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Food banks, social security, and the cost-of-living crisis

Summary

This paper focuses on the rising use of food banks and the wider context of hunger, food insecurity and poverty across the country. The Government has made reducing inflation one of its priorities and has introduced some measures to support families and households struggling with the cost-of-living, but food bank use and destitution levels are increasing. Churches are at the forefront of supporting people in their local communities, whilst members of the Lords Spiritual have made the case in the House of Lords for policies that protect the most marginalised in society, ensuring that our social security system supports everyone through difficult times. The motion from the Diocese of Sheffield sets out a compelling case for the introduction of an Essentials Guarantee, which would ensure that the basic rate of Universal Credit is sufficient to cover life's essentials.

The incidence of food bank use and trends in use

1. Food banks have become an increasingly common part of provision to alleviate hunger and food insecurity across the United Kingdom. The Trussell Trust, an anti-poverty charity founded on Christian principles, has been operating UK-based food banks since 2000 and has a network of more than 1,300 food banks. There are more than 1,000 independent food banks which are not affiliated to the Trussell Trust, alongside other kinds of food aid providers. The Trussell Trust advocates and campaigns for policies that will address hunger in the UK, aiming to end the need for food banks.
2. The Department for Work and Pensions (DWP) published [statistics](#) on food bank use for the first time in March 2023. In 2021/22, 2.1 million people in the UK lived in a household which had used a food bank during the previous twelve months. DWP [calculates](#) that there are 4.7 million people (7% of the UK population) in households experiencing [food poverty](#) in 2021-22, 12% of whom are children.
3. The most recent [statistics](#) from the Trussell Trust, which cover the period 1st April 2023 – 30th September 2023, show that food banks within their networks distributed 1.5 million food parcels to people facing hardship, which represents a 16% increase compared to the same period in 2022. More than 500,000 emergency parcels were distributed for children, an 11% increase compared to the same period last year. Between April – September 2023, 320,000 people used food banks in the Trussell Trust network for the first time, and 65% of all parcels provided were for families with children.
4. The Food Foundation has [highlighted](#) the disproportionate impact of the cost-of-living crisis on households with a disabled adult, with nearly 4 in 10 experiencing food insecurity in June 2023. The causes are attributed to the comparatively low wages and employment rates of disabled people, and the higher expenditure requirements of disabled people on other essentials.

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The wider economic picture

5. There has been a sustained period of low growth in the UK since the global financial crisis of 2007/2008. Real wages grew by 33% a decade from 1970-2007, but the Resolution Foundation has [calculated](#) that the subsequent flatlining of wages has cost the average worker £10,700 per year in lost wage growth. In the period since the global financial crisis, nine million young people have never worked in an economy with sustained average wage rises.
6. Food prices have been particularly affected by high inflation since the pandemic, the resulting changes in the labour market, and Russia's invasion of Ukraine. The annual [rate](#) of UK food and non-alcoholic beverages price inflation increased to 19.1% in the year ending March 2023, the highest annual rate since the 1970s. In November 2023, prices of food and non-alcoholic beverages had risen by 9.2% over the previous twelve months, an easing in the inflation rate even as food prices remain high.
7. The Food Foundation has [noted](#) the growing number of 'food insecure' households, in which people are eating less or going a day without eating because they could not access or afford food. In June 2023, 17% of households in the UK were food insecure, compared with 8.8% in January 2022 and 7.4% in January 2021.

Poverty and the social security system

8. These challenges raise questions about the adequacy of the social security system. DWP's most recent [figures](#) from August 2023 showed that 22.6 million people were claiming benefits in Great Britain. Universal Credit, which has been rolled out gradually since April 2013 to replace several income, housing and child-related benefits, is claimed by 6.2 million people as of October 2023. Approximately 40% of people claiming Universal Credit are in work.
9. In its 'Economy 2030 inquiry', the Resolution Foundation has [observed](#) that working-age benefits have for many decades risen only in line with prices, rather than keeping pace with (generally faster growing) earnings. Yet in ten of the last fifteen years, benefit levels have not kept pace with prices which, along with wider cuts since 2010, has reduced incomes of the poorest fifth households by just under £3000 a year.
10. In October 2023, the Joseph Rowntree Foundation (JRF) [published](#) its latest 'Destitution in the UK report', which outlined that approximately 3.8 million people – including one million children – were unable to meet their most basic needs to stay warm, dry, fed and clean in 2022. The proportion of destitute survey respondents who reported visiting a food bank in the previous month had increased from 22% in 2019 to 35% in 2022.
11. The Trussell Trust and JRF [launched](#) the 'Guarantee our Essentials' campaign in February 2023. The Essentials Guarantee would tie the rate of benefits to the cost of essentials for adults in a household, measured annually through an independent process. [Analysis](#) from JRF and the Trussell Trust indicates that this support would need to be at least £120 a week for a single adult and £200 for a couple to guarantee

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their essentials. There is a gap between these figures and the current standard Universal Credit allowance of £35 per week for a single person over the age of 25, and £66 per week for a couple over the age of 25.

