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The Cost of the Cuts: A Social Impact Tool

Annette Hastings, Nick Bailey, Maria Gannon – University of Glasgow
Glen Bramley, David Watkins - Heriot-Watt University



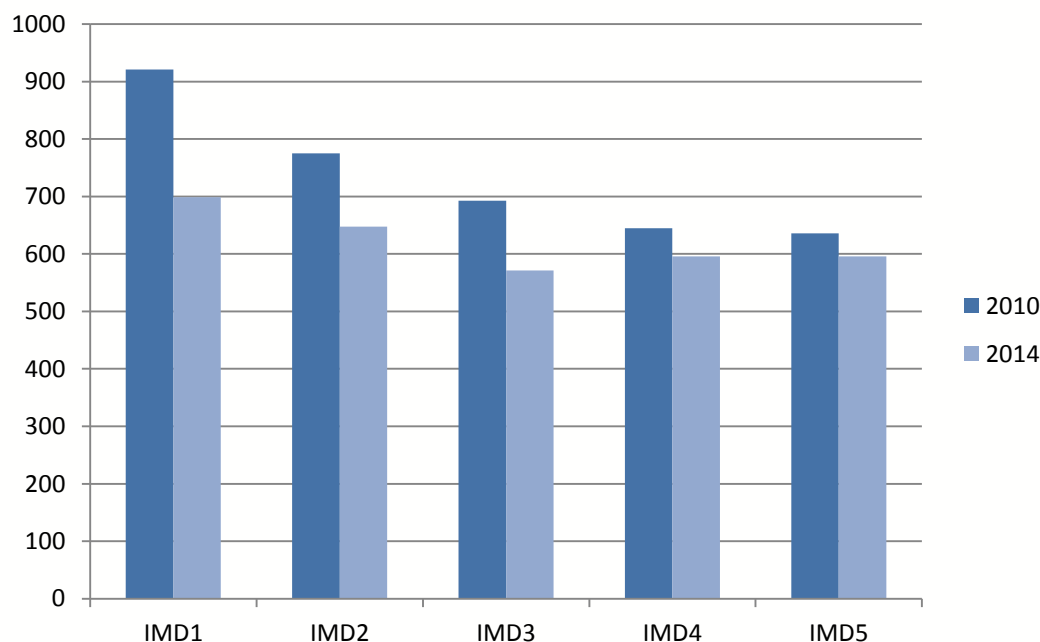
Research methods

- Analysis of budget cuts at the national level (England and Scotland)
- Four mixed methods case studies
- Quantitative analysis:
 - Analysis of budgetary information to identify financial value of 'savings' made to council services 2011-2016
 - Analysis of service 'savings' in relation to bespoke classification of services on a pro-poor – neutral – pro-rich spectrum
 - Calibration of service 'savings' according to levels of spend on the service
- Qualitative analysis
 - Service users - parents living in more or less disadvantaged neighbourhoods **Focus groups involving 59 people +9 follow up interviews**
 - Staff from voluntary organisations providing local services **27 interviews**
 - Strategic officers within the case studies more than **40 interviews, plus feedback sessions in case studies involving circa 15 staff**
 - Front-line council staff **Focus groups involving 33 service providers across a broad service range, 8 further service providers 'shadowed'**

Five key findings

1. The spending differential between disadvantaged and better off councils in England in sharp decline
2. Spending differentials maintained in Scotland, and spend on English services cut more.
3. Efficiency savings replaced by service retrenchment
4. Protection of pro-poor services becoming more difficult.
5. The impacts of budget pressures apparent within services

1. The spending differential between disadvantaged and better off councils in England is in sharp decline



- 2010: 45% difference in spend between most and least deprived
- 2014: 17% difference
- Undoing of the 'spatial strategy of equality'

