Running on Empty

Austerity, Rising Costs of Living and Growing Inequality for People and Charitable Organisations in Northern England

Dr Alison Briggs
Professor Sarah Marie Hall
Running on Empty

Austerity, Rising Costs of Living and Growing Inequality for People and Charitable Organisations in Northern England

Dr Alison Briggs
Professor Sarah Marie Hall
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>5</td>
</tr>
<tr>
<td>CHAPTER 1</td>
<td>7</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td></td>
</tr>
<tr>
<td>CHAPTER 2</td>
<td>11</td>
</tr>
<tr>
<td>WIDER CONTEXT</td>
<td></td>
</tr>
<tr>
<td>CHAPTER 3</td>
<td>13</td>
</tr>
<tr>
<td>AUSTERITY, FOOD INSECURITY AND THE COST-OF-LIVING CRISIS</td>
<td></td>
</tr>
<tr>
<td>CHAPTER 4</td>
<td>25</td>
</tr>
<tr>
<td>CONCLUSIONS AND RECOMMENDATIONS</td>
<td></td>
</tr>
<tr>
<td>ENDNOTES</td>
<td>29</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>35</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

This report exposes how people and charitable organisations in the UK are ‘running on empty’ as they face the relentlessness of poverty, austerity, and the rising costs of living. Responding to these critical issues being experienced across the UK with a specific focus on two urban areas in Northern England, it considers why this present moment is widely described as a crisis and offers evidence-based solutions resulting from engagement with local and regional communities. Presenting up-to-date research, this report draws on the ongoing Austerity and Altered Life-Courses international research project led by Professor Sarah Marie Hall, and builds upon knowledge from Dr Alison Briggs’s recent research concerning food insecurity and charitable food aid in Stoke-on-Trent.

Bringing together these in-depth qualitative studies, the report also presents new evidence from engagement with local charities and community organisations within two urban areas in Northern England with high rates of poverty and deprivation: Manchester and Stoke-on-Trent. Informative conversations with such organisations confirmed our research findings and recommendations; that highly valuable, public-facing work is often considered the last line of defence against the cost-of-living crisis. This report therefore seeks to provide new insight into how this latest crisis is being experienced by these organisations and their users/clients. As charitable organisations and food aid providers are increasingly relied upon by neoliberal states to support people who are struggling to feed themselves and their families, it is vital that we question how the provision of continual support—in the face of ongoing austerity and multiple crises—is experienced by those working and living within low-income communities.
From this, the report makes five recommendations, aimed at national government and regional policy makers:

1) **A move towards embedding cash-first approaches** to supporting low-income households and away from the dominant charitable approach as a solution to issues of poverty. This includes direct payments from the government via Universal Credit or other legacy benefits, and cash grants provided within a wider package of support by local authorities;

2) **Expand Free School Meal Provision** to all children in England;

3) An **end to austerity** along with reinvestment in a properly funded, fit-for-purpose social security system that supports people as needed through adequate, accessible and timely payments;

4) Urgent action to **increase people’s incomes**. This will require a properly implemented, national living wage and an increase in wages to match the rising costs of living;

5) Urgent **housing reform**, including keeping housing costs as a share of household income in check.
Much has been written about the nature of the UK’s ‘cost-of-living’ crisis and who is affected. Media commentators, for instance, have warned of rising numbers of households who have never been in debt before being forced to turn to credit cards and loans to make ends meet. However, as with previous economic crises, the impact of this crisis is not being felt evenly across and within regions, communities, and social groups in the UK. The rapidly escalating cost of essential goods and services is further intensifying the pressure low-income households in the most deprived areas of England were already under. Our report focuses specifically on how the ‘cost-of-living’ crisis and austerity are currently being felt within two urban areas in Northern England. We draw on data from recent research projects, as well as engagements with charitable organisations supporting low-income households and communities across Stoke-on-Trent in Staffordshire, and Manchester in Greater Manchester.

In 2022, the gap between what people need for a decent standard of living and what they actually have continued to grow as the cost of many goods and services burgeoned. To reach a minimum acceptable standard of living in April 2022, a single person needed to be earning £25,500/pa, and a couple with two children, £43,400/pa. However, recent analysis by the Trades Union Congress (TUC) has revealed that workers are facing the longest and deepest wage squeeze for 200 years, with a hit to real pay of -7.75% by the end of 2022, prompting many workers to strike for better wages. Millions are currently at risk of falling short of this standard as costs continue...
to escalate, wages fail to keep pace, and our social security system fails to provide adequate support. It is unsurprising, then, that so many more households have been and continue to experience crisis.

Soaring gas and electricity costs were the main contributor to the 9.6% increase in the annual inflation rate, which at 11.1%, is the highest in 41 years. Despite the introduction of the Government’s Energy Price Guarantee, households are paying on average 88.9% more for their energy than they were in October 2021. Adding to this, food prices rose by 16.4% in the 12 months up to October 2022, the highest prices since 1977, leaving many low-income households finding it increasingly difficult to put food on the table. Recent statistics from the Food Foundation reveal how 9.7 million adults (18% of households) and 4 million children experienced food insecurity in September 2022.

The situation is considerably worse for recipients of Universal Credit, many of whom are in employment, with 54% of those households experiencing food insecurity in the same month.

