this country which is available to those who could claim.
- The reasons why they don't are complicated – a mix of personal and institutional circumstances.
- For some reason, there's never been any motivation to fix the problem. Governments may not be highly engaged; commercial concerns can't see the situation as a market opportunity.
- We think there is a way forward – to get the money to the needy, to get more children fed.
- The position is set out over the pages which follow.

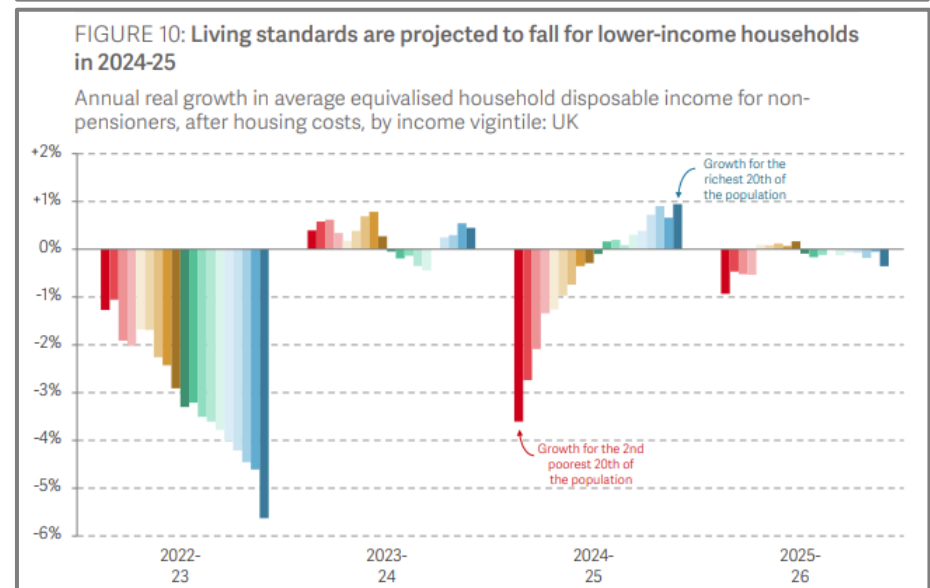
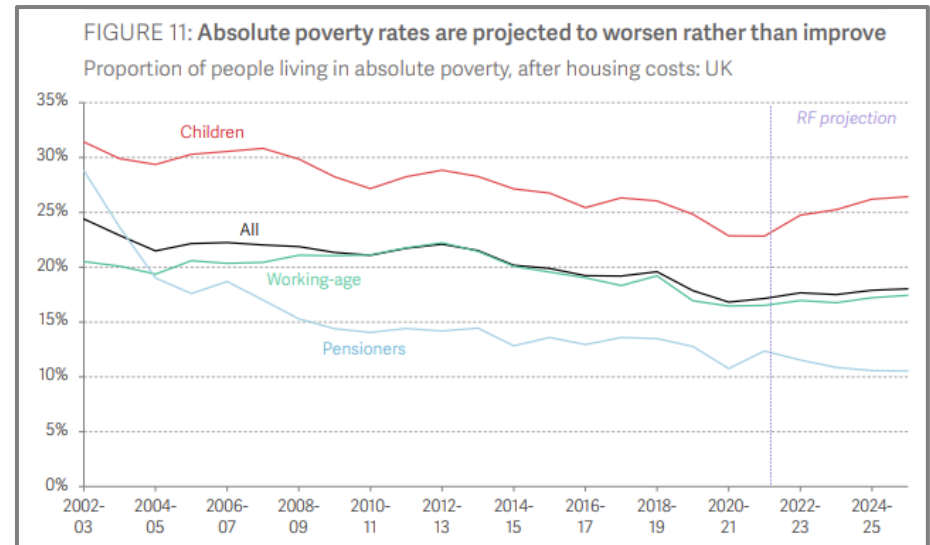
The UK poverty line is set low: many are below it