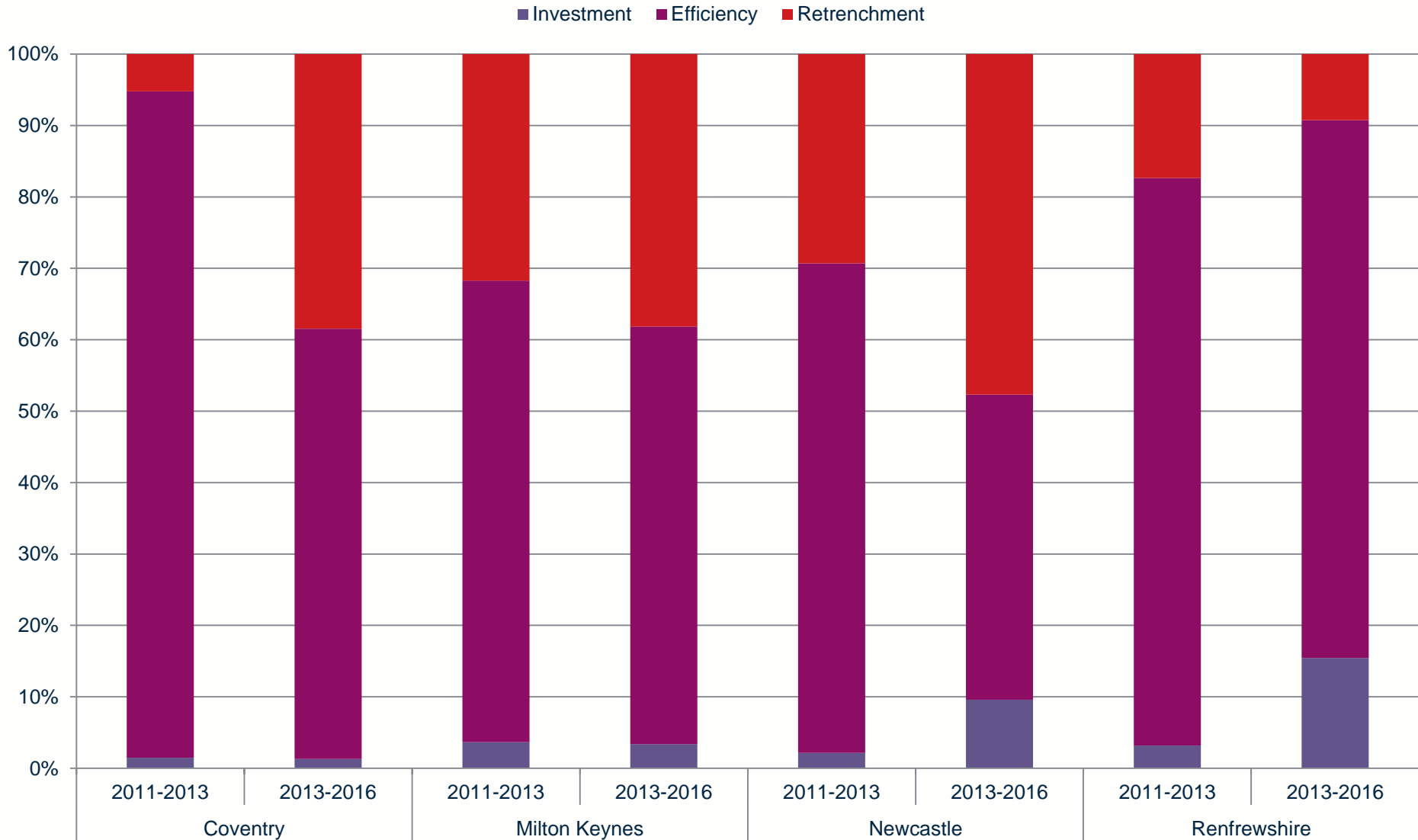
2.

The spending differential between disadvantaged and better off councils in Scotland remains