Housing costs are another key driver of poverty, particularly for renters. In Britain, average monthly rental payments are now 40% higher than they were 10 years ago, with average private rents reaching record highs in 2022, increasing in Manchester, for instance, by 23.4% in a year. The Joseph Rowntree Foundation’s latest report suggests that 33% of private renters (4.2 million people) are being pulled into poverty by their housing costs. However, social renters, who have comparatively lower incomes (67% are in the bottom 40% of incomes), have the highest rate of poverty at 46% (4.9 million people). This compares with lower rates of poverty for those who own their property outright (15%) and for those who are buying with a mortgage (11%).

Recent research highlights that low-income households’ finances are continuing to buckle under the pressure of the cost-of-living crisis, with 7.2 million going without essentials and 4.7 million behind on their bills. However, those from a Black, Asian and Minority Ethnic background are 2.5 times more likely to be experiencing poverty, and more than a quarter (26%) of those in ‘deep poverty’, i.e. more than 50% below the poverty line, are from a minority ethnic background. It is these households who are struggling the most, with three
quarters of those in the bottom 20% of incomes going without food or other basic items.

The impact of the cost-of-living crisis is also distinctly gendered since ever-increasing costs inevitably affect the poorest the most. The Women’s Budget Group note how as well as being disproportionately hit by both social security and public spending cuts over the past decade, women have fewer savings than men, and are therefore more likely to be poor and in debt. Moreover, since childcare costs were increasing above the rate of inflation long before this crisis, women, who remain tasked with a greater burden of caring responsibilities, are often less able to increase their hours of paid work. During the Covid-19 pandemic, whilst the richest households were able to save money, the poorest households—which are more likely to be female-led—fell further into debt and have no cushion to enable them to cope with current rising prices. They are, as our title suggests, running on empty.

1.1 Structure and focus of this report

Our focus in this report is on lived experiences of the rising costs of living amidst the backdrop of austerity, drawing from the authors’ empirical research and supported by additional sources. Intersecting inequalities, such as between class, gender, ethnicity, age, and disability emerge and become further entrenched during times of crisis and austerity. Our report also discusses issues related to food insecurity which was the focus of Briggs’s 2019/20 research. In addition to highlighting the gendered and relational dimensions of food insecurity, this research reveals the reproductive foodwork emplaced within charitable food aid spaces in Stoke-on-Trent, during times of austerity and crisis.

The report is structured as follows. Section 2 describes the wider contexts of post-welfare and chronic Government underfunding over the last thirteen years (since 2010). This underfunding lays the groundwork for the current cost-of-living crisis. Section 3 on austerity, food insecurity and the cost-of-living crisis is arranged into three parts. It considers in greater depth austerity’s calamitous costs
in relation to engendering rising food insecurity and its concomitant compounding of crises. In 3.1 the role of austerity in exacerbating and further entrenching inequalities across the UK is explored, specifically highlighting the impact austerity has had on Manchester and Stoke-on-Trent. Section 3.2 describes in some depth how the cost-of-living crisis is being experienced by the frontline organisations with whom we engaged. To this end, it is divided into three sub-sections: 3.2.1: Intensification of existing pressures, 3.2.2: Capacity to continue supporting people and 3.2.3: Infrastructure, staffing, funding, and hidden costs. Section 4 concludes the report and offers recommendations for local and national policy makers based on the evidence presented herein.
CHAPTER 2: WIDER CONTEXT

2.1 Cost of living and a post-welfare state

The UK’s ‘cost-of-living’ crisis is not a new crisis. Indeed, it can be said that this current crisis has been years in the making, and cannot be examined without considering the context within which it is unfolding. Namely, that of decades of neoliberalism and radical welfare reform, social and economic crises like the 2008-2010 financial crisis, post-2010 austerity, and more latterly the Covid-19 pandemic. Austerity policies and the neoliberalisation of welfare have persistently lacked regard for issues of social reproduction, or ‘life’s work’, which includes those messy, everyday caring activities that sustain societies, such as childcare/eldercare, shopping, and cooking/cleaning, that largely fall to women. These activities occur within the household and the community, and are also the spheres that have come under most pressure, scrutiny, and disinvestment under austerity.

As welfare states have receded in many countries, the voluntary sector has, over time, grown in importance as a medium of service delivery, acquiring substantial collective responsibilities that had previously been within the remit of the public sector. In the UK context, neoliberal ideals of decentralisation, minimal social state, and self-help were combined with conservative values of communitarianism and philanthropy, and distilled into the Conservative Party’s flagship ‘Big Society’ policy that undergirded their 2010 general election manifesto. Voluntarism, local collective activism, and the empowerment of communities as sites for civic
engagement were championed, and subsequently underpinned aggressive austerity measures implemented by the Conservative-Liberal Democrat coalition Government (2010-2015), supposedly in response to the 2008 global financial crisis. A new era of austerity, characterised by a multi-billion pound reduction in public expenditure, a public sector pay freeze, widespread disinvestment in health, care and other forms of social infrastructure, along with progressively harsher cuts to welfare spending, had begun.