- Households are considered to be below the UK poverty line if their income is 60% lower than median household income after housing costs.
- About 20% of families are in this state.
- The average gap from the median wage to the poverty line was £6,200 for a couple with two primary school age children in 2022.
- For the same family in deep poverty, it was more than twice this amount.
- Material deprivation is where you can't afford certain essential items and activities
- Destitution is where you can't afford basics such as shelter, heating and clothing.
- 'Poverty is a complex issue – not least because there's no one perfect way of measuring it'. **Trust for London.**



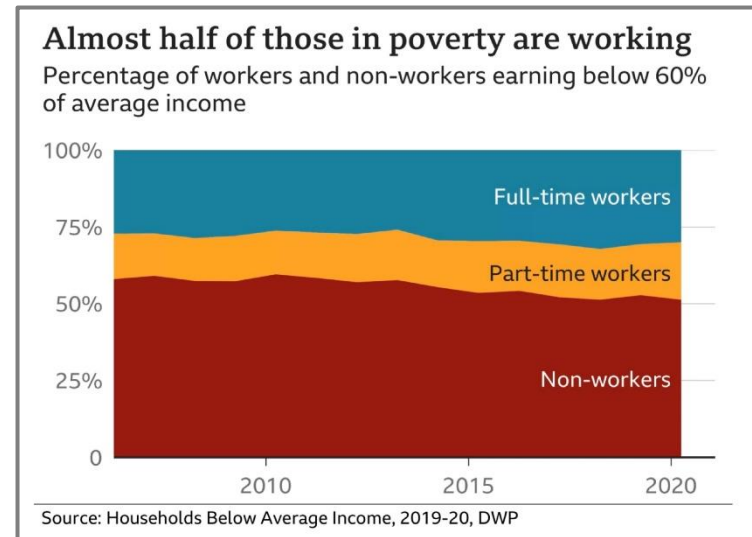
The circumstances of poverty are unlikely to fundamentally improve

- The economic drivers affecting poverty have been tightening, not reducing.
- The Resolution Foundation said last year that the number in absolute poverty would increase by 10% in the next year. It has.
- Food inflation has abated slowly, but prices are at historic highs.
- The proposals we are setting out today cover the very large cohort above the destitute, most of whom are barely coping or coping less well because of the increased strain on their financial circumstances.



Poverty has been creeping up the social classes

- There are tiers, gradations, of relative poverty in the population.
- Unite says ‘of the 1.6 million people on Universal Credit, 530,000 were in employment’.
- Food poverty extends upwards from the destitute into higher socio-economic groupings, ‘the just about managing’ and ‘middle-class strugglers’, for example.
- The think tank Policy in Practice reckons that up to 300,000 higher rate taxpayers may be eligible for Universal Credit.
- Also, they say, a household earning a maximum gross income of well over £100,000 with rental and childcare costs could be eligible.



Our particular focus is food poverty

- Around 4.7 million people in the UK are deemed to be food insecure – split evenly between those in poverty and those not in poverty.
- The experience of food insecurity is widespread among people on low incomes, but its prevalence grows the worse off people are.
- Research by the Joseph Rowntree Foundation (JRF) found that a majority (61%) of people who experienced destitution – the severest form of hardship – lacked food in 2022. **JRF,UK Poverty 2024**
- JRF's cost-of-living tracker found that in the 30 days before being surveyed in October 2023, six in ten households in the bottom fifth of incomes (58%) had either cut down on or skipped meals, or gone hungry because there was not enough money for food.
- That is 3.4 million households in the bottom fifth of incomes going without the food they need.

Revisiting the JAM population, c.2016.

