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# Social Policy in a Cold Climate: Focus on London

## **Hard Times, New Directions?:**

The impact of the local government spending cuts in three deprived neighbourhoods of London

Presentation to London Funders by CASE

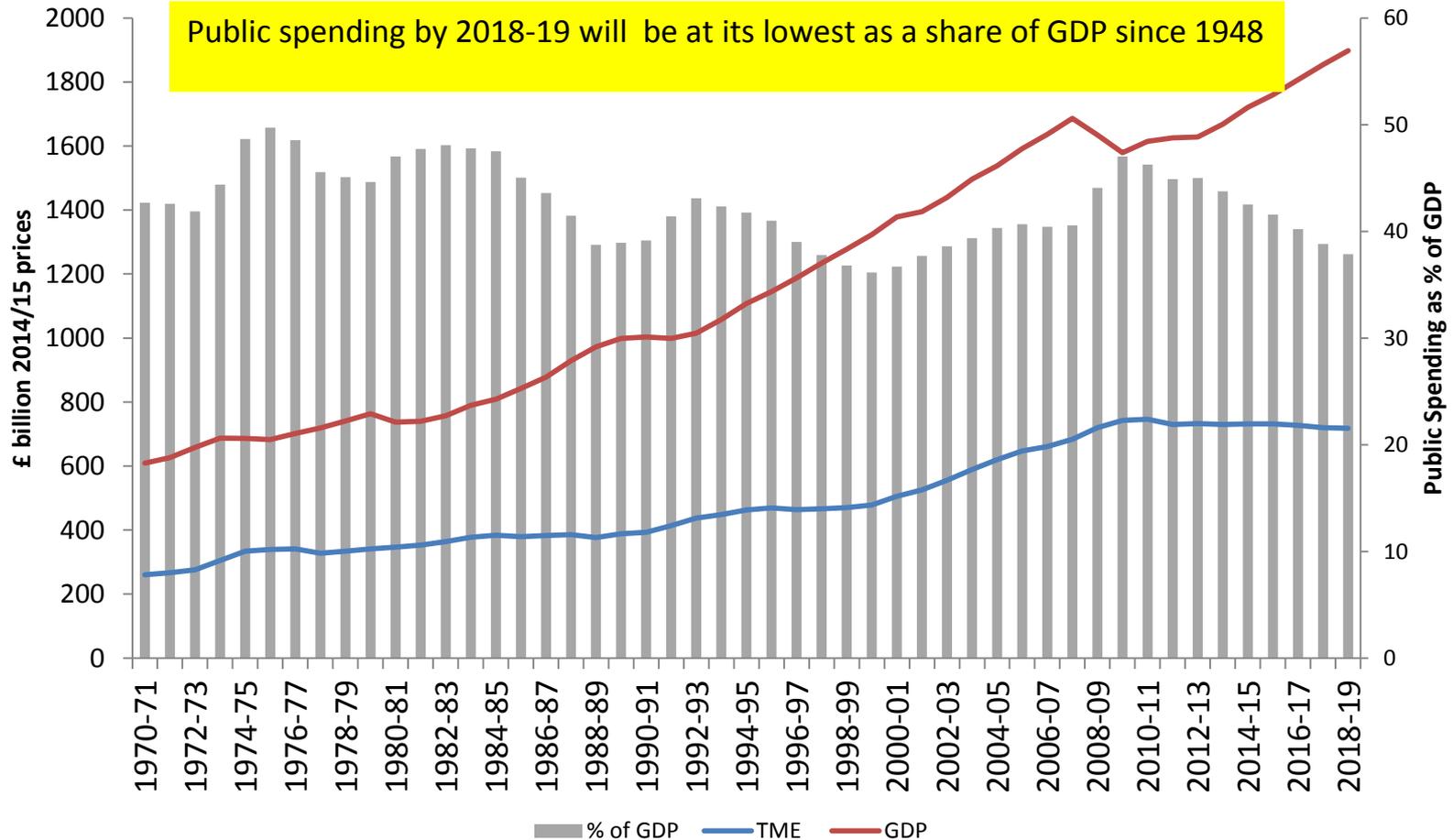
16 October 2014



# The Project

- Funded by the Trust for London
- Part of bigger programme ‘Social Policy in a Cold Climate’ ...  