By the time the Covid-19 pandemic arrived in the UK, £36 billion per year had been withdrawn from Britain’s social security system since the imposition of austerity policies in 2010, and its shortcomings were laid bare. It is estimated that during the initial national lockdown measures to contain the coronavirus the numbers of adults experiencing food insecurity quadrupled across Britain, particularly amongst those already economically vulnerable.

In an effort to mitigate against the pandemic’s devastating impacts on people’s everyday lives, the Government introduced a Coronavirus job retention or furlough scheme in April 2020, and implemented £20 weekly increases in Universal Credit and Working Tax Credits (those claiming other benefits however, were excluded), as well as the suspension of all work-related requirements (conditionality) for all benefit claimants. Consequentially, many low-income families who were not in receipt of Universal Credit, who had been struggling before the pandemic, fell between the gaps of the Government’s response and were pushed to breaking point. Whilst welcome and effective—food insecurity levels in households on UC were 37% lower when the uplift was in place—these were time-limited changes, ending in September and April 2021 respectively. The removal of these uplifts left families that were not working £1,000 per year worse off, and this occurred just as energy costs began to soar, pushing low-income families deeper into debt and arrears.
CHAPTER 3:
AUSTERITY, FOOD INSECURITY AND THE COST-OF-LIVING CRISIS

3.1 Austerity

The steady processes of restructuring and diminishing the state’s function, and thus reshaping its relationship with citizens, were accelerated under austerity. In the UK these economic austerity processes and policies also have critical personal consequences for people’s everyday lives.\textsuperscript{28} This includes rising levels of relative poverty and destitution, especially among lone parents, families with children, and disabled people.\textsuperscript{29} For example, the introduction of the ‘benefit cap’ in 2013 engendered significant hardship for low-income and non-earning families by restricting the amount of financial support they could receive. Then in 2017, larger families were penalised by the introduction of the ‘two-child limit’ policy through withholding additional means-tested support.\textsuperscript{30} The resultant withdrawal of state support via cuts to welfare and social security has shifted responsibility for economic security away from national government onto citizens. Significantly, this has been shown to disproportionately affect women, particularly low-income, disabled, and Black, Asian and Minority Ethnic (BAME) women.\textsuperscript{31}

For example, in 2018/19, the Social Metrics Commission (2020) estimated that 14.4 million people (22% of the UK population), were living in poverty prior to the Covid-19 pandemic, of whom 4.5 million were children (33% of children) and 8.5 million working-age adults (22% of working-age adults). Moreover, the data reveals how half of all people in poverty were living in a family that included a disabled
person, and that people in BAME families were almost three times more likely to be in persistent poverty than those in white families. Furthermore, severe reductions in public spending and public sector jobs, the chronic underfunding of health, care, as well as other types of social infrastructure have resulted in geographically uneven impacts between and within regions and communities. These uneven impacts of austerity further entrench inequalities across society. For instance, the burdens arising from the reduction in the Revenue Support Grant paid to local authorities, has not been equally shouldered across the UK. It has engendered a swathe of cuts to social programmes and vital local services such as adult social care, public libraries and Sure Start Children’s Centres. Austerity cuts have been particularly pronounced in Northern England where, since 2012, public spending cuts amounted to £696 billion in real terms by 2017, compared with growth by £7 billion in the South.

As the cost-of-living crisis deepens, many more households are struggling to make ends meet. Specifically, BAME households, working-age households, renters, large families, and lone parents are all more likely to be going without essentials. As food price inflation reached 16.4% in October 2022, a recent survey of single parent households found that one in three had skipped meals because of rising food costs. Approximately 92% of single parents are women. Unless benefits are increased in line with inflation, a further 112,000 lone parents risk being pushed into poverty. According to the Joseph Rowntree Foundation, in May 2022, when the then Conservative Chancellor announced the Government’s cost-of-living support package, approximately 7 million low-income households were going without enough food or at least one essential such as a warm home or basic toiletries, and 4.6 million were in arrears with at least one bill or behind on borrowing repayments. The reason for this is that many are reliant on benefits, as work that fits around childcare responsibilities is often limited and poorly paid. Benefit deductions for certain types of debt are making matters worse for families on means-tested benefits, with 93% going without at least one essential in 2022. For Universal Credit recipients who were subject to a deduction, 94% were going without essentials.
3.1.1 Highlighting poverty in place: Manchester and Stoke-on-Trent

To consider the lived experiences of the cost-of-living crisis under austerity, with this report we hone in on two City regions in Northern England: Manchester and Stoke-on-Trent. Manchester is one of the most deprived areas in the UK, and in 2019 held some of the highest proportions of neighbourhoods among the most deprived in England. It is the 2nd most deprived authority in England and 2nd of the top 20 local authorities for incidence of destitution. Across a decade of austerity, Manchester City Council has lost £419 million of public funding, and is facing a £153 million shortfall by 2025.

Similarly, prior to the Covid-19 pandemic, Stoke-on-Trent was ranked the 14th most deprived local authority in England and 11th of the top 20 local authorities for incidence of destitution. It is situated in the top six local authorities in terms of spending cuts. For example, between 2011/12 and 2018/19, the spending power of the unitary authority, Stoke-on-Trent City Council, was reduced by 28% in real cash terms, provoking the implementation of £194 million in ‘savings’ across local public services. Public spending was reduced by a further £14.4 million in 2021-22.