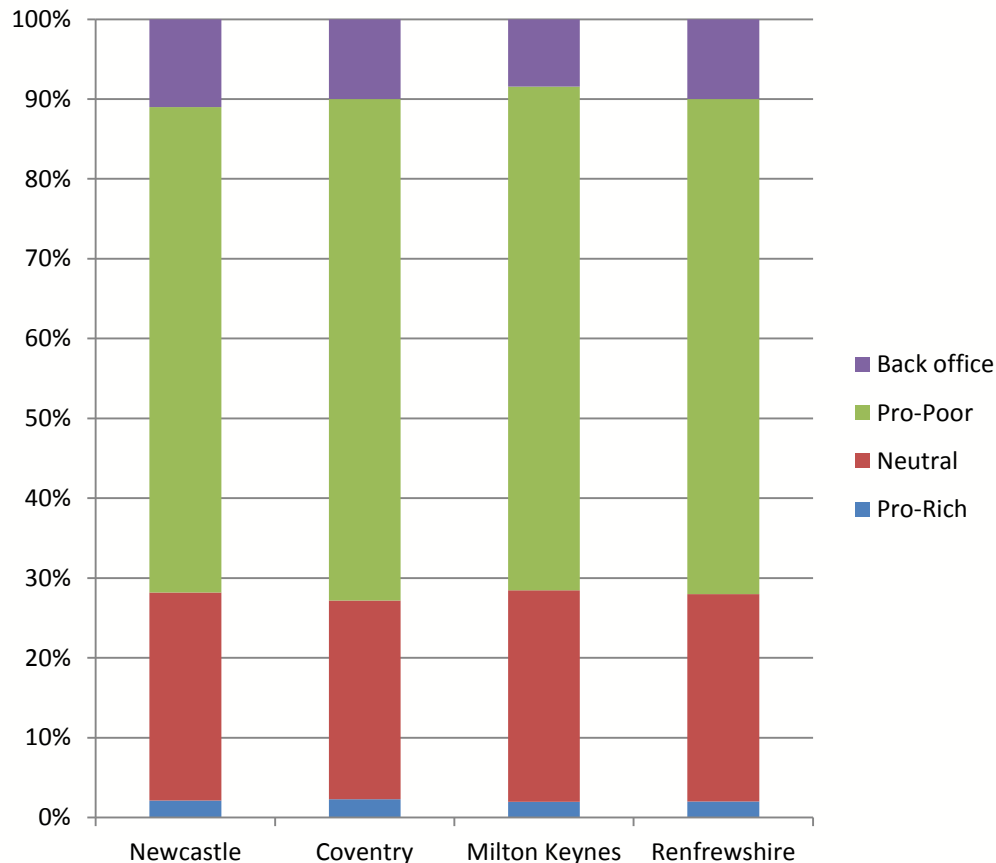
- But historically been a smaller deprivation premium in Scotland (29%)
- Cuts a little greater in more deprived than most affluent LAs (9.4% c/f 7.1%)
- Smallest cuts in SIMD 3 councils

3. Efficiency savings replaced by service retrenchment



4.

Protection of pro-poor services becoming more difficult



- The work of local government is pro-poor
- And becoming more pro-poor (?)
- c 1% of savings from pro-rich services
- in one council almost half of savings from pro-poor services.

Proportion of total spend by
distributional character of
service (2011/12-2014/15)

5. **Impacts on services are evident**

- Organisational and strategic capacity under strain
- Partnership undermined and silos rebuilt
- Prevention activity 'squeezed' in England - may be possible to protect it more in Scotland
- In England, a big emphasis in 'civic responsibility' but a lack of investment in capacity
- 'Pro-poor' services showing signs of strain
 - Not just busy offices. Needs unmet.
- Surveys beginning to show signs of declining satisfactions (LG Inform, SHS)



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Distributional Impact of Cuts

- Toolkit is intended to raise awareness of ‘distributional’ implications of budget reductions in different local services
- ‘Distribution’ refers to which groups and areas use or benefit more or less from particular services
- The JRF Research (‘The Cost of the Cuts’) was focused on impacts on more deprived groups and areas
- As part of this we sought to use background information, from national surveys and other sources, on the general patterns of usage and benefit associated with different local services
- Having developed a composite picture, this was applied to the pattern of budget reductions observed over period 2010-15, for all LAs, as well as the more detailed analysis of cuts in case studies
- In this introduction, we provide some insight into the sources used and the patterns found