- In July 2016, in her first speech as prime minister, Theresa May talked about those who were 'just about managing' to pay their bills, the JAMS. Labour's Ed Miliband had previously called them the 'squeezed middle'.
- JAMs were in employment, but on relatively low income. Typically, they had very little in the way of savings.
- A more specific definition was 'JAMs describe those people in the bottom half of the income distribution table, but above the bottom 10%, who receive no more than one-fifth of their income from means-tested benefits - in other words those in employment, but on very low income,' Tina Hallett, Government and Public Sector leader at PwC.
- In November 2016 that worked out as families with earnings of £305 a week after tax – or £19,000 a year before tax.
- According to the Bank of England's Inflation Calculator, this would be £24,800 in today's money.
- In the ensuing six years the JAMS have faced a variety of challenges: the covid pandemic, a technical economic recession, the outbreak of a European war, an energy crisis, unprecedented inflation (for this century) and a significant rise in mortgage costs.
- It's no wonder then that people like the JAMS have struggled, barely coping because of the increased strain on their financial circumstances.
- Even so, because of their number, they have huge purchasing power.
- But as consumers, might they be better organised?
- We think so.

Many JAM kids fall through the safety net

The logo for the Financial Times (FT), consisting of the letters 'F' and 'T' in a bold, black, serif font, set against a solid orange square background.

- There are 198 school days in a year.
- At Potts' school this would mean that £396 would need to be found for a school meal for each 'JAM kid' for every day of the school year.
- This sum would be covered by many Universal Credit qualifying JAM families, many of whom do not apply for benefits.

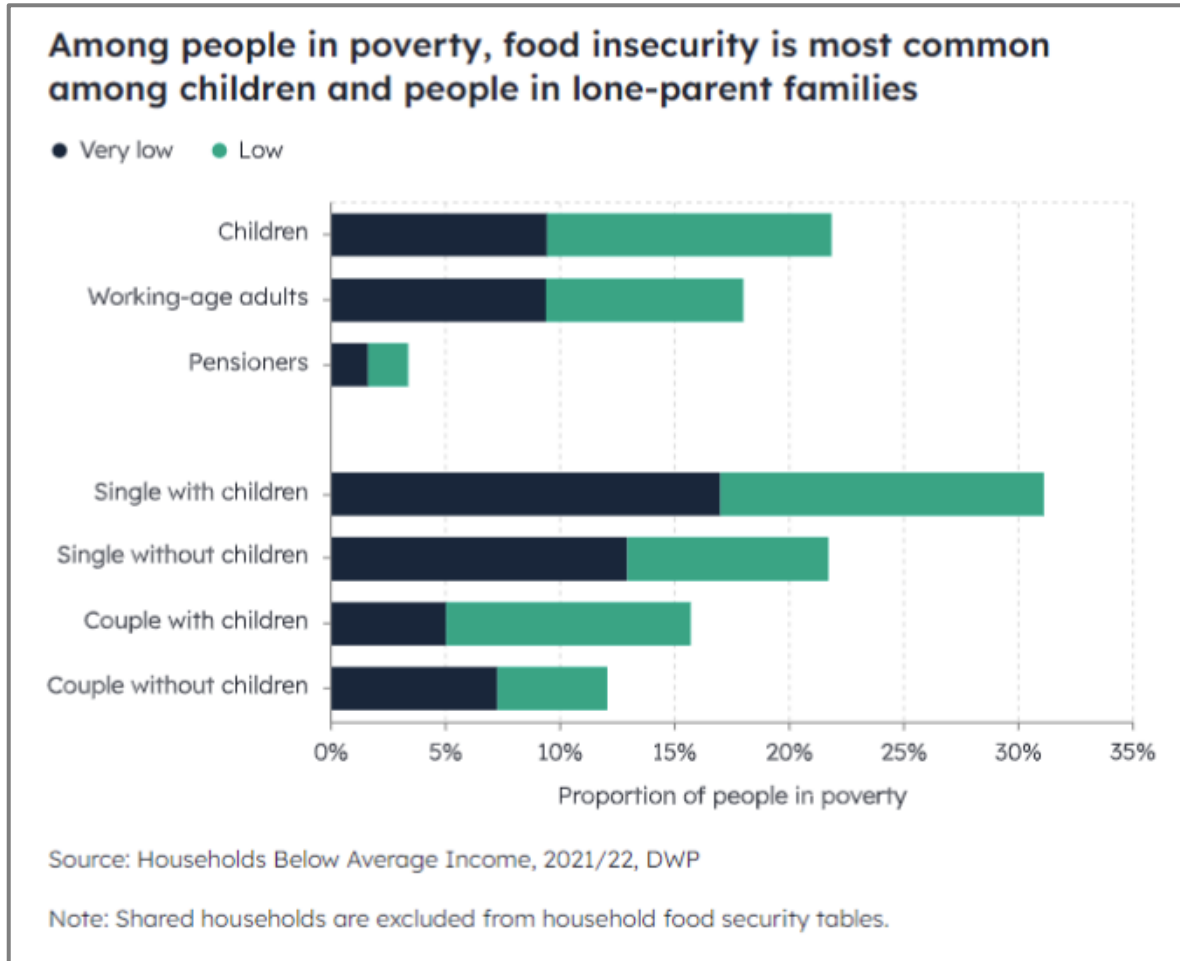
Shortly before Easter, Glyn Potts began to suspect that the children had not been eating. Potts, a statuesque headmaster in his mid-forties, watched uneasily from the mezzanine over the central lobby of Newman Roman Catholic College in Oldham. Every lunchtime, hundreds of schoolchildren materialised from all directions, jostling out of their classrooms and descending noisily down staircases to the benches below. Many rushed off to collect hot food or to the ever-popular panini counter.

