## Destitution in the UK 2018

As a society we believe in protecting each other from harm and yet last year over 1.5 million people went without the bare essentials and were locked out of the chance of building a decent and secure life.

#### Chris Goulden

Deputy Director of Policy and Research

Over 1.5 million people experienced destitution in the UK at some point during 2017. This means that they could not afford to buy the bare essentials that we all need to eat, stay warm and dry, and keep clean. This research examines why this is happening in our society and what we can do to rectify it.



365,000 children were living in destitution

at some point during 2017



People were pulled into destitution by a combination of factors: benefit delays, gaps and sanctions; harsh debt recovery practices (mainly by public authorities and utilities companies); financial and other pressures associated with poor health and disability; high costs of housing, fuel and other essentials; and, for some groups — including young people — even lower levels of benefits than for others, and for some migrants, no eligibility at all.

### What you need to know about destitution

To protect people from becoming destitute and support those who end up in destitution, the UK Government needs to:

- End the freeze on working-age benefits so they at least keep up with the cost of essentials and do not create destitution.
- Change the use of sanctions within Universal Credit so that people are not left destitute by design.
- Review the total amount of debt that can be clawed back from people receiving benefits, so they can keep their heads above water.

#### Solutions to destitution

In our society, no-one should be left to starve or live on the streets and everyone should have access to basic essentials and shelter.

- The Universal Credit system must ensure that benefit gaps, sanctions and freezes do not push working-age people to the brink and make them destitute by design.
- Uncoordinated debt recovery practices can leave people with practically nothing to live on. This
  is unacceptable, and the Department for Work and Pensions and other public authorities must
  address this.
- People facing destitution need emergency relief and this should be provided through Local Welfare Assistance schemes across England, drawing on positive lessons from other UK countries, operating to a national minimum standard.
- Social landlords must be encouraged to play a central role in preventing and alleviating destitution amongst their tenants.

# Background

It's not right that anyone should have to face destitution in our society. Yet around 1.5 million people were destitute in the UK at some point during 2017.

The research team developed a definition of destitution based on the views of the general public and experts:

## People who have lacked two or more of six essentials over the past month, because they cannot afford them:

- Shelter (have slept rough for one or more nights),
- Food (have had fewer than two meals a day for two or more days),
- Heating their home (have been unable to do this for five or more days),
- Lighting their home (have been unable to do this for five or more days),
- Clothing and footwear (appropriate for weather) and
- Basic toiletries (soap, shampoo, toothpaste, toothbrush), or
- Had an income that was so low, and no savings, so that they would be likely to lack these
  essentials in the immediate future.

## **Key findings**

- 1,550,000 people, including 365,000 children, experienced destitution in the UK over the course of 2017.
- Destitution typically happens when people have been trapped in sustained poverty and long-term hardship.
- People are generally pushed from severe poverty into absolute destitution by a combination of
  factors: debt, benefit and health problems. Extremely low levels of benefits, especially for younger
  people, or no eligibility for benefits, for some migrants, also drive people into destitution.
- Single men under 35 years old are at highest risk of destitution. Three-quarters of those in destitution were born in the UK.
- Almost all people experiencing destitution live in rented, temporary or shared accommodation.
   Homeowners and older people rarely experience destitution. The lack of low-cost rented housing and gaps between rent and housing benefit levels push people over the brink.
- Destitution is clustered in major northern cities and some London Boroughs. Rates are low in the prosperous parts of southern England.
- Levels of destitution have declined by around 25% between 2015 and 2017, and benefit sanctions changes appear to be the most significant factor behind this.
- The high sanction rate within the Universal Credit system could lead to an increase in levels of destitution in the future.

#### The context for destitution

Concern about destitution in UK public and political debate has intensified over the past three years. Significant increases in the number of people using foodbanks, and sharp increases in rough sleeping in England, have focused public attention on the existence of the most extreme forms of deprivation in our society. Extended restrictions on the benefits and support available to asylum seekers and EEA migrants is another factor.

The rising cost of living and ongoing squeeze on mainstream working-age benefits are locking people in a daily struggle trying to make ends meet. Problems with the structure and administration of Universal Credit have created a perfect storm for many recipients waiting for payments.