Austerity, therefore, can be categorised as a form of ‘regressive redistribution’ that has re-allocated responsibility for life outcomes towards individuals and communities already marginalised and struggling to cope with its fiscal impacts. This, alongside the intensification of low-paid, precarious work and the slashing of welfare entitlements is having far-reaching, intimate effects on people’s physical and mental well-being, relationships, experiences and identities.

The following sections provide greater detail on these impacts, supported by our research. We start with findings on the impact of austerity and cost-of-living increases for charitable organisations in both Manchester and Stoke-on-Trent.
3.2 How the cost-of-living crisis is affecting front-line organisations

The charitable and community organisations who helped inform this report shared experiences of increased demand for their help. In addition to greater numbers of people being in need of their support, they all spoke of more organisations needing their help. This included receiving regular calls for help from organisations they haven’t helped before, such as local schools, probation services, and women’s refuges. Food insecurity represents a key concern for people getting by at a time of austerity and with increasing costs of living. In 2019/20 around 700,000 households (2.5% of all UK households) needed to use a foodbank. The Trussell Trust network of almost 1,300 foodbanks distributed 1.9 million emergency food parcels over 2019/20: an 18% increase from 2018/19. Prior to the onset of the Covid-19 pandemic, in the early months of 2020, 95% of people referred to the Trussell Trust were destitute, with the average household income of those referred being around 13% of the national average. The need for emergency food aid reached new levels nationally during the Covid-19 pandemic.

The Trussell Trust have described the growing need for food as a ‘tsunami’ in their latest statistics which reported providing almost 1.3 million emergency parcels between April and September 2022 to people experiencing hunger. This increasing need is also evident at the local level with foodbanks in both Manchester and Stoke-on-Trent reporting being busier than ever. For instance, in Stoke-on-Trent an independent food pantry operated by the city’s largest charity gave out more food parcels to struggling families in the first two months of 2021 than in the whole of 2018, prompting concern that food aid providers across the city were being overwhelmed. This translates into more work for these organisations in trying to provide support. For example, Briggs’s recent ethnographic research in Stoke-on-Trent (2017–2021) focused on the everyday lived experiences of food insecurity and charitable food provision prior to, and throughout the pandemic. This research revealed the key role of ‘foodwork’ by individuals and organisations in Stoke that is required in low-income communities to address hunger. This reproductive labour is shaped by gender and is performed within and across multiple, myriad community spaces. The tasks of sorting, organising, and packing...
food for food parcels, requires considerable amounts of time and energy, and since food aid is required time and again, this largely unpaid work is often experienced as exhausting by those providing it. During the Covid-19 pandemic, this reproductive foodwork increased exponentially to include planning, cooking, and packaging up meals for struggling households as experiences of food insecurity intensified, exacerbating feelings of exhaustion among charity staff and volunteers.

3.2.1 Intensification of existing pressures

Since the cost-of-living crisis overlaps and is entangled with other crises, charitable and community organisations have a collective sense of lurching from one crisis to another. The result is an intensification of all the pressures charitable organisations have seen building for a decade. Unsurprisingly, foodbanks in both cities are busier than ever, as crisis has become an intrinsic part of everyday life on a low income. For example, the Trussell Trust network in Stoke-on-Trent has seen an increase of 108% in the number of food parcels distributed since September 2022, whilst the largest foodbank in Manchester has provided 2,162 3-day food parcels to support 5,602 individuals between April and October 2022. This equates to 16,806 days of food, or 50,418 meals, a 77.5% increase compared to the same period in 2021 and an increase of 183% compared to the same period in 2019. Such increases in need are being felt by foodbank workers in both cities as overwhelming. Staff and volunteers remarked on how people’s experiences of food insecurity were becoming more chronic and were no longer something that could be ameliorated by a 3-day emergency food parcel. Importantly, since people were now returning week after week, foodbank staff and volunteers felt they were ‘fighting fires’ in a perpetual state of crisis themselves.

Significantly, staff and volunteers of foodbanks in both Stoke and Manchester commented on supporting increasing numbers of children—40% of people provided with emergency food in Stoke in the first quarter of 2022 were children, and 42.3% of those supported in central, north, and east Manchester since April 2022 were also children. This indicates a critical child poverty emergency
that demands urgent action. One way for local authorities to help children to thrive is through the expansion of free school meals (FSM). As noted by the Food Foundation, there has been some progress with free school meals provision in England over the last few years. However, there are still significant differences between who can get a nutritious school meal across the four nations of the UK.\textsuperscript{53} Their new analysis shows significant return on investment for extending FSM firstly to all children from families in England who claim Universal Credit, and secondly, to every school child in state-funded education in England. Many of the organisations who contributed to our research, or to the writing of this report, are strongly in favour of free school meal provision.