But from his vantage point above, Potts could see that some of them were just waiting, hanging back until right before the bell rang to signal the end of the lunch break. More and more kids had begun sidling up to the dinner ladies at the end of lunch break, asking if any chips were going spare.

These were the “jam” kids, Pott’s term for children whose families were “just about managing” and so didn’t meet the British government’s threshold for free school meals. The jam kids were now routinely coming into school without the £2 they needed for a hot dish, a pudding and a drink. They were queueing for scraps.

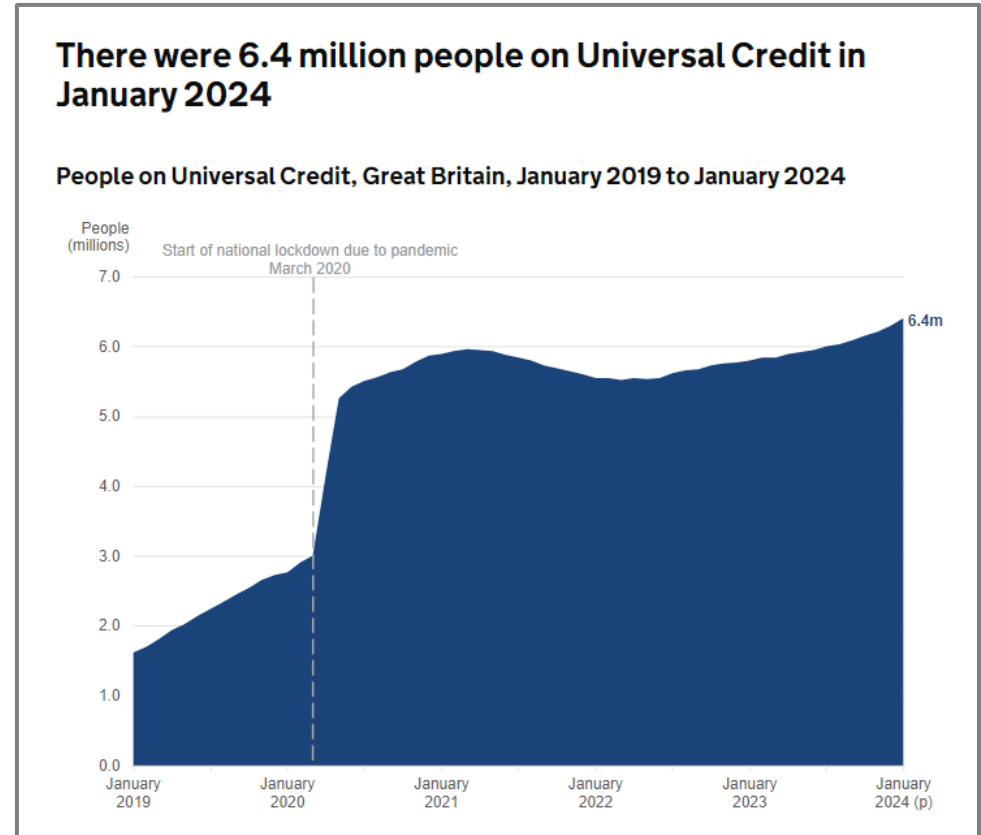
FT, August 31, 2023

Children are particularly vulnerable



