



## Working with charities during the cost-of-living crisis

### A guide for MPs

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# Summary

As an MP, you'll know from your casework how overwhelming the cost-of-living crisis is proving to be for your constituents. Local and national charities working in your constituency can be a vital partner, providing you with frontline insights, up-to-date data and intelligence, and a reliable place to refer people who need urgent help. You will likely already know the charities in your constituency well, so this guide is intended to help you focus your work with them at this critical time.

To help charities to best support people in your constituency, we recommend that you:

1. **Talk often with charities in your area.** Listen to their concerns and find out what is important to them, share the issues you care about, explain what you want to learn more about, and find out when and how you can refer your constituents to charities who can help.
2. **Make use of charities' data and connections.** This is a fast moving crisis and we do not know exactly how people will need support in the coming months. Many charities are uniquely well placed to share up-to-date data and stories on the issues they tackle day-to-day. This can be very useful for understanding the bigger picture outside of what you're already seeing in casework.
3. **Advocate for the solutions charities can offer.** The information charities have and the solutions they offer could prove vital to helping people through the cost-of-living crisis. You have a unique role in helping to convene local actors to tackle these issues, and also sharing information with ministers so they prioritise the most urgent needs.
4. **Ensure charities get the support they need.** Charities will be facing greater demand and strains on their income in this crisis. In addition to the welcome support announced for charities with their energy costs, extra measures like increasing gift-aid, lowering VAT on backroom services, increasing the value of contracts in line with inflation, and ensuring grants cover core costs could be key to ensuring that charities can continue to help the people who need them the most.

## In this guide

How are charities helping people through this crisis?.....	4
How can charities support your work as an MP? .....	5
Where are charities struggling? .....	6
What should MPs do?.....	7

## Find out more at party conference

If you want to find out more, please join us at our events with ERSA at Labour and Conservative conferences on the mornings of the 27<sup>th</sup> of September and the 4<sup>th</sup> of October: **‘The cost-of-living crisis—how can employment support and civil society respond to crisis and recession?’**. Rt Hon Sir Stephen Timms MP, chair of the Work and Pensions Select Committee, will be speaking at our event at Labour Conference. For more information on these events or on working with charities, please contact [theo.clay@thinknpc.org](mailto:theo.clay@thinknpc.org).

**NPC** is the think tank and consultancy for the charity sector. For 20 years we have been working to make the social sector more impactful for people and communities in need.

# How are charities helping people through this crisis?

Whilst everyone is impacted, and the specific people who are most affected will vary by constituency, the cost-of-living crisis is particularly acute for specific groups such as:

- People with a disability.
- People who are homeless or at risk of homelessness.
- People in 'deep poverty'—the numbers of which have increased over the past 20 years and are likely to increase further.<sup>1</sup>

The crisis is also more likely to be worse for people in broader groups including:

- Children and young people.
- People from some Asian, Black, African, and Caribbean backgrounds.
- Single parents.
- Poorer older people.
- Unpaid carers.

Struggling financially has knock-on effects for other social issues such as crime, mental health, and physical health. These are not fringe concerns: [our polling](#) showed that social issues were what people most wanted improved if their area were to be 'levelled up'.<sup>2</sup>

Charities are a ready resource embedded in communities. They are often best placed to reach people most at risk, and increasingly the final safety net for those struggling the most. They should therefore be a key partner in how you confront the cost-of-living crisis in your constituency.

Charities are funded mainly through a mix of public donations, government contracts, and grants. With this money, charities deliver vital services that many rely on. Local funding and philanthropy enable charities to respond to local needs, take risks, and innovate in ways government may struggle to.

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<sup>1</sup> NIESR (2022) ['What can be done about the cost of living crisis'](#)

<sup>2</sup> NPC (2021) ['Should we Level Up social needs'](#)

## How can charities support your work as an MP?

- 1. Tackling crises in your constituency.** Whether it's foodbanks, advice services, social groups, or mental and physical health services, charities ensure people who need help now are not left to struggle alone. They can also offer support to you in casework when your constituents come to you in a crisis.
- 2. Helping people who struggle to access other services.** Charities are uniquely well placed to build trusted relationships with people. This can include people who've experienced homelessness or racism, grown up in care,<sup>3</sup> or been through the justice system.<sup>4</sup> Many of these people will have found statutory services hard to access, or have had a bad experience with them. Charities tend to be better at treating people as individuals and building trusted relationships, so they can support your casework with these individuals.
- 3. Live data and information on needs.** Charities are at the coalface of the cost-of-living crisis. Many, particularly larger charities, collect excellent data on the needs they are seeing, giving you a unique perspective—whether this is to inform your constituency work, a parliamentary debate, or a contribution to a committee or APPG. Charities will often be happy to prepare short summaries of key issues and evidence for you to use in your parliamentary duties.
- 4. Stories and voices to influence change.** Charities work every day with the people most affected by the cost-of-living crisis. Representing these voices can be a powerful way of drawing attention to an issue, and convincing colleagues and the public of its importance. Many charities will be happy to facilitate these conversations and to advise on how best to conduct them.