"... because I had some arrears, which I knew nothing about until they told me. So, I've got to pay all that back, so I'm living on about maybe £200 for a month and by the time I pay out my electric, or what debts I've got, it leaves me with nothing, so I've got to rely on the foodbank or neighbours for food."

[Female 25-45, UK - other]

## The people affected by destitution

It is unacceptable that in our society approximately **1,550,000 people, 365,000 of them children**, were destitute in UK at some point over the course of 2017. This estimate focuses exclusively on households in touch with crisis services whose circumstances fitted a strict definition of destitution endorsed by the general public.

While some groups of migrants face disproportionate risks of destitution, three-quarters (75%) of those destitute in the UK in 2017 were born here. The highest risks of destitution are faced by younger single men aged under 35. Destitution or severe poverty are both extremely rare in the 65-plus age group.

Two-thirds of destitute households live in rented accommodation (the majority in social housing), with the other third staying in some form of temporary or shared accommodation or sleeping rough.

Destitution is clustered mainly in northern cities with a history of deindustrialisation, together with several London boroughs. Rates of destitution are low in affluent suburban and rural or small-town districts in the prosperous parts of southern England.

#### Routes into destitution

There is no single cause of destitution. People on low incomes in our society are pushed over the brink into sustained and severe poverty by a combination of interacting factors preventing them from meeting basic needs. It can take very little to push them under, and there is insufficient support to help people get themselves out of destitution.

For the 'UK-other' (not migrant and without complex needs) destitute group, who are 68% of the total, the crushing effect of multiple debts, and sometimes harsh recovery practices on the part of public authorities, applies constant pressure, trapping people in severe poverty. Benefit gaps, delays and freezes, as well as sanctions, are key factors in preventing people from getting by, and pushing them into destitution. Disability and ill-health are common complicating factors that severely constrict people's ability to escape destitution. Housing Benefit restrictions mean that households commonly have to 'top up' rental payments from their (already inadequate) subsistence benefits, preventing them from meeting their basic needs, such as purchasing food and fuel.

"They told me that they paid the housing benefit element [of Universal Credit] straight over to [Council] and then what was put into my bank account was my disposable income for the month for myself. Well, it turned out that actually they were putting all elements of it into my bank account, but when I was only receiving £350 a month, I didn't understand how that was supposed to cover me living and my rent...so I've got a massive bill for rent arrears now, that I have to pay back...[during this time] we were entitled to a food parcel."

[Female, under 25, UK - other]

For some people in the UK-other group, low-paid, insecure employment and erratic pay, alongside gaps in benefits, prevent them from achieving a decent standard of living and contribute to their tipping into destitution. For a small subset, relationship breakdown, usually in combination with debt and housing difficulties, saw them being pushed to the brink and forced to live in destitution.

"...my ex-partner, left me with loads and loads of arrears on the rent. I'm making up the rent arrears, as well as paying Bedroom Tax, which is £17 a week. Straight away £44 goes out of our benefits to Bedroom Tax and arrears... [the foodbank] ...get quite a lot from them, as I say, we couldn't have got by without them."

[Female, 25-45, UK - other]

For the *complex needs* group (15% of the total destitute population, one-third of whom are migrants), debt, benefit and health issues were also factors. Their situations also included high levels of relationship breakdown (including domestic violence), experience of drug or alcohol problems, or being in trouble with the police, and, in some cases, eviction and housing problems.

Routes into destitution for many *migrants* without complex needs (16% of the destitute population) shared some similarities with those of UK-born interviewees. However, they often faced additional difficulties that prevented them from having a decent minimum standard of living, including lack of access to the UK labour market, benefit eligibility restrictions, or extremely low levels of benefits. This position has deteriorated for both vulnerable EEA migrants and asylum seekers since 2015.

### The experience of destitution

People experiencing destitution lack the basics we all need to live at a minimal level of decency. Food was cited as the most commonly-lacked item, with 62% within the group reporting that they had gone without over the past month. Nearly half (47%) had lacked basic toiletries, with 46% lacking suitable clothing and 42% having to go without heating.

One in five people who were destitute reported lacking lighting at home, and 16% had recently slept rough.

Nearly half of all destitute households reported lacking three or more of these essentials in the month before they were surveyed.