Increasing Universal Credit applications is an indicator of the growth in UK poverty

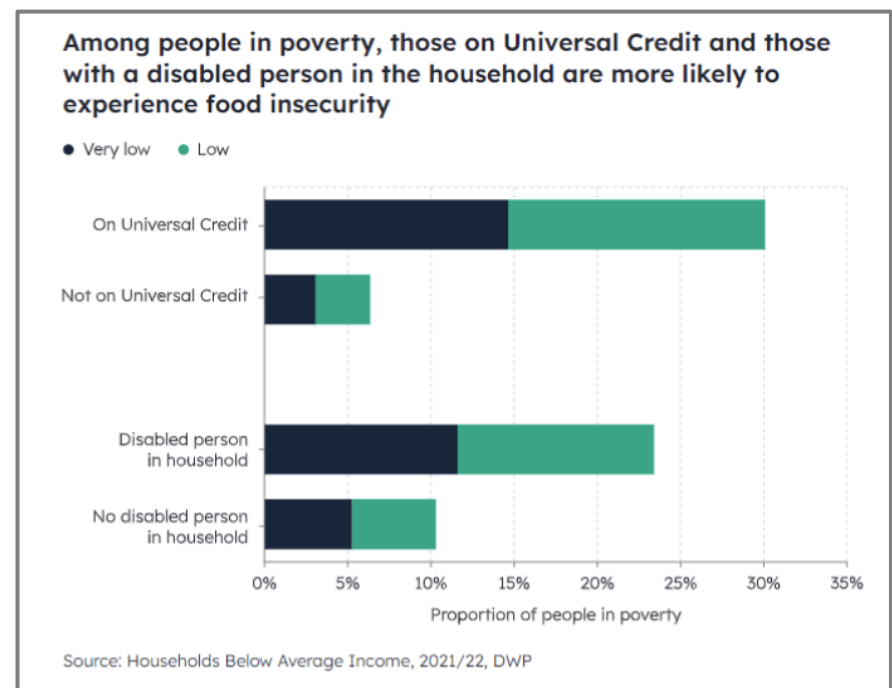
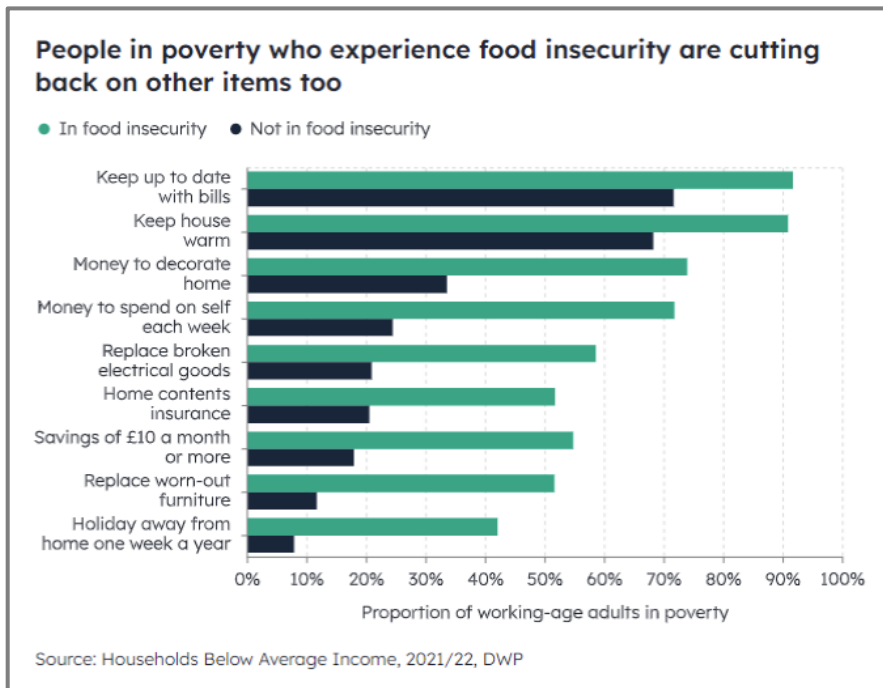
- According to DWP, there were 6.4 million people on Universal Credit in January 2024.
- ‘There were 39,000 ‘starts’ per week’.
- The ONS says ‘People on Universal Credit are reckoned to be five times more likely to have experienced food insecurity the past six months than the general public’.
- Households with children accounted for half of all payments.
- 33% of the UK population spent at least one year in relative income poverty between 2011 and 2014, the long-term average. This has increased over the past two years.



