

## “I don’t know where to go, I just cry”<sup>1</sup>

### The cost of living crisis and No Recourse to Public Funds, May 2023

#### Summary

This briefing presents an analysis of how people with no recourse to public funds (NRPF) conditions in the UK are faring in the cost of living crisis. It draws on publicly available information on Government support scheme, as well as information about the experiences of people with NRPF over the last 6 months of this crisis. This is drawn from a survey carried out by Praxis in April 2023, which was completed by 174 people subject to immigration control.

While households affected by NRPF conditions have benefitted from universal cost of living support from the Government over the last year, they have been excluded from targeted support for “vulnerable” households, such as those living on low incomes, the elderly and people living with disabilities. This is the case even when an NRPF household falls into one of these vulnerable categories. Following a paring back of universal cost of living support by the Government, as of 1<sup>st</sup> April 2023 the only support now available to a typical household with NRPF is the Energy Price Guarantee, even as inflation remains high. Some emergency support is theoretically available through the Household Support Fund, administered by Local Authorities, although there are limitations to accessing this support in practice.

The effects of rising prices and a lack of access to targeted cost of living support on low-income households affected by NRPF conditions are stark. Our research found that two thirds of people with NRPF surveyed said they are struggling to feed their children. 59% have been forced into debt to afford the cost of basic essentials – almost three times as many as in the UK population as a whole. Given their exclusion from cost of living support schemes, 50% of people with NRPF that we spoke to report turning to food banks and charities to meet their basic needs, compared to just 3% of the general population.

We recommend that the Government urgently amends eligibility criteria for targeted cost-of-living support schemes so that all people living on low incomes can access support if they need to. This can be done by providing alternative eligibility criteria based on income and immigration status, rather than receipt of benefits, as has been done with recent changes to Free School Meals eligibility criteria, for example.

#### Context

The cost-of-living crisis continues to squeeze incomes, with prices remaining stubbornly high, mainly driven by a rise in the cost of essentials, including energy and food. Affecting households across the country, this has hit lower-income households harder than others, because they spend proportionally more of their incomes on these essentials.

**What is NRPF?** NRPF is a condition that applies to many people who have migrated to the UK. It means they are not entitled to most welfare benefits, including Universal Credit, Child Benefit or housing benefits, even if they are working, and paying tax and national insurance. The condition is applied to most people with limited leave to remain in the UK, regardless of how long they have been here or whether they are on a pathway to settlement. There are no accurate figures for the number of people with NRPF conditions on their visas, but most estimates are above 1.3 million people. There are an estimated additional 635,000 people in the UK who do not have a regular immigration status and do not have access to any public funds.

<sup>1</sup> Anonymous survey respondent, female, aged 35-44.

## Government support with the cost of living

Many households were already struggling to make ends meet before the cost-of-living crisis began, arriving as it did after two decades of deepening poverty, when the number of people living in deep poverty rose from [4.7 million to 6.5 million](#), and the Covid-19 pandemic, which pushed many deeper into debt and eroded their financial resilience.

The Government has provided significant support to households since the onset of the crisis. Some of this has been universal, such as action to limit the unit cost of energy charged by suppliers (the Energy Price Guarantee) or the £400 rebate on bills (the Energy Bills Support Scheme), both of which benefit almost all domestic energy consumers. Other support has been limited to groups deemed particularly vulnerable to price rises, such as low income households, the elderly and people living with disabilities. In his Autumn budget, the Chancellor of the Exchequer announced a move away from universal support towards more targeted support for vulnerable households. The level of universal support has been significantly pared back, and since 1<sup>st</sup> April 2023, with almost all remaining support available only to those already in receipt of means-tested benefits (see table 1 below).

