



## **Covid-19: Impact on People Living in Poverty** **QSD on 30 April 2020**

On 30 April 2020, Baroness Bennett of Manor Castle (Green Party) is due to ask Her Majesty's Government "what assessment they have made of the number of people who will be (1) living in poverty, or (2) unable to meet their basic needs, as a result of Covid-19; and what steps they are taking to support such people".

### **Summary**

In its latest statistical outlook, the Department for Work and Pensions reports that the overall rate of absolute low income in the United Kingdom—which is measured on the basis of income after housing costs—was 20 percent in 2018/19. It was estimated this amounted to 12.9 million individuals.

Organisations such as the Joseph Rowntree Foundation contend that the Covid-19 pandemic could cause more people to live in poverty, with unemployment increasing. Charities have also noted an increasing number of applications for universal credit and concerns over food security.

The Government has introduced measures to help businesses retain employees and to help individuals with their income. These include:

- The coronavirus job retention scheme, which allows employers to apply for a grant that covers 80 percent of an employee's monthly wage (up to £2,500 a month), and the self-employment income support scheme, which allows self-employed people to claim a taxable grant worth 80 percent of trading profits (up to a maximum of £2,500 a month).
- Changing the terms of statutory sick pay for those suffering or self-isolating from Covid-19. The new terms allow an employee to claim statutory sick pay from the first day of an absence.
- Measures to support those affected by Covid-19 to access the welfare system, including increasing the rate of universal credit and providing access to the new style employment and support allowance.
- Additional funding for schools, who are expected to continue providing free school meals (in the form of vouchers) to eligible pupils.
- The creation of a hardship fund to provide council tax relief to vulnerable people and those affected by Covid-19. In addition, on 8 April 2020, the Chancellor of the Exchequer, Rishi Sunak, announced a £750 million fund for frontline charities to continue their work in supporting vulnerable people.

Eren Waitzman | 23 April 2020

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## Further information

- Department for Work and Pensions, [Households Below Average Income: An Analysis of the UK Income Distribution: 1994/95–2018/19](#), 26 March 2020

*Statistical outlook outlining the number and percentage of people living in low income households for the financial years 1994/95 to 2018/19. Further details can be found in the [spreadsheet accompanying the release](#).*

- HM Treasury, '[Support for those affected by Covid-19](#)', updated 9 April 2020; and '[Chancellor sets out extra £750 million coronavirus funding for frontline charities](#)', 8 April 2020

*Guidance for individuals and businesses that may be experiencing financial difficulty as a result of Covid-19. This includes information on how to claim statutory sick pay if an individual is absent from work due to Covid-19, and funding to support frontline charities, such as hospices, to ensure they can continue their work during the pandemic. As part of this, £360 million will be allocated directly from government departments.*

- Ministry of Housing, Communities and Local Government, '[Government confirms £500 million hardship fund will provide council tax relief for vulnerable households](#)', 24 March 2020

*Press release detailing a new hardship fund, which will go to local authorities in England to enable them to reduce the 2020/21 council tax bills of working age people currently receiving local council tax support. In addition, councils will be able to use the funding towards providing further discretionary support to vulnerable people through local welfare schemes.*

## Parliamentary debate, statements and questions

- A selection of written questions from both Houses: [34971](#) (21 April 2020); [HL2962](#) (8 April 2020); [HL2710](#) (31 March 2020); [32717](#) (25 March 2020); [30673](#) (25 March 2020); [30794](#) (25 March 2020); and [32178](#) (24 March 2020)
- [Oral question on 'Vulnerable People: Food Supplies'](#), HC Hansard, 19 March 2020, cols 1118–21

## Press articles and comment

- Mary O'Hara, '[Coronavirus will cause child poverty to soar. So what can we do about it?](#)', *Guardian*, 15 April 2020
- Trussell Trust, '[Organisations unite to get food to people most in need](#)', 15 April 2020
- Richard Turner, '[Coronavirus: fighting food poverty in a lockdown](#)', BBC News, 13 April 2020
- Gabriella Swerling, '[Number of Britons in poverty reaches record high of 14.5m. Government data reveals](#)', *Telegraph* (£), 26 March 2020

- Child Poverty Action Group, '[Child poverty continues to rise as pandemic response falls short for families](#)', 26 March 2020
- Kate Proctor, '[Almost 500,000 people in UK apply for universal credit in nine days](#)', *Guardian*, 25 March 2020