

<u>Projected Household Destitution in Norfolk According to NIESR</u>

Summary

According to the National Institute of Economic and Social Research (NIESR), up to 1 million households across the UK could face becoming destitute within the next financial year due to a rise in energy and food prices. If we applied this to Norfolk, it could mean that up to an estimated 14,600 households may be unable to buy basic necessities.

What did the research say?

In February 2022, The Guardian published <u>this article</u> outlining the potential impact of a rise in the cost of living on the number of households in the UK classified as destitute – defined by NIESR as "extreme poverty levels where they lack resources to purchase basic necessities". This release from The Guardian references findings from two separate publications from NIESR.

The first reference made is to a <u>January 2021 press release</u> which outlines the historical rise in destitution in the UK from 2019 to 2020. According to NIESR, the proportion of UK households classified as destitute rose from 0.7% to 1.5% within this period.

The second set of findings referenced in the article was NIESR's <u>"Winter Outlook"</u> which outlines a projected rise in destitution as a consequence of future increases in energy and food prices. This publication claims that the number of destitute households in the UK could reach 1 million within the next financial year.

What might this mean for Norfolk?

In terms of what this could mean for Norfolk, it may be possible to provide an estimate for the number of households in the county that could be impacted based on these projections produced by NEISR. The Office for National Statistics (ONS) estimate that as of 2020 there were around 27.8 million households in the UK. Therefore, the percentage of potentially destitute households across the UK would be approximately 3.6%. If we apply this percentage to the estimated number of households in Norfolk, approximately 405,500 as of 2022 (ONS), then up to an estimated 14,600 households could potentially be classified as destitute within the next financial year in accordance with NIESR's projections.



How many people in Norfolk may already be affected by destitution?

NIESR has projected that across the UK there will be a 31% increase in the number of households becoming classed as destitute. Therefore, as we have estimated that up to approximately 14,600 households in Norfolk are likely to be affected, then this 31% increase (approximately 3,460 households) would imply that up to approximately 11,140 households in Norfolk may already be affected by destitution.

What does this cost-of-living increase look like for Norfolk's districts?

Using what we know so far about the potential impact of this increase on Norfolk as a whole, further estimates can be used to shed light on this impact at district level. See Table 1 below for a summary:

Table 1: Estimated impact at district level based on NIESR's projections

District	Estimated Number of Households (2022)	Estimated Number of Affected Households	Estimated Number of Households Currently Affected
Breckland	61,230	2,200	1,680
Broadland	57,850	2,080	1,590
Great Yarmouth	44,420	1,600	1,220
King's Lynn and West Norfolk	65,330	2,350	1,800
North Norfolk	49,650	1,790	1,360
Norwich	63,700	2,290	1,750
South Norfolk	63,290	2,280	1,740
Norfolk	405,500	14,600	11,140

Note: Figures may not equal due to rounding

It should be noted that the above is an estimate based on projected figures from NIESR and household number estimates. Furthermore, in order to provide these estimates and comparisons, the distribution of potential destitution has been assumed as equally distributed. To the best of our knowledge NIESR's projections were generated using statistical models of their own design and without explicit references to raw data. This model is therefore not directly replicable by NODA.

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