Despite this support over the last year, many living on lower incomes are still struggling. The lowest income households in receipt of means-tested benefits face challenges because benefit levels have for years been set too low to cover the cost of essentials. 82% of households in receipt of Universal Credit [reported](#) going hungry, cutting back on or skipping meals (JRF, 2022). Yet an estimated 1.6 million working age people on low incomes and with low savings who are not receiving means-tested benefits are also struggling. Families in this group face a [huge gap](#) of £3,650 between price rises and incomes and support in 2022/23 and 2023/24, compared with 2021/22, because the Government has chosen to use eligibility for means-tested benefits to channel support to the most vulnerable (JRF, 2023). While extending the Energy Price Guarantee (which keeps energy prices lower) until June 2023 is welcome, it will do little to close this gap.

## What is the situation for people with NRPF?

Being subject to an NRPF condition does not automatically mean that someone is on a low-income. However, migrants are statistically more likely to be in low-paid and insecure work than the general UK population, and face a [disproportionate risk](#) of destitution (JRF, 2020). Having no access to the safety net means that, where someone is earning a low income, or their circumstances change unexpectedly, such as through loss of a job or breakdown of a relationship, they are at high risk of poverty. While it is difficult to know exact numbers, a recent study [estimated](#) that, of those who have visas to work or join family, at least 22,000 households would apply for Universal Credit if they could (Provan et al, 2022).

Some migrants also face [additional hurdles](#) to earning higher incomes due to barriers created by the immigration system itself, such as short grants of leave to remain and long Home Office decision-making delays, or restrictions on the right to work for asylum seekers. The requirement to pay visa renewal fees and additional costs to access the health service (totally £2,608 per person) also creates an additional pressure on household budgets, especially for larger families (Mort et al, 2023), as one survey respondent noted:

*“I am lucky to having savings but this will go entirely to afford my next visa and I worry whenever I end up having to dip into [my savings] to cover unexpected costs as I will just barely afford my next visa at the current rate” –*  
anonymous female, aged 25-34

Successive governments have repeatedly relied on the short-term nature of grants of limited leave to remain (usually 30 months) to justify the use of NRPF, arguing that its application to short-term visas is necessary and appropriate to protect public money. However, while grants of leave to remain may be short, pathways to settlement are long, with an estimated 170,000 people having limited leave to remain on a pathway to settlement that lasts for 10 years or longer. In addition, fewer people are obtaining Indefinite Leave to Remain: according to the [latest Migrant Journey](#) data, around 11% of people granted leave in 2016 had been granted ILR after five years (by 2021), half the proportion

(21%) who had obtained ILR in 2006 (Home Office, 2022). [Other research](#) indicates that increasing application fees, extended settlement routes and other factors mean that fewer individuals and households are able to get ILR, leaving them stuck temporary forms of leave for longer despite being settled in the UK in practical ways, such as having children who are born here (Mort et al, 2023).

### What support is available to people with NRPF?

A typical person with NRPF currently benefits from the Energy Price Guarantee, which benefits all households in the country with a domestic energy connection, and may be able to access some support through the Household Support Fund. Regardless of whether they have low incomes, are elderly, live with a disability or face other vulnerabilities, they are excluded from all other cost of living support schemes, simply because of their immigration status. The following is a summary of the various cost of living support schemes, and which are available to people subject to NRPF:

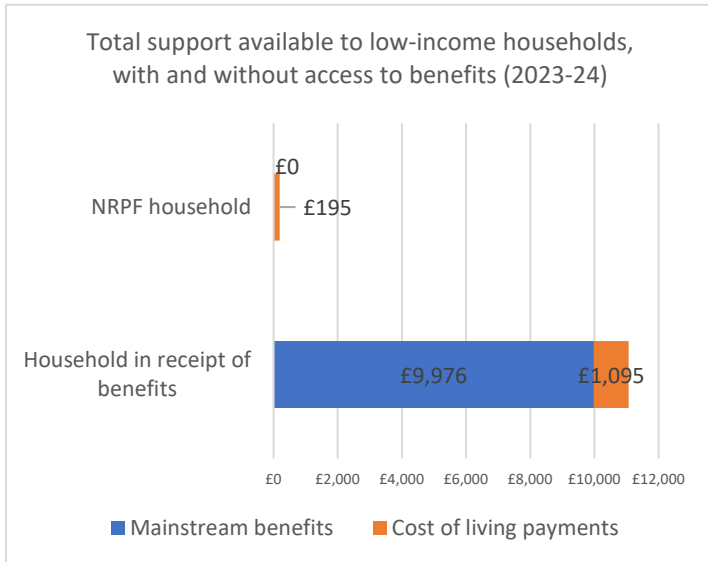
**Table 1: cost of living support available to people with NRPF as of April 2023**