[http://sticerd.lse.ac.uk/case/\\_new/research/Social\\_Policy\\_in\\_a\\_Cold\\_Climate.asp](http://sticerd.lse.ac.uk/case/_new/research/Social_Policy_in_a_Cold_Climate.asp)
- ...which looks at impact of Coalition’s policy reforms and spending cuts at national level.
- Coming soon (Jan-March 2015):
  - Analysis of Coalition’s social policy record
  - Analysis of changing distribution of economic outcomes since the crash
  - And a particular focus on what’s happened in London

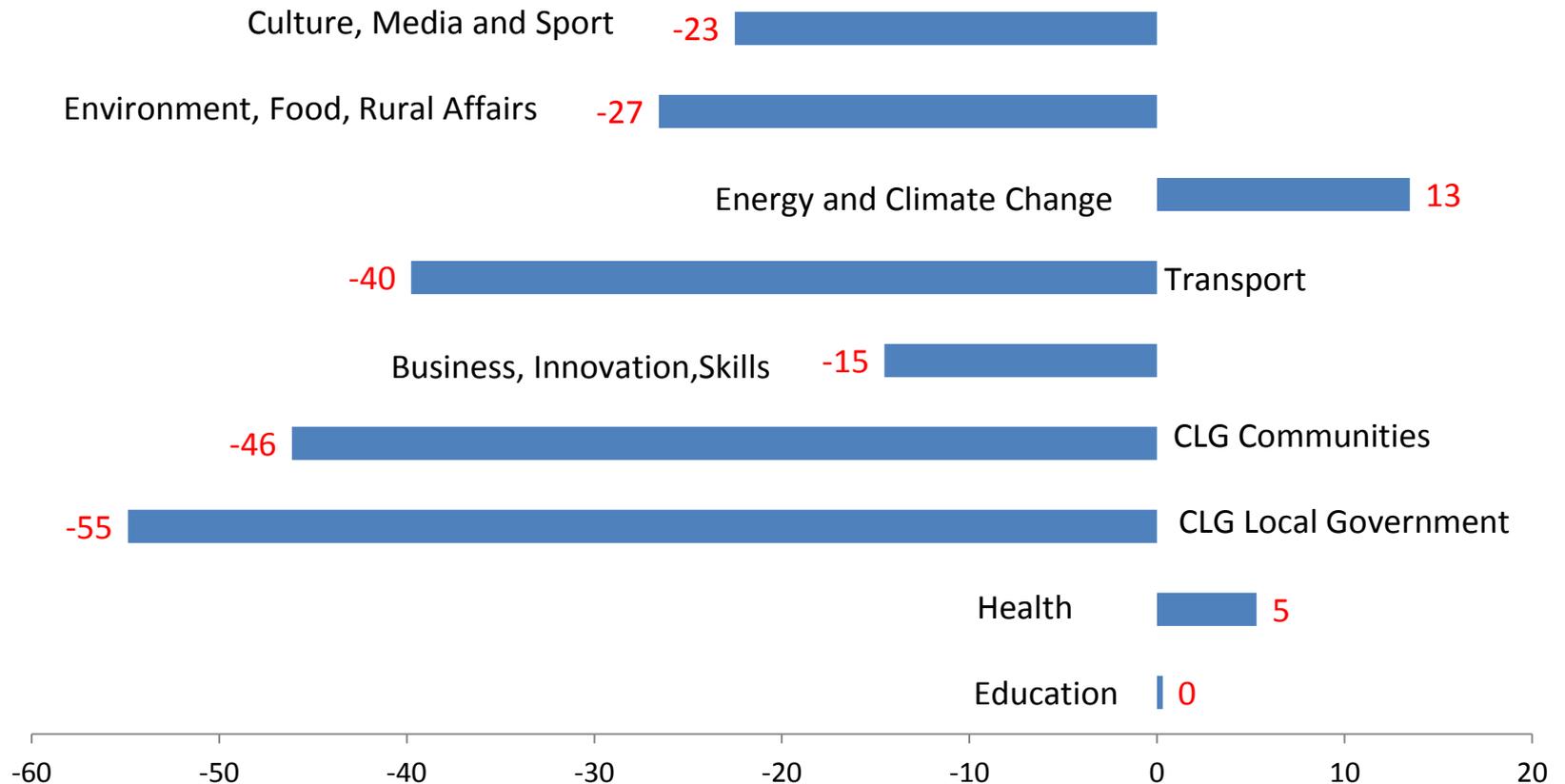
# Context: 'Austerity Plus'