Greater demand of course means greater amounts of food given out, and one of the consequences of the cost-of-living crisis for all charities is a decrease in donations as people struggle to stretch their incomes. According to the Independent Food Aid Network (IFAN), 75\% of their foodbanks have been impacted by supply issues, and 54\% are having to use financial reserves.\textsuperscript{54} For example, in 2021/22, Stoke-on-Trent Trussell Trust Foodbank received 122,755 kg in food donations (down 16.39\% on previous year), but distributed 136,915 kg of food, an increase of 8.67\% on previous year. As this situation continues to worsen and they are struggling to keep up with demand, on occasion they have had to reduce the size of food parcels to ensure that everyone got something. A similar situation exists in Manchester with foodbanks noting shortages of more expensive food items such as tinned meat/fish, and more culturally-appropriate foodstuffs. This, along with a reduction in the volume of food being donated by the public, is leading foodbanks in both cities to spend their cash reserves on a monthly basis to top up donations in order to avoid having to turn people away.

Both the Trussell Trust and IFAN have repeatedly warned of foodbanks struggling to cope with unprecedented need for support in their communities and have called on the Government to take urgent action to increase people’s incomes. Importantly, IFAN’s latest survey revealed that 94\% of independent foodbanks reported increased need for their services following the cut to UC in Oct 2021, with over 90\% reporting helping people who previously had not accessed support.\textsuperscript{55}
The most common reason for needing a foodbank was the rise in the cost of living, followed by inadequate wages. As foodbanks and other charitable food aid providers are inundated with people now needing regular food support, 60% said that if demand continues to rise, the size of food parcels will need to be reduced or they simply will not be able to provide support.

Charitable food aid comes in different forms, all of which are important during a cost-of-living squeeze. For instance, free community meals are often cooked and served in a variety of community spaces within cities and towns across the UK. These are safe, inclusive spaces offering a warm welcome and vital companionship through a range of activities to people who might otherwise be socially isolated. They are often run and staffed by volunteers and typically provide more than food: company, shelter, and warmth. For one small community support group in Stoke-on-Trent, the cost-of-living crisis also means more people coming to their weekly community cafe for a meal which is prepared utilising surplus food from local supermarkets. In 2021 they were serving seven meals every week, but by 2022 demand had trebled, causing them to turn folk away when they ran out of food. This increase in demand exacts more work from volunteers in spending more time and energy on funding applications to generate money to enable them to stay open.

Fighting fires daily makes it increasingly difficult, if not impossible, for charities and community organisations to focus on longer-term strategies of highlighting the systemic causes of poverty and holding local authorities and government accountable. This matters because austerity measures have re-allocated responsibility for life outcomes to individuals and communities that are already marginalised. It is vital that the current cost-of-living crisis is viewed in the context of neoliberal politics and austerity. In Manchester, for example, Margaret Thatcher’s ‘right to buy’ scheme has had far-reaching consequences for the local housing scene. A key Conservative policy introduced in the 1980s, it gave council house tenants the opportunity to buy their homes at below-market prices. However, over time, this has produced a national shortage of affordable social housing since stocks of council housing were never fully replaced partly because
the shares of the income from sales that went to councils were gradually eroded.

Across England the lack of social housing has produced an over-reliance on private rental accommodation. In Manchester, aforementioned spiralling rents, along with the introduction of section 21 notices that allow private landlords to evict tenants with impunity, are directly contributing to the city’s rising rates of homelessness. Greater numbers of people in rent arrears, of working people becoming homeless, coupled with greater numbers of families in Manchester being housed in temporary accommodation, naturally means increased pressures on local services. As the cost-of-living crisis deepens and the Bank of England increases interest rates, the anticipation here is that homelessness will further increase as people struggle to keep up with rising rents and home owners default on mortgage payments.

### 3.2.2 Capacity to continue supporting people

The main concern held by all organisations in our research and engagement was being able to continue providing the level of support they have previously offered to those in need. Specifically, staff and volunteers in food aid providers expressed their fears of running out of food and therefore having to turn people away. All contributors expressed concern that they hadn’t seen the worst yet and of the longer-term impacts of austerity and crisis in relation to the population’s physical and mental health, wellbeing, quality of life, and mortality. Consequently, they all felt that they would still need to be here in two, five, or more years’ time; a fact that sat uncomfortably with them. A specific concern was voiced by foodbanks on rising child poverty and its direct and long-term impacts, which were described as ‘catastrophic’.

As discussed above, the depth of the current crisis also extends to housing. Major national charitable housing organisations have identified a long-brewing housing crisis, a combination of insufficient social housing stock, rising private rents, insecure and unsafe rental conditions, and growing homelessness. In both Stoke-on-Trent
and Manchester there is a lack of affordable, decent social housing and private renting is often associated with insecure tenancies. As well as providing advice and advocacy, housing charity Shelter offers on-the-ground services in Manchester, such as their Health and Homelessness Peer Advocacy Service to support people whose health has been impacted by homelessness, and their Network Rail service which supports people rough sleeping near or in railway stations. Our conversations in Manchester revealed that these vital services are currently under immense strain and could potentially be withdrawn due to growing funding concerns. Overwhelmingly, charities in the housing sector are concerned for the next inevitable wave of homelessness to hit as the cost of living continues to rise above wages and benefits. For some housing charities in Manchester, it is considered vitally important that rent caps, long-term tenancies and tenants’ rights are introduced to combat spiralling rents, along with the lifting of the freeze on the local housing allowance to enable more affordable housing to be built.