Schemes operating from 1 <sup>st</sup> April 2023	Can a typical person with NRPF access this benefit?
<b>Energy Price Guarantee:</b> The EPG protects customers from increases in energy costs by limiting the amount suppliers can charge per unit of energy used. Ongoing until 30 <sup>th</sup> June 2023.	YES - no restrictions on eligibility
<b>Cost of Living Payment:</b> Households on eligible means tested benefits will receive additional Cost of Living Payments totaling £900 in the 2023-2024 financial year.	NO – eligibility depends on being eligible for a means-tested benefit.
<b>Cost of Living Payment for pensioners:</b> Pensioners entitled to the Winter Fuel Payment will be entitled to an additional £150 or £300 Cost of Living Payment from April 2023, to help with bills.	NO – eligibility depends on being eligible for a means-tested benefit.
<b>Disability Cost of Living Payment:</b> People in receipt of disability-related benefits can get a £150 Disability Cost of Living Payment.	NO – eligibility depends on being eligible for a means-tested benefit.
<b>Household Support Fund:</b> fund to support people who need additional help via Local Authorities. Eligibility is determined by Local Authorities, in line with government guidance. There is anecdotal evidence that some councils may be limiting eligibility to those in receipt of means-tested benefits and/or offering support only to those already in receipt of support under the Care Act 1999, meaning that many will miss out.	YES – but eligibility criteria are determined by Local Authorities and anecdotal <a href="#">evidence</a> suggests practice varies widely and access is patchy in practice

Some existing benefits and measures are designed to help people heat their homes during the colder months, including:

- The **Warm Home Discount and Cold Weather payment**, which are not available to a typical person with NRPF because. While neither is considered a public fund for immigration purposes, once again eligibility depends on receipt of a specified means-tested benefit, meaning that a typical person with NRPF is excluded.
- The **Winter Fuel Payment**, which is classed as a public fund for immigration purposes, so is also not available to people with NRPF.

Further, government action to uprate benefits in line with inflation is another measure that has boosted incomes for the lowest paid households, but only for those that receive them. The increase of the national living wage to £10.40 as of 1<sup>st</sup> April 2023 will enhance the incomes of working households with NRPF, though any increase will be cancelled out by still-high inflation.



Praxis compared two identical households of two parents working the same number of hours per week for the National Living Wage, with two children aged 5 and 7 years old, where one household is eligible for benefits and the other is excluded because both parents have limited leave to remain subject to an NRPF condition. Our analysis found that the household entitled to benefits will receive £11,071 worth of support in 2023-2024, of which cost of living payments and support are worth £1,095. For the household affected by NRPF, this is just £195 in total. While this is entirely made up of cost of living support, it is accounted for by the Energy Price Guarantee, which is actually a saving to households rather than cash that they will receive. Overall, a “non-NRPF” household will receive five times more in cost of living support than a household

affected by NRPF this year. If all government support, including benefits, is taken into account, the “non-NRPF” household receives fifty times more support.<sup>2</sup>