DWP, 2024.

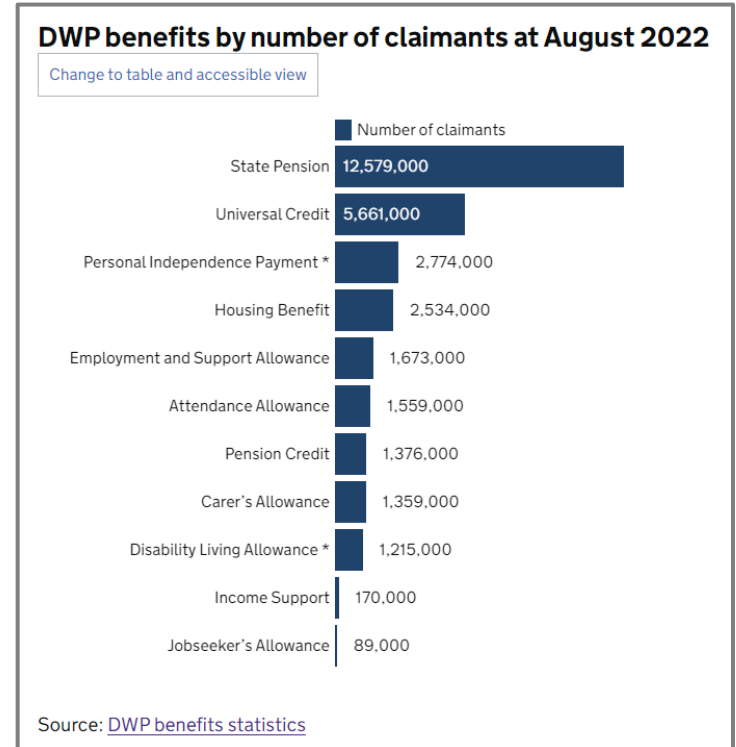
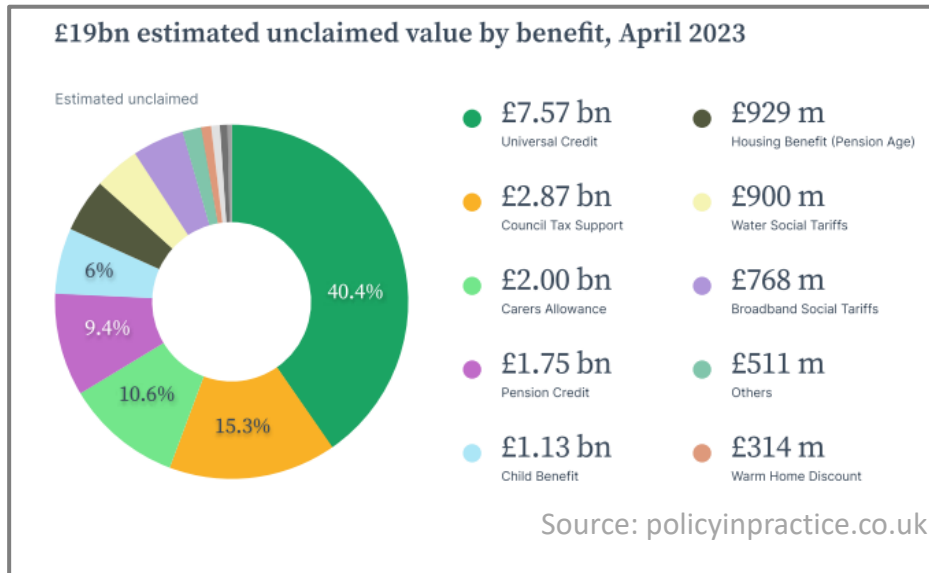
Among people in poverty those on Universal Credit are more likely to experience food insecurity