Similarly, organisations providing support in the form of essential items like food, period products and other basic toiletries, are all experiencing difficulties in accessing essential items. This means making difficult decisions, such as a period product charity in Stoke-on-Trent having to reduce the range and quantity of products they provide to other organisations. They are concerned about not being able to purchase enough period products to meet need across Stoke-on-Trent and Staffordshire.

To ensure that everyone who comes into a foodbank leaves with food, volunteers across Stoke-on-Trent have been stretching out what they have, which sometimes necessarily means smaller food parcels. Foodbanks have never had to do this before, and it’s something that is profoundly felt by volunteers who are noticing a change in the volunteer/foodbank guest relationship. For example, one volunteer explained how she always saw her role as helping people through a difficult time. Now she is finding that she is having to explain to people why the foodbank can’t give as much as before, and why occasionally they are having to turn people away.
The increasing need that is evident across foodbanks in both Manchester and Stoke-on-Trent has serious implications. For instance, for foodbanks in Manchester preparations have been built around the assumption that they will be very busy in the winter months, but now there is growing uncertainty as they simply do not know how busy they are likely to be, or when spikes in need will arise. Some foodbanks reported a quieter couple of weeks around the time that government energy relief was paid, but numbers of people in need of support began mounting again quickly afterwards.

3.2.3 Infrastructure, staffing, funding and hidden costs

The current cost-of-living crisis is impacting charitable organisations on multiple fronts. For example, it is making the work that foodbanks do more difficult as it is putting greater strain on volunteers and staff to support greater numbers of people with meeting their basic needs. Beginning as a small student-led project in 2013 collecting and distributing food to people in need in the central Manchester area, one Manchester-based foodbank has become busier year on year as the impact of austerity continues to bite, drawing in growing numbers from the north and east of the city where little provision exists. They have now expanded their core staffing and volunteer teams to deal with increased need, capacity and co-ordination across all three of their sites. For a charity whose mission is to no longer exist, expansion does not sit comfortably with them, but they felt they had little choice if they were going to continue to support their communities effectively. More staff and more complex operations systems put additional strain on the infrastructure of a small, grassroots charity when it comes to governance.

Not all of the organisations we spoke with had fixed premises or paid staff, so for them overhead costs were low. However, for those organisations with fixed premises, higher energy costs are starting to bite, adding another layer of worry and necessitating mitigating actions such as keeping thermostats low. As mentioned above, since there has been a reduction in food donations from the general public, particularly in more expensive items like tinned meat/fish, foodbanks in both Manchester and Stoke-on-Trent are having to draw upon cash
reserves on a monthly basis in order to top up food stocks. However, there is an acute awareness that such reserves will not last long if demand continues rising. Larger foodbanks can assign a member of staff to solely focus on making funding applications to enable them to continue providing the levels of support they were able to offer prior to the cost-of-living crisis. Some foodbanks and food aid spaces are small and therefore have far fewer resources to draw on, meaning they are physically constrained in terms of how many people they can comfortably accommodate at any one session. For them, greater demand for support means extending opening days/hours in an effort to relieve pressure on existing sessions, and more time spent on funding applications and making appeals for help on social media from the public and local businesses. There is a shared feeling amongst smaller organisations of being increasingly stretched thin and a growing concern about their capacity to continue to provide much-needed support to their communities.

Many of the organisations with whom we held informative conversations about our research rely upon public donations and funding received from the National Lottery Community Fund. Some also receive a small amount of funding from their respective local authorities. As need for charitable support continues to grow, there is collective concern regarding diminishing donations from the public, the majority of whom are cutting back on discretionary spending in order to manage their outgoings as the cost-of-living crisis worsens. In Manchester, a small charitable organisation helping migrant women to develop their English language skills through cooking together and sharing recipes was experiencing significant difficulty in getting donations to enable them to publish their second cookbook, which they use to raise funds for their activities. There is also shared concern regarding existing funding being diminished as more and more charities and community support groups submit funding bids to maintain their essential work. In Manchester, for instance, concern over recent unprecedented numbers of local bids to the National Lottery had prompted some charitable organisations to apply for money from the local authority’s ‘crisis’ pot in order to avoid withdrawing some services. For larger organisations who employ paid staff, there is also concern over having to make savings through
CHAPTER 3: AUSTERITY, FOOD INSECURITY AND THE COST-OF-LIVING CRISIS

redundancies at a time when people badly need their jobs. This in turn will mean reducing the services they currently offer.

Finally and crucially, this current crisis is exacting hidden costs for those working on the front line to support low-income communities. Unprecedented demand for services, along with ongoing need for emotional support and advice is leaving volunteers and staff feeling increasingly hopeless and under unbearable pressure. For example, family support workers employed by a charity supporting struggling families in Stoke-on-Trent talked of their distress visiting people sitting in cold homes with no heating on, or skipping meals so they can feed their children. They also drew attention to the overlooked, significant long-term detrimental effects of poverty—especially for children—such as being unable to concentrate at school due to lack of food and sleep, low self-esteem, mental health issues, social isolation, and preventable illnesses like scurvy and rickets.¹ As female, part-time, low-paid workers with other caring responsibilities, they themselves are struggling to cope with the rising costs of living. Worries over their own children’s futures are a constant presence in their own everyday lives, along with concern that there is no real attempt by the current Government to take immediate and long-term action to resolve the crisis engulfing them. Indeed, there is a shared sense amongst the organisations who engaged with the writing of this report that the Government are not listening to the concerns of the charitable sector, nor to repeated calls for action.² They are acutely aware that their work enables the Government to look the other way, but feel there is little they can do to affect meaningful change as they are too busy fighting fires on the ground. There is anger and frustration that ministers remain indifferent to the predicament of those struggling on low incomes because charitable and community organisations like them will continue to provide care and support in the face of ongoing austerity and multiple crises.