Actions taken by the Government

12. In response to concerns about the effect of the proposed 80% increase in the energy price gap, the Government [introduced](#) the Energy Price Guarantee (EPG) on 1st October 2022. The EPG reduced the extent of price increases for domestic customers, with the Government compensating energy suppliers for selling at lower prices. This measure was in addition to the £400 Energy Bills Support Scheme applying to all domestic energy users between October 2022 and March 2023. The Government did not set out additional support in the 2023 Autumn Statement specifically for households struggling with their energy bills. The Resolution Foundation [estimates](#) that 47% of households in the lowest income decile will be paying higher energy bills in the winter months of 2023/24 than they were in 2022/23.
13. Cost of living payments of £900 will be paid in three instalments across 2023/24 by DWP to eight million people in receipt of certain benefits and tax credits, with the final of these to be paid in February 2024, after which they are due to be discontinued. The Household Support Fund has also been made available to local authorities in England to make discretionary payments to people most in need to help with the rising cost of food, energy and water bills. The Work and Pensions Committee has [concluded](#) that cost of living payments were 'not sufficient to meet the scale of the problem and... only offered a short-term reprieve for those who received them'. Citizens Advice has [reported](#) a consistent reduction in the number of food bank referrals they make for their clients immediately after cost of living payments are made, only for those numbers to trend upwards again in the following month.
14. In the 2023 Autumn Statement, the Chancellor of the Exchequer [announced](#) plans to uprate benefits in April 2024 in line with the inflation rate of September 2023 (6.7%) rather than October 2023 (4.6%). From April 2024, the National Living Wage will rise to £11.44 for workers across the UK aged 21 and over, an increase of 9.8%. The main rate of class 1 employee National Insurance Contributions (NICs) has been reduced from 12% to 10% from January 2024, and the main rate of class 4 self-employed NICs will be reduced from 9% to 8% from April 2024.

The role of the Church

15. The Trussell Trust's 2022 annual report [outlined](#) the work of churches and Christians in supporting the provision of food banks. Over 800 food bank centres are based in church buildings, whilst 52% of Trussell Trust food bank volunteers identify as active Christians. At least 12,000 churches are involved in donating food and/or providing venues, volunteers, and financial support for food banks.
16. [Polling](#) by Savanta conducted for the Church of England showed that almost four in ten UK adults sought help in 2022 because of difficulties with living costs. 5% of adults, equivalent to approximately 2.6 million people, reported seeking help from

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churches or other religious organisations. Six in ten of those who sought help from churches or other worshipping communities said they received free food or groceries, whilst half said they received low-cost food or groceries.

17. The Lords Spiritual often refer in their parliamentary contributions to material provision and relational care offered by churches in the context of the wider policy picture. During the Autumn Statement debate in November 2023, the Bishop of Manchester [highlighted](#) work being undertaken in the parish of St Barnabas, Oldham, where in addition to running a large food co-operative the church also offers a free laundry service for local people who cannot afford washing facilities of their own and for whom commercial laundrettes are difficult to access or too expensive.
18. The Archbishops' Commission on Families and Households, which [published](#) its report in April 2023, cautioned that some people who have traditionally donated food banks are now reliant on using food banks for themselves. The report urged the Government to 'prioritise tackling poverty and reforming the social security system so that it reflects the complex reality of family life'.
19. In his [annual debate](#) in the House of Lords in December 2023, the Archbishop of Canterbury encouraged the Government to address "systems and policy choices which keep families in poverty". He cited as an example the two-child benefit cap, which means that – as of April 2017 – parents can only receive child tax credits or universal credit for their first two children. The End Child Poverty Coalition, of which the Church of England is an active member, has [estimated](#) that removing the two-child limit would lift a quarter of a million children out of poverty.

Conclusion

20. The scale of rising and deepening poverty in the UK requires decisive action. The causes and manifestations of poverty are complex and cannot be solved by government alone. However, it is evident that there are failures within the social security system – as outlined thoughtfully in the Diocesan motion – which prevent people from being able to afford essential items such as food, electricity and clothing.
21. Our social security system was designed to support everyone experiencing hardship. There is a compelling argument to be made for tying the basic rate of Universal Credit with the cost of essentials, and there is a precedent with Pension Credit in the way government provides a guaranteed level of income for people over the State Pension age, which is worked out by comparing a person's income with the amount on which is needed to live, calculated by government. The maximum weekly amounts for Pension Credit are £201.05 per week for single people, and £306.85 per week for couples.
22. The bleak economic forecast – as has been outlined in this paper – means that there is rightly an extra level of scrutiny on public spending. JRF and the Trussell Trust have estimated that introducing an Essentials Guarantee would cost an additional £22bn a year in 2023/24. Whilst this is a significant amount of money at a time of tightened public spending, there is a need to recognise the pernicious impact of

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poverty and destitution on people, the families and communities in which they live, and stretched public services dealing with the associated costs of rising poverty and destitution, both now and in the future. There is evidence that poverty in childhood leads to poorer mental and physical health in adulthood, lower educational outcomes, and lower paid work, all of which have implications on future public spending.

23. Churches and community groups across the country are working tirelessly to prevent people from experiencing extreme hunger and other forms of need. This is an expression of our calling as Christians to love our neighbour and to care for those in need. In the face of rising poverty and destitution, and the pressure on churches and community groups to provide essential services, the Essentials Guarantee offers a mechanism for ensuring that our social security system enables everyone to meet their essential needs.

William Nye
Secretary General
January 2024