"They made me go eight weeks without any money...I did have to live basically out of a food bank... [and]... how can I pay for heating and that when I didn't have any money coming in?"

[Male, 25-45, UK - other]

The complex needs group, especially those that were migrants, reported the highest overall levels of deprivation. There was an increase since the 2015 study in interviewees commenting that their benefit income was insufficient to afford even bare essentials.

There was qualitative evidence of physical health and social relationships being adversely affected by destitution, but the predominant impact seemed to be on mental health. Depression, severe stress and anxiety were commonly reported, with a few interviewees admitting to having suicidal thoughts. Being forced into destitution by events such as debt, job loss, or benefit delays and sanctions were often highly stressful in themselves. The resulting lack of essentials and inability to maintain a sense of personal dignity further undermined mental health and well-being. Destitution undermined people's confidence, leaving them dispirited and resigned.

Worse still, there seems to have been some deterioration in the support available to destitute households over the past two years. In particular, the proportion of destitute service users reporting no source of money at all has increased from 10% to 18%. This situation was more common among the migrant and complex needs subgroups (24% and 22% respectively).

A rise in income from paid work (up 8 percentage points since 2015, albeit from a low base) may suggest an increase in 'in-work destitution', with people restricted by an economy which does not allow them to work their way out of severe poverty.

A sharp fall in the proportion of destitute service users reporting in-kind help from Local Welfare Funds (down 28 percentage points since 2015) is consistent with wider evidence on the erosion of these funds across England, as cash-strapped local authorities are forced to cut back on 'non-statutory' expenditure.

At the same time, a large increase in those reporting reliance on in-kind help from charities/ churches is particularly concerning, given evidence of the humiliation this entails. We need to redesign the emergency assistance system so that it sufficiently supports people at times of crisis. But addressing just the symptoms is not enough: we need to address the drivers of destitution.

"I went to the vicar quite a lot and he helped me with food and stuff, and chip shops were giving us free food, chips and fish and chips free."

[Male, 25-45, UK - complex needs]

Another striking finding in the 2017 survey was that half of all migrant respondents received no in-kind help at all.

#### Routes out of destitution

We need the benefit system to act as a lifeline for those facing destitution. For interviewees who had managed to escape destitution, resolving benefit issues was often the key determining factor, such as the end of a benefit delay or a change in eligibility status. Bringing debts, fuel or housing costs under control also featured heavily in the accounts of the UK-other interviewees who were no longer destitute. However, many were still trapped in severe poverty. In a couple of cases, securing paid work had allowed people to escape destitution, offering them the chance to build a secure life with a decent standard of living. All of the migrants who had escaped destitution had found employment.

#### Trends in destitution

Destitution levels have declined by around 25% between 2015 and 2017. Several factors seem likely to account for this indicated fall. In particular, there has been a dramatic fall in Jobseekers Allowance benefit sanctions, and a key finding of our original study was that these were a significant factor in destitution. However, current sanctioning rates are much higher in Universal Credit, and continuing the roll out on the current model risks an increase in sanctions-prompted destitution.

The period up until April 2017, when our survey took place, also saw jobs expanding and unemployment falling. As a further important factor, overall migration has fallen and in particular migration from some new EU Member States, a group potentially vulnerable to destitution, has fallen noticeably. However, there are countervailing factors including a rise in refugee and asylum-seeking migrants and a rise in homelessness.

## About the project

This summary is based on research from the report Destitution in the UK by Suzanne Fitzpatrick, Glen Bramley, Filip Sosenko and Janice Blenkinsopp with Jenny Wood, Sarah Johnsen, Mandy Littlewood and Beth Watts, I-SPHERE, Heriot-Watt University.

The project fieldwork comprised case studies of destitution in 16 locations across the UK, including a user survey of 103 crisis services (in March-April 2017), and in-depth interviews with 41 people affected by destitution (in summer 2017). Secondary analysis of over 40 quantitative datasets enabled the scaling up of statistical findings from these case studies to national level.

## For further information

This summary is part of JRF's research and development programme.

Read more summaries at www.jrf.org.uk
Other formats available
ISBN 978-1-911581-36-9

Joseph Rowntree Foundation The Homestead 40 Water End York YO30 6WP Tel: 01904 615905 email: info@jrf.org.uk www.jrf.org.uk Ref: 3291