². Independent Food Aid Network, ‘End the need for our services – charitable food aid is not the solution to financial hardship’, October, 2022, accessible at: https://www.foodaidnetwork.org.uk/blog/joint-letter.
CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

So, what can be concluded about the implications of the cost-of-living crisis for people and charitable organisations in low-income communities in Northern England, whose lives were already beset by austerity and crisis? The evidence presented here indicates the exacerbation of already entrenched inequality and a continuation of reliance by the state upon the charitable sector to care and hold people and communities together. However, as Briggs found in recent research with charitable and community organisations in Stoke-on-Trent during the Covid-19 pandemic, the labour required to do this time and time again is experienced as physically and emotionally exhausting. Importantly, whilst this work can often be felt to be fulfilling and rewarding because of its capacity to instil a sense of ‘making a difference’ to communities, it can simultaneously be experienced as overwhelming. This inevitably leads to burnout in those striving to plug the holes created by retrenchment of social security provision and persistent, low-paid, precarious employment.

Our engagement with local and regional communities during the cost-of-living crisis in the latter half of 2022 confirms that increasing numbers of people are struggling to make ends meet. Since the cost-of-living crisis is entangled with previous and ongoing crises, local front-line organisations providing vital support are, quite literally, ‘running on empty’. Existing pressures continue to intensify, and charities struggle to keep up with ever-growing need. The question we should be asking is whether it is the responsibility of charitable
and community organisations to keep ‘digging deep’ into limited financial (and energy) reserves in order to ensure people have food and other essential items. Fighting fires on a daily basis makes it increasingly difficult, if not impossible, for charities and community organisations to focus on longer-term strategies of highlighting the systemic causes of poverty and therefore to hold local authorities and government accountable. This matters because austerity measures have reallocated responsibility for life outcomes towards individuals and communities already marginalised. It is worth remembering that states have obligations that are ‘determined and regulated by formal, democratically negotiated norms based on social rights and statutory social security’. Clearly, things cannot continue as they are.

In this context, we make the following recommendations:

1) We strongly recommend a move towards cash-first approaches and away from the dominant charitable approach as a solution to issues of poverty in order to relieve the intense pressure currently being experienced by front-line organisations providing essential items to those in need. Cash-first approaches are now being used by some local organisations such as the Greater Manchester Migrant Destitution Fund, Trafford Housing Trust and Wigan Council, and came up in conversations with local foodbanks. Following on from their success in getting the Scottish government to adopt a cash-first approach to provide a more sustainable, long-term solution to food insecurity through addressing underlying systemic causes of poverty, the Independent Food Aid Network (IFAN) are currently working to embed cash-first approaches within every local authority in England. At present, their distribution is geographically uneven across English councils, with approximately only 1 in 7 offering cash awards as part of their local welfare support funds. However, cash transfers remove the stigma associated with food aid by offering people dignity and the opportunity to decide for themselves how to use financial support in ways best suited for their needs. As part of a broader strategy of support, they have the potential to maximise the impact of local welfare provision and are increasingly being viewed as a vital tool that can help to support
people in a more dignified way. Following on from the success of a recent Trussell Trust pilot with Leeds City Council and Leeds Food Aid Network whereby 187 cash grants (total value £45,450) were given to 283 individuals experiencing a financial crisis between Oct. 2021 and April 2022, some councils are now trialling them.

2) **Expanding Free School Meal Provision to all children in England, thereby ending the stigma associated with free school meals.** A specific concern was voiced by foodbanks on rising child poverty and its direct and long-term impacts, which were described as ‘catastrophic’. This policy can be a vital local tool for councils to immediately address one of the impacts of record levels of child poverty in both Manchester and Stoke-on-Trent. It has recently been introduced as an emergency scheme to help families across London with the spiralling cost of living.

3) **An end to austerity along with reinvestment in a properly funded, fit-for-purpose social security system that supports people when they need it through adequate, accessible and timely payments.** Austerity measures and punitive sanctions on benefit claimants are key drivers of poverty and foodbank use in the UK and will continue to be so unless there is a shift in the Government’s approach. There is widespread frustration amongst local charitable organisations at the ineptitude of social security payments at protecting people from poverty. They are also angry at the re-institution of punitive sanctions on benefit claimants, and with the 5-week wait for the initial payment of Universal Credit, because both cause significant hardship and are pushing people further into debt. There is a dire need for socio-economic transformation in the immediate term, as the recommendations above make evident.