- Also, people in poverty who experience food insecurity are often in difficulty with other aspects of daily living.
- JRF surveys have found that 78% of households in the bottom fifth of incomes who were going without other essentials were also going without food.



Charities wishing to make the biggest impact could ‘follow the money’: target the unclaimed benefits

- There could be as much as £22 billion of unclaimed benefits.
- This is spread across many benefit categories despite the move to consolidate under Universal Credit.



This will mean reaching out to a considerable proportion of UK households

- The UK total number of households receiving some sort of benefit is 28.4 million.
- There is clearly a considerable amount of double, even multiple, counting, but the extent of underclaiming is extraordinary.
- According to Policy in Practice, £7.5 billion of UC goes unclaimed by 1.2m households.
- Council Tax support is the most underclaimed with 2.7 million people missing out on £2.8 billion of support.

Unclaimed benefits by number of households not claiming and annual value

Benefit	Eligible households not claiming	Estimated unclaimed (£m)
DWP/HMRC benefits		
Universal Credit	1,255,000	£7,565
Carers Allowance	500,000	£1,996
Pension Credit	850,000	£1,754
Child Benefit	765,000	£1,130
Housing Benefit (pension age)	260,000	£929
Locally administered benefits		
Council Tax Support	2,729,000	£2,873
Free School Meals	244,689	£159
Healthy Start	211,558	£65
Social tariffs and energy support		
Water social tariffs	5,714,000	£900
Broadband social tariffs	5,334,332	£768
Warm Home Discount	2,092,138	£314
Unclaimed energy vouchers	380,000	£152
Free TV licence	850,000	£135
Total	21,185,716	£18,740

Note: The total shown for the number of eligible households not claiming more accurately represents the total number of claims to be processed. Many households will be eligible for and missing out on more than one benefit.

Take just one London Borough

- Tower Hamlets Council has identified the amount of unclaimed benefits.
- The total is £110 million annually, amongst a population of 320,000 spread across:
 - £52 million in unclaimed Universal Credit
 - £6 million in unclaimed Child Benefit
 - £17 million in unclaimed Council Tax support
 - £13 million in unclaimed Carer's Allowance
 - £9 million in unclaimed Pension Credit
 - £12 million 'in other unclaimed support for yourself and your family including cheaper household bills, free TV licences, and free food, vitamins and meals for your children'.

Tower Hamlets Council website.

Why don't people claim their entitlement?

- The list of obstacles is formidable. Each person has their own individual circumstances.
- The **complexity** of multiple application mechanisms, different places to apply to, not understanding the application processes, getting together supporting documentation, literacy and linguistics issues.
- Signposting, messaging, **navigation**, help with administrative barriers, dealing with a system which is often unsupportive. Are DWP and Citizens Advice always on the claimant's side? Government communications could be so much better.
- Awareness, **understanding**, of the scope of benefits and qualification criteria. Just getting started. Or persevering.
- Personal **circumstances**: issues with addresses, bank accounts, domestic situations, changing life circumstances, digital exclusion. Even the perceived stigma of having to apply. The effect of/on mental health. Many charities and local authorities can identify the needy, but do they have a bias to action?