Sources: IFS, Office for Budget Responsibility

# Local Government has Taken the Biggest Hit

## Percentage Change in Departmental Resource Budgets 2009/10 to 2014/15 (Real Terms)

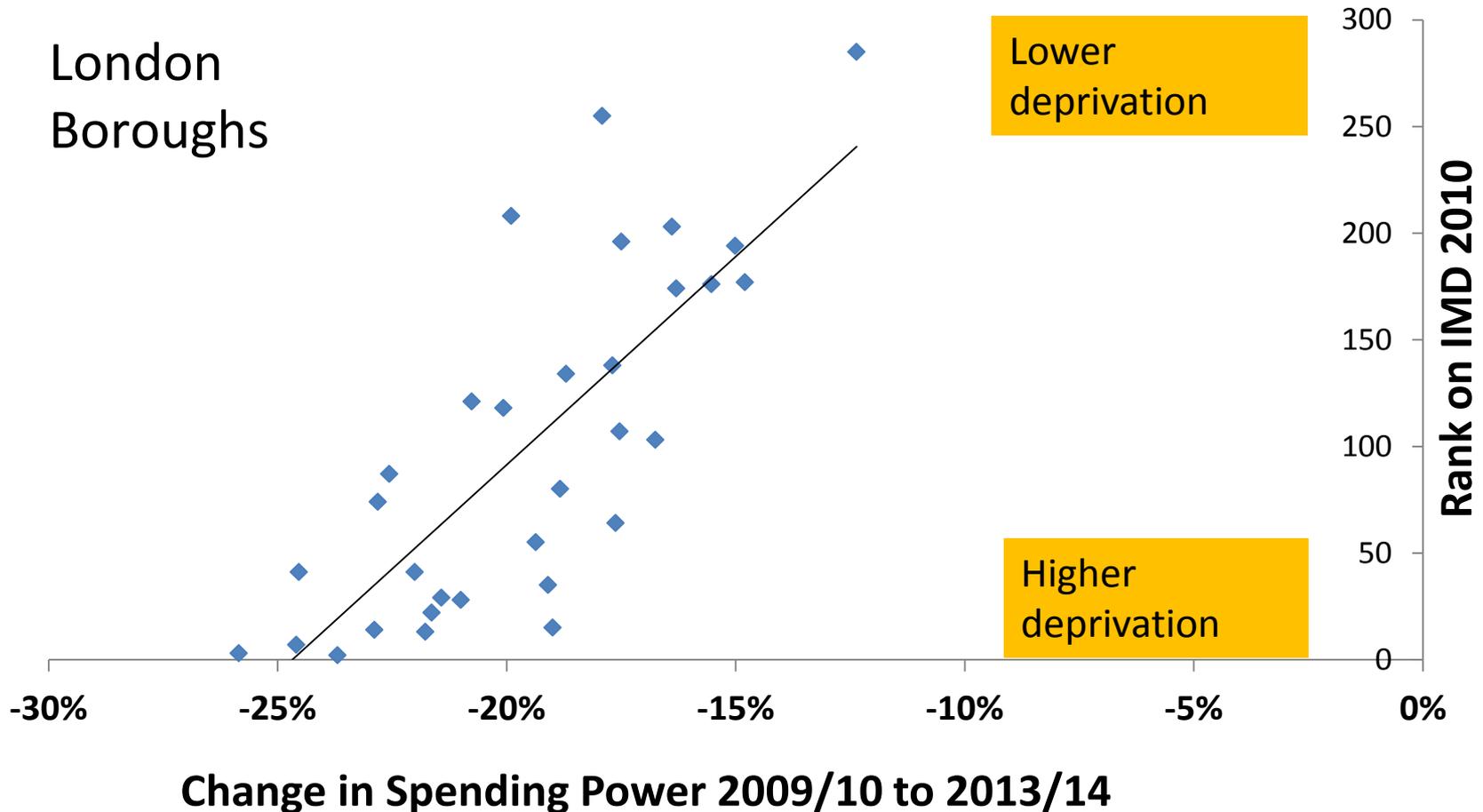


Source: HMT Public Expenditure Statistical Analyses 2014

# Local government cuts

- Local Government Settlement: “the toughest in living memory” LGA, 2010
- £7.6 billion reduction – 26% - in funding of local authorities in real terms between April 2011 to March 2015 (excl. schools, police and fire)

# More Deprived Local Authorities Lost Most



Nationally – Most Deprived Fifth of Authorities -21.4%, Least Deprived Fifth -15.8%  
(Hastings et al 2013: Coping with the Cuts, JRF)

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# And the poorest people have lost out most

- From the tax benefit changes
  - (see Browne and Levell IFS Briefing Note BN108)
- From the combined impact of tax/benefit changes and public service cuts
  - (see Horton and Reed, Radical Statistics 103)

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# But:

- There will be significant local variation
- The decisions of local authorities can offer more or less protection to groups affected by other cuts
- Very hard to establish what is going on:
  - survey of London Councillors said 91 per cent thought services had been affected by budget cuts and 30 per cent thought that they had been drastically affected (London Communications Agency 2013).
  - 2013 survey by IPSOS MORI found that two thirds of people surveyed had not really noticed any changes to the services provided by their local Council.

# Our Small –Scale Project

## **Stage 1** (completed summer/autumn 2012)

- What funding cuts have London LAs experienced? (funding data analysis)
- What overall strategic responses are they adopting? (policy document review)

## **Stage 2:** (completed spring through autumn 2013)

- Select three case study LAs: Brent, Camden, Redbridge
- What specific measures and approaches are they adopting in **children and youth services, adult social care** ? (senior officer/member interviews, policy and budget analysis)

## **Stage 3:** (completed spring/summer 2014, reporting October 2014)

- Select one neighbourhood in each LA (most deprived)