### How are people with NRPF faring during the cost of living crisis?

While there is a growing body of evidence demonstrating that low-income households and others with specific vulnerabilities are struggling with rising costs in spite of Government support available, there has been little information about how people subject to NRPF restrictions excluded from these schemes are faring. To address this gap, Praxis carried out a survey in April 2023, completed by 174 people subject to immigration control.<sup>3</sup> The findings were then compared to data about the general population, drawn from Office for National Statistics’ survey data on household finances (5 to 16 April 2023) from the Office of National Statistics (ONS, 22 April 2023). The findings present a clear picture of a group seriously struggling with the cost of living, as one parent completing the survey noted:

*“My daughter is not getting what she needs, I can’t pay the rent or buy healthy food... and she’s aware of the difficulties we are going through. How are we going to manage?” – Lucy, single mother, London*

These findings reinforce those of an earlier Praxis survey, carried out in September 2022<sup>4</sup>, which found a similar pattern of hardship, suggesting that the situation for people with NRPF is not improving:

- Two-thirds of people with NRPF surveyed said they are struggling to afford enough food to feed their children;
- 59% have been forced into debt just to afford the cost of essentials – almost three times as many as amongst the UK population as a whole (21%).

<sup>2</sup> This comparison is based on the following assumptions: in both households, one parent is working full time (35 hours per week) and the other is working part time (16 hours per week); children are aged 5 and 7; and there are no childcare costs. The household entitled to benefits is claiming both Universal Credit (including help with housing costs based on an average English social rent of £106 per week) and Child Benefit. Full calculations available on request.

<sup>3</sup> This survey consisted of 41 questions. It was open between 5<sup>th</sup> April and 8<sup>th</sup> May 2023. Of those that completed it, 55% are subject to NRPF, while 45% have leave to remain with recourse to public funds.

<sup>4</sup> The September 2022 survey was open only to Praxis service users, and was completed by 111 people.

- 56% worried about becoming homeless during the winter of 2022-2023, with 1 in 10 reporting that they had spent one night or more street homeless;
- Almost all (97%) of those with NRPF surveyed said they're worried or very worried about the cost of living, compared to 69% of the general population. Three quarters (76%) say their mental health is being impacted as a result, with several respondents saying that they "feel depressed all the time now" as a result;
- Despite this desperate picture, only two thirds of people responding say they had received Government support with the cost of living, perhaps reflecting low awareness.
- Instead, half of people with NRPF are relying on charities and foodbanks to meet their basic needs, compared to just 3% of the general population;
- One third said they're working longer hours or taking on work they wouldn't normally accept to try to cope with rising prices.

Despite the best efforts of people affected by NRPF to cope with rising prices, lack of access to both the welfare safety net and cost of living payments means that even increasing their working hours is not enough, as one respondent noted:

*"I try to work longer and longer hours, but my pay is just not stretching far enough. I'm already in debt, it's very difficult."*  
– Ahmed, London

## **Recommendations**

The Government should take urgent steps to ensure that **all** households vulnerable to increases in the cost of living can get help when they need it, regardless of their immigration status. This is essential to preventing more people from ending up in deep poverty and homelessness.

**Ultimately, the simplest and most efficient way of doing this would be to abandon blanket application of the NRPF condition, thereby ensuring that any household in crisis is able to access the welfare safety net when they need it.**

In the meantime, the following steps are needed:

1. Government should amend existing cost of living support schemes to actively include people affected by the NRPF condition. This could be done by providing alternative eligibility criteria based on income and immigration status, rather than receipt of benefits, in line with recent changes to eligibility for Free School Meals;
2. Future cost of living support for vulnerable households should be designed so that receipt of benefits is not the only way to demonstrate eligibility. Care must also be taken that support is not legally classed as a public fund for immigration purposes, following a [near-miss with the Council Tax rebate in 2022](#);
3. Government should amend relevant legislation so that discretionary welfare funds administered by local authorities are not classed as public funds for immigration purposes, making them accessible to people affected by NRPF. Government must also ensure that this is implemented appropriately in local areas;
4. Energy and other utility suppliers should introduce alternative eligibility criteria for their discretionary support schemes, so that people in need of support are not required to demonstrate receipt of benefits in order to access this support.

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