



The All Party Parliamentary Group  
on  
**POVERTY**

**Meeting of the APPG on Poverty**

Tuesday, 12 December 2017, 12.30, Committee Room 14, Houses of Parliament

**Officers present:**

Kevin Hollinrake MP (chair)  
Baroness Ruth Lister (vice chair)  
Heidi Allen MP (vice chair)  
Tony Lloyd MP  
Patricia Gibson MP (treasurer)  
Paul Butler, Bishop of Durham

**Others present:**

Mona	Adams	Sponsorstars
Jane	Ahrends	Child Poverty Action Group
Noel	Atkins	West Sussex County Council
Marjorie	Bahley	WASPI
Sean	Baine	The Equality Trust
Alexander	Begg	Big Society Capital
Olivia	Blunn	Salvation Army
Daniel	Bunn	Toynbee Hall
Sara	Davies	University of Bristol
Jean	De Fougerolles	Ascension Ventures
Jen	Durrant	Z2K
Joline	Faujour	ATD Fourth World
Lizzie	Flew	Child Poverty Action Group
Samantha	Hargreaves	Financial Ombudsman Service
Nigel	Keohane	Social Market Foundation
Hannah	Kitcher	The Young Foundation
Conor	McNeilly	Turn2us
Rosie	Mitchell-Hudson	Barrow Cadbury Trust
Imogen	Richmond-Bishop	Sustain
John	Ricketts	Lord Bird's office
Tamar	Rothstein	Family Action
Diana	Ruthven	Barrow Cadbury Trust
Fionn	Sharpe	Money Advice Service
Oliver	Sidorczuk	Lord Bird's office
Christopher	Sinn	Orbit
Diana	Skelton	ATD Fourth World
Kelly	Smith	Child Poverty Action Group
Daniel	Willis	Community Links
Wanda	Wyporska	The Equality Trust

## 1. EGM

Lord Bird and Tony Lloyd MP elected as Vice Chairs.

## 2. Inquiry into the 'poverty premium'

Kevin Hollinrake MP announced the APPG's inquiry into the poverty premium. The inquiry will focus on practical steps that will make a difference, and in particular what the private sector can do.

Sara Davies, Research Fellow, Personal Finance Research Centre, University of Bristol presented her research on the poverty premium. [LINK TO UPLOAD NOTES ON WEBSITE] The first piece of research aimed to understand why the poverty premium arises, how it is experienced and how much is incurred annually through poverty premiums. The second attempted to find potential solutions to eradicate the poverty premium.

Patricia Gibson MP announced that there will be evidence sessions tabled between January and April 2018 and that the secretariat invites written evidence. The APPG will then produce a report to parliament.

## 3. Discussion on the 'poverty premium'

### *Affordable credit*

Where can we find more investment in affordable credit? The current providers do not have a marketing budget and lack the capital to lend extensively. It could be the role of the job coaches at Jobcentre Plus to signpost to sources of affordable credit.

### *Switching energy providers*

- It is not possible to switch energy provide with an account in arrears;
- Switching often requires paying two providers at once. This is unaffordable at the time, even if money will be refunded later on;
- Mental bandwidth: a focus on day-to-day survival means people living in poverty may not have the time or knowledge to investigate alternative suppliers;
- A reluctance to change providers when household finances are precariously balanced.

### *Creditworthiness Assessment Bill*

This proposes that council tax and rent payments are taken into account when assessing a borrower's creditworthiness, so improving access to credit for non-homeowners.

### *Universal credit*

Universal credit is paid monthly so this potentially better aligns with monthly household bills. However, it is much harder to budget for household expenditure over a whole month than it is to receive weekly or fortnightly benefit payments.

### *Role of regulators*

- How to make the market operate in a fairer way
- Some examples of good practice to date include the price cap on energy pre-payment meters, and the work of Ofwat.
- Regulators can only set national or regional standards so local partners like credit unions, local authorities and housing associations need to change their policies too.

### *Role of advice services*

People living in poverty need access to good debt and benefit maximisation advice.

### *Home insurance in high crime areas v. areas at risk of flooding*

Premiums are higher in areas of high crime, which also tend to be areas of high levels of poverty. This is not the case in areas of high flood risk as Flood Re – a ‘flood re-insurance scheme’ enables flood cover to be affordable.

### *Unmanageable debt*

Access to affordable credit still involves incurring debt and repayments may become unmanageable at a later stage. Research by Toynbee Hall has found that the poverty premium has a significant impact on rates of repayments: [‘An extra 7 years before I’m debt free’](#)

### *Learning from other parts of the UK*

In Scotland, fuel poverty is still a problem but its rise has been halted by policy interventions by the Scottish government. Private sector accommodation letting agency fees are illegal in Scotland and this is a change that could be implemented in the rest of the UK.

### *Private sector renting*

[Reimagining Rent](#) is a programme run by The Young Foundation supporting innovative solutions to some of the many challenges present in the private rented sector.

## **4. Conclusion**

Kevin Hollinrake MP thanked everybody and the meeting was drawn to a close.

### **Secretariat:**

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