- What impacts have there been of local service provision and on experiences and outcomes for residents (interview local level service providers and service users, analyse usage and outcome data)



# A quick overview of Stage 2

# Perhaps less bad than expected? (in these services)

- **strenuous efforts** to protect front line services and delivery of those services to the most vulnerable
- Majority of savings made **to date** through **efficiencies**
  - “Actions which aim to *reduce costs* of council services without changing service levels as far as public are concerned”
- For example:
  - Cheaper procurement (incl. joint-commissioning, in-house)
  - Reducing back-office headcount
  - Rationalising office accommodation

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# However.....

- Some **retrenchment**
  - “ Actions which *reduce the council's role* in terms of the services it provides and for whom”
- For example:
  - Voluntary sector taking on more services
  - Increased charges
  - Tightened eligibility

# What does this look like at a neighbourhood level?

- What is the scale of the difference in the service/activity offer?
- Do people notice and in what ways does it matter to them?
- Are 'efficiencies' really having no impact on services?
- How is the voluntary sector managing?

# Reminder of Approach

## **The case studies:**

- Brent, Camden, Redbridge
- One deprived neighbourhood in each

## **Neighbourhood-level data collection:**

- In each neighbourhood interviewed 3 local service managers; 4-6 VCS representatives
- Interviews/focus groups covering an average of 18 residents per neighbourhood
- Focused on our 3 groups of residents:
  - families with U5s; young people (16-24); 65+

# Summary overview of what changed

## a) Retrenchment

- Closure of a local facility/loss of a local service
- Reduction/no increase in funding to voluntary and community sector (VCS)
- Charging for services
- Greater targeting of the service

## b) Efficiencies

- Staffing: fewer delivering the same
- Partnering: coordinating with voluntary & community sector

## c) Investment

- Facility improvements: e.g. youth centres (all); sheltered housing flats
- New elements to a service: expanded activity offer for