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<sup>3</sup> NPC (2022) '[Funding the Journey from Care](#)'

<sup>4</sup> NPC (2019) '[Independent, effective humane—funding charities in the justice system](#)'

## Where are charities struggling?

Inflation can be especially pernicious for charities as it eats away at the value of pre-pledged grants and contracts. A rise in the cost of food, energy, and fuel is a big problem if your charitable purpose is feeding, housing, or transporting people. £1 donated yesterday simply cannot achieve the same impact today. Alongside this, charities are facing an increase in demand. A survey by the Charities Aid Foundation found that 71% of charity leaders are worried about how they will manage the rising demands they see.<sup>5</sup>

Our [Cost-of-Living Guide](#) outlined in detail how charities may struggle.<sup>6</sup> This may limit some organisations' ability to respond to your requests, so we recommend using their time and resources as efficiently as possible.

Charities have the knowledge, relationships, and experience that governments often lack, so we mustn't allow extortionate energy bills to shut them down. We therefore welcome the government's recent announcement on support for charities' energy bills, but would like to see this go further with extra measures including increasing gift-aid, lowering VAT on backroom services, and increasing the value of contracts in line with inflation.

Charities fulfilling public sector contracts are particularly exposed. Our [State of the Sector](#) research showed that two thirds of charities say they aren't paid enough to cover the cost of fulfilling the contract.<sup>7</sup> This could become dangerously unsustainable as inflation pushes charity finances to breaking point. One solution is to recognise social value explicitly in the new Procurement Bill – the successor to EU law. In our recent paper, [Recognising Social Value in Public Procurement](#), we explain how by defining 'value for money' in the Bill as including social value and wider cost savings elsewhere, the state can work more effectively with the charity sector to deliver for communities.

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<sup>5</sup> CAF (2022) ['Increased demand and falling donations create a 'perfect storm' for charities'](#)

<sup>6</sup> NPC (2022) ['Confronting the Cost of Living crisis'](#)

<sup>7</sup> NPC (2021) ['State of the Sector 2020'](#)

## What should MPs do?

- 1. Talk often with charities tackling the cost-of-living crisis in your area.** If you are not already in at least a monthly dialogue with charities in your constituency, you should open one. National charities and larger charities will be happy to speak to you and lend their time and expertise. To find local charities working on poverty and destitution you can use [Charity Commission](#) data or speak to the [NAVCA](#)—the umbrella body for local charities.
- 2. In return, let these charities know what issues you want to hear about, who you want to meet, what information would be helpful and how you most like to receive it.** Keeping in regular contact is key to receiving the relevant information when you need it—an online monthly call would be a good place to start. Organisations like [NAVCA](#), [NCVO](#) and the [UK Community Foundations](#) can help you link up with charities in your area. Many charities will be facing high levels of demand, so using their resources as efficiently as possible will be important.
- 3. Make use of charities' data and connections.** The nature of charities' work means many will have up-to-date information on local needs that you may otherwise struggle to find. Charities can also connect you with people directly affected. This crisis and its effects are developing rapidly, so using charity knowledge can be invaluable for tackling issues in your constituency early on, and for supporting your parliamentary work.
- 4. Advocate for the solutions charities can offer.** Charities' data and information can make your constituency and parliamentary work more impactful. By drawing upon information from charities active in your constituency you can bring a local angle to your contributions, whether it's behind the scenes with ministers, or in debates and committees. The Work and Pensions Committee, Treasury Committee, and Business, Energy and Industrial Strategy Committee have all either been running enquiries or looking closely at how the government should respond to the cost-of-living crisis. Charities with capacity will often be happy to prepare short briefings with key talking points and information ready for a parliamentary contribution.
- 5. Ensure charities get the support they need.** We are pleased to see support for charity energy bills but measures like increasing gift-aid, encouraging philanthropic giving, lowering VAT on backroom services, targeted grants which cover core costs for frontline deliver charities, and increasing the value of contracts in line with inflation could be key to ensuring that charities can continue to help the people who need them the most.