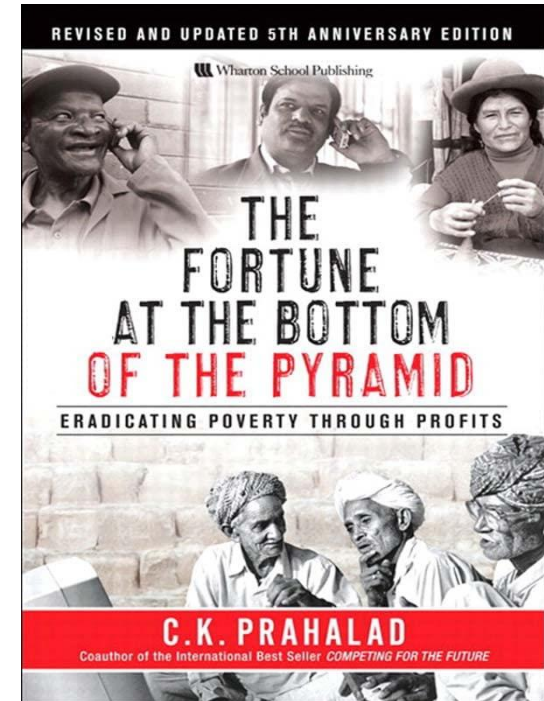
Commercial organisations which would see all of these issues as barriers to a sale are programmed to systematically work to dismantle them, customer by customer.

The unclaimed benefits represent a huge amount of potential purchasing power

- Collectively, we are talking about predominantly on, or who qualify for, UC which includes many JAMS.
- Our proposition would also incorporate a significant proportion of claimed benefits and income.
- We are talking about literally millions of households.
- Effectively mobilised, they would represent significant purchasing power.
- While they have less disposable income than those who are further up the wealth scale, they are a formidable component of the 'Market at the Bottom of the Pyramid'.
- Unclaimed benefits at about £20BN are 8 percent of the value of the UK grocery market.
- We believe that we have an appealing proposition which would promote financial inclusion and make a worthwhile contribution to reducing food poverty.

This means that there is a potentially large revenue opportunity for food retailers to access

- Twenty-five years ago, business strategist Professor C.K. Prahalad in his book, 'The Fortune at the Bottom of the Pyramid' put forward the proposition that businesses, governments and charitable organisations should stop thinking of the poor as victims and instead start seeing them as resilient and value-demanding consumers, offering a new profit opportunity for their firm.
- Prahalad saw that there were poverty reducing possibilities if firms worked with civil society organisations and governments to create new business models.
- Prahalad also suggested that there were other non-financial benefits for companies who chose to serve an 'invisible, unserved sector which most companies ignore'.
- Unclaimed benefits would be a huge revenue opportunity for those organisations who could harness them on behalf of the needy.



We are looking for a charity to implement our proposition

- There are long established charities who lobby on the issue of under-provided benefits, usually to a government which seems to have made up its mind.
- There are also many think tanks who focus on poverty, charitable food provision and practical support for the needy.
- We see our contribution is making what exists work better, or for some people, doesn't work at all.
- We want to help establish rallying points and systems to make existing programmes work better for those who need them.

Can you help us to help others?

- We need a helping hand to help others.
- We think we have a workable proposition to address the situation we have set out.
- But given our limited resources, we haven't the scale to take it much further.
- What it needs now is the support of a charity with the capability to bring it to fruition – to bring a lot more happiness to many families' lives.
- The project's income is self-generating, meaning that it would not require much of the charity's capital at all.
- If we have it right, it will soon generate sufficient income to more than cover its administration costs.
- The kind of charity we are looking for will be comfortable talking to senior people in government and business
- If you are sufficiently intrigued, we'd like to talk to you further
- Please contact us in the first instance by emailing simonhymas@foodforfamilies.info