# Retrenchment in evidence

Some substantial impacts on front line services  
– 4 stood out

## **Older people's services (in every case)**

- Day centre closures
- Lunch clubs: increase in charges
- Activity offer: fewer activities and higher charges
- Transport services: change in charges/ 'T&Cs'

## **Under-fives services, Brent**

- Noticeably fewer activities for under-fives
- Sessions are shorter and may run for fewer weeks

# Residents report adverse impacts

## Comments from the 65+ group

### **Wellbeing/quality of life**

- Boredom/Feeling miserable; sat around day-in-day out
- Social networks impacted

### **Dependency**

- Greater dependency on family
- Regret burdening family – feel it constrains those caring informally

### **Accessing information**

- Cannot easily get help in filling in forms
- Cannot get information easily (i.e. by phone or face-to-face)

## Comments from parents of under-fives

### **Behaviour**

- Child behaviour worse when little to take them to outside home
- Disappointment for the children

### **Extra pressure on family life**

- Life is already hard – this makes it harder

### **Child development**

- Concern that the child's development will be impacted

# But also evidence of service protection

The other 5 -

- **Youth services (in every case)**
  - No youth centre closure
  - Improvement in youth centre facility in all cases
  - Young people were getting Connexions/careers advice
  - Differences in activity offer and charging small
  - Local VCS offer maintained
- **Under-fives services, Camden and Redbridge**
  - Breadth of activity offer maintained, even increased
  - Particular protection in Camden
  - A degree of choice

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# Services make a difference in 'hard times'!

All residents noted wider pressures

- Families with under-fives – accommodation costs v earnings; living expenses
- Young people – jobs, less family time
- Older people – rising living costs

Residents note the difference services make

- U5s e.g. Heather – Mum of two under 3
- Youth centre – place to go while parents out working
- Lunch club – warmth as well as a meal

Would they find substitutes?

# But how precarious? ... fragile resilience?

## **Caveat 1: Fewer 'boots on the ground'**

- Remaining staff are doing more; more reliant on volunteers
- Implications for quality?

## **Caveat 2: At the 'limits of efficiency'**

- Are expecting things to get worse – outlook 'not rosy'!
- Staff uncertain of the future of their post/service

## **Caveat 3: Examples of worse experiences & evidence of struggle**

- E.g. closures in other wards
- Additional changes made, but reversed

## **Caveat 4: Unmet low-level need?**

- Greater targeting suggests less for moderate/low need
- Problems in the pipeline?

# How much can the VCS do?

- Signs that central government and councils are looking to the VCS to continue/build provision they cannot
- The added-value of the VCS
  - Depth of local knowledge
  - 'Grassroots' grown - adapted to very local
  - Rich in relationships
  - Trusted
  - Very clear that these are vital and much valued services
- But a precarious position?
  - There are challenges (particularly for smaller charities?)

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# **View from the voluntary and community sector: ...Hard times here too**

Ways in which the cuts were affecting VCS organisations :

- Funding reductions
- Being asked to do more for the same or less
- Greater competition
- Changing demand

Big efforts to maintain provision to residents

Some services were being impacted and sustainability concerns of some

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# **View from the voluntary and community sector: ...but also new directions**

## **Strategies**

- bidding for contracts from the Council, or aiming to
- selling services
- using volunteers more

This is a varied sector – there were experiences with these strategies, esp. by size

Some of this is part of a longer trend pre-dating the cuts

## **Opportunities**

- Working more closely with the Council in some cases
- Good relationships with the Council reported

**Signs of resilience**...impression of determination and confidence

# Concluding thoughts and messages

- Overall, not as bleak a picture as might have been expected
- Evidence of protection of the vulnerable, deprived neighbourhoods and groups
- But, there have been cuts – small changes in key services matter to vulnerable people
- How precarious is the success?
- Worse to come with further cuts – the limits to efficiency reached
- *N.B. this is a complex area! There are challenges in working through the complexity of this – we need to continue to hear the local experiences, which will vary*

# Report link and contacts

## Full report:

<http://sticerd.lse.ac.uk/case/new/publications/default.asp>

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