4) **Urgent action to increase living standards for those on low and middle incomes to match rising costs of living.** This will require a properly implemented national living wage and an increase in wages to reflect increasing living costs and inflation. Although Manchester is recognised as a ‘Living Wage’ city, our report has noted that wages continue to fail to keep up with rising inflation, causing levels of in-work poverty to increase. Charitable
food providers in both Manchester and Stoke-on-Trent are experiencing unprecedented demand in their communities, with the most common reason cited being the rising costs of living, followed by inadequate wages. We therefore echo calls from the Trussell Trust, the Independent Food Aid Network (IFAN), and the Trades Union Congress (TUC)\(^68\) for the government to take urgent action to increase people’s incomes.

5) **Urgent housing reform, including keeping housing costs as a share of household income in check.** Measures include the lifting of the freeze on the local housing allowance to enable more affordable housing to be built. Instability in the mortgage market is causing uncertainty and concern for those homeowners with pressured household budgets, for whom defaulting on higher mortgage repayments becomes a greater risk. There is also the likelihood of landlords passing on mortgage increases to tenants, with the potential for greater numbers being unable to pay their rent and finding themselves homeless.\(^69\) As evidenced in this report, this places ever more pressures on local homelessness charities. In the private rental sector, therefore, the introduction of rent caps, long-term tenancies, and the revocation of Section 21 notices are essential. To bring to an end to the over-reliance on private rental accommodation in the UK, alternative, more affordable models of housing such as more collective forms are greatly needed.

2. In Stoke-on-Trent: Period Power; Stoke-on-Trent Foodbank; Temple Street Foodbank; Better Together Community Support Group, and Alice Charity. In Manchester: Shelter; Manchester Central Foodbank; Heart and Parcel and Fallowfield and Withington Foodbank.


RUNNING ON EMPTY


26. The Food Foundation ‘Government data shows £20 uplift is likely to have protected people on Universal Credit from food insecurity’, 1 April 2022, accessible at: https://foodfoundation.org.uk/press-release/government-data-shows-ps20-uplift-likely-have-protected-people-universal-credit-food.

27. Ruth Patrick, Kayleigh Garthwaite, Maddy Power, Jim Kaufman, Geoff Page, Katie Pybus, Rosalie Warnock, Hannah Aldridge, Lizzie Flew, Tom Lee, and Sophie Howes, Covid Realities: Documenting life on a low-income during the pandemic, 24 January 2022, accessible at: https://cdn.sanity.io/files/brhp578m/production/87675ee74d31a305f15c0d8de203e3dd21c50c38.pdf.


31. Women’s Budget Group, The Female Face of Poverty.


35. Sarah Marie Hall, Everyday Life in Austerity: Family, Friends and Intimate Relations


43. Cite of Stoke-on-Trent, Stoke-on-Trent Joint Strategic Needs Assessment, 2019.


46. Eleanor Jupp, ‘Rethinking Local Activism’.

47. Hall, ‘The Social Life of Crisis’.


49. In April 2020 the volume of parcels distributed by the Trussell Trust was 84%
higher than in February 2020, and independent foodbanks reported an initial increase in food parcel distribution of 45% from February to March 2020, then a further increase of 146% to May 2020. Independent Food Aid Network, *Independent Foodbank Emergency Food Parcel Distribution in the UK*, February to November 2019 and 2020, 22 December 2020, accessible at: https://www.foodaidnetwork.org.uk/data.


52. ‘Foodwork’ is the material, mental and social labour involved in food provisioning, i.e. meal planning, food shopping, and cooking. See Caron F. Bove and Jeffery Sobal, ‘Foodwork in newly married couples: Making family meals’, *Food, Culture and Society* 9, no. 1 (2006): 69–89.


55. Ibid.

56. Rupert Jones, ‘Private rents in UK reach record highs, with 20% rises in Manchester’.


ENDNOTES

cost-of-living-squeeze-hits-donations-to-charity-sector,


68. Recent research from the Joseph Rowntree Foundation highlighted how those receiving benefits and those in low-paid work and claiming Universal Credit were struggling to stay afloat amidst rising living costs and the withdrawal of the £20/week uplift. See Joseph Rowntree Foundation, From Pandemic to Cost-of-Living Crisis: low-income families in challenging times, 12 May 2022, accessible at: https://www.jrf.org.uk/report/pandemic-cost-living-crisis-low-income-families-challenging-times.


70. Trades Union Congress, Responding to the cost-of-living crisis.

71. Katie Rosseinsky, ‘Mortgage payments are set to soar – so how does this impact renters?’, Stylist Magazine, October 2022, accessible at: https://www.stylist.co.uk/life/mortgage-rate-increases-impact-on-renters-landlords/720196.
ACKNOWLEDGEMENTS

We would like to thank the organisations in Manchester and Stoke-on-Trent who generously gave us their valuable time to share their experiences of how they are being affected by the cost-of-living crisis. We are also grateful to members of the Austerity and Altered Lifecourses Project team and to Laura Dawson, Research Beacon Communications Manager at the University of Manchester, who read an initial draft of this report. Thanks also go to the organisations below who funded our research and this report.

Funding Statement

The research discussed in this report and the time to write this output was funded by: the Economic and Social Research Council (NWSSDTP Doctoral Scholarship, Briggs), the Independent Social Research Foundation (Political Economy Fellowship, Hall) and UKRI (Future Leaders Fellowship, Hall).