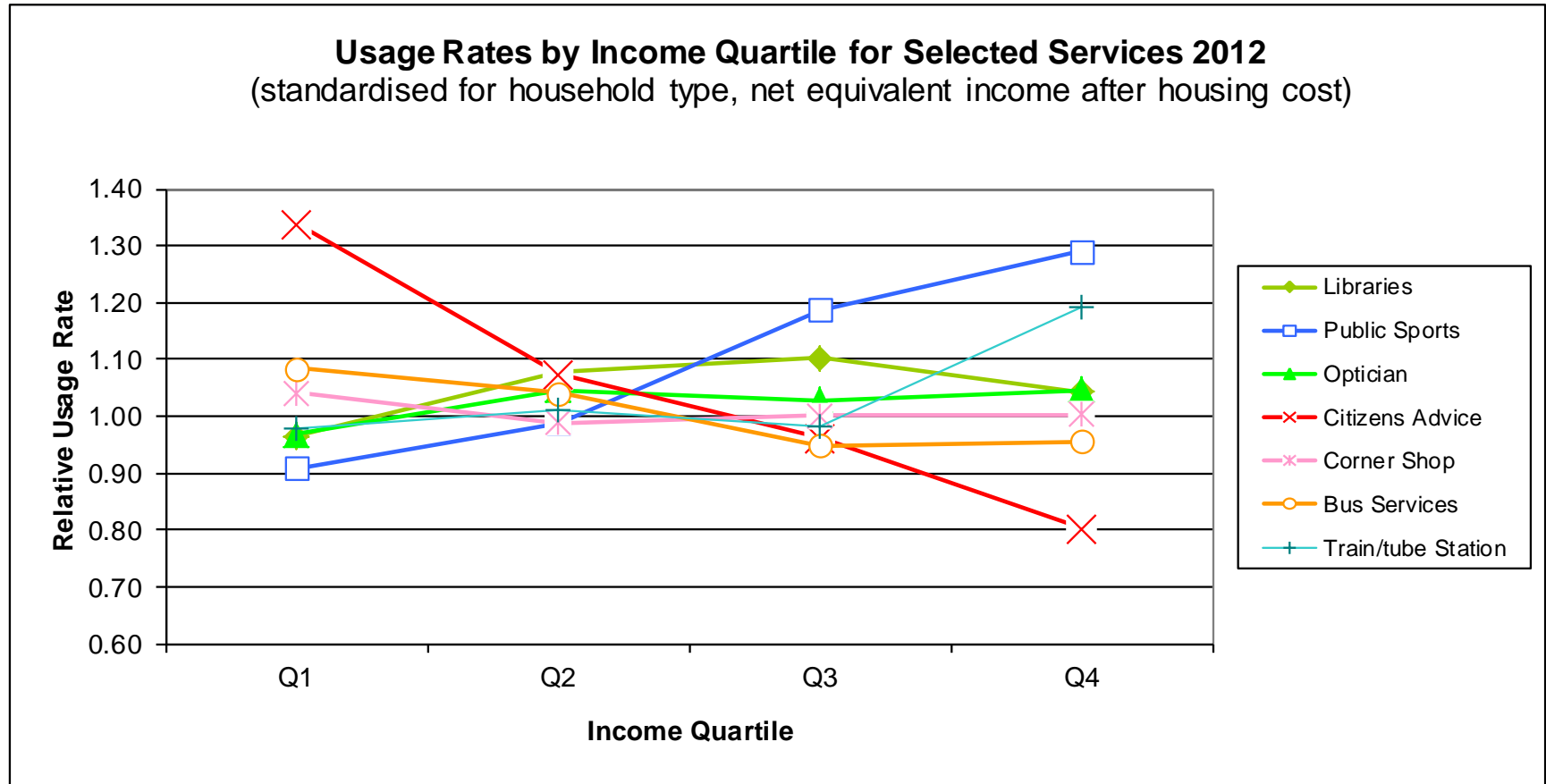
Main Sources

Source	Characteristics
'Where Does Public Spending Go?' (1998) and 'Mainstream Services and Neighbourhood Deprivation' (2005)	Mainly admin data allocating spending to wards by deprivation level. 3/7 areas; Somewhat dated
'Poverty and Social Exclusion' Surveys 1999 and 2012	Household Survey data on use & adequacy of selected LA services for general pop, children and old/disabled
'Scottish Household Survey', 2007 and 2012	Household Survey data on usage (incl frequency) and adequacy for fairly wide range of services
'Best Value Performance Indicators' (BVPI) Surveys English LAs, 2006/7	Household Survey data on usage, frequency and adequacy for range of services
'Understanding Society Survey' (USS), UK, longitudinal	New source to be explored - recent wave contains module on services

Dimensions of Disadvantage

- Income level of household, e.g. quintiles of net equivalent income after housing costs (in some cases, just net income)
- Deprivation band of neighbourhood (LSOA or ward)
- Social class (NS-SEC) of household
- Tenure (social & private rent vs owner occupier)
- (Economic activity of HoH)
- (Ethnicity of HoH)

Examples – PSE 2012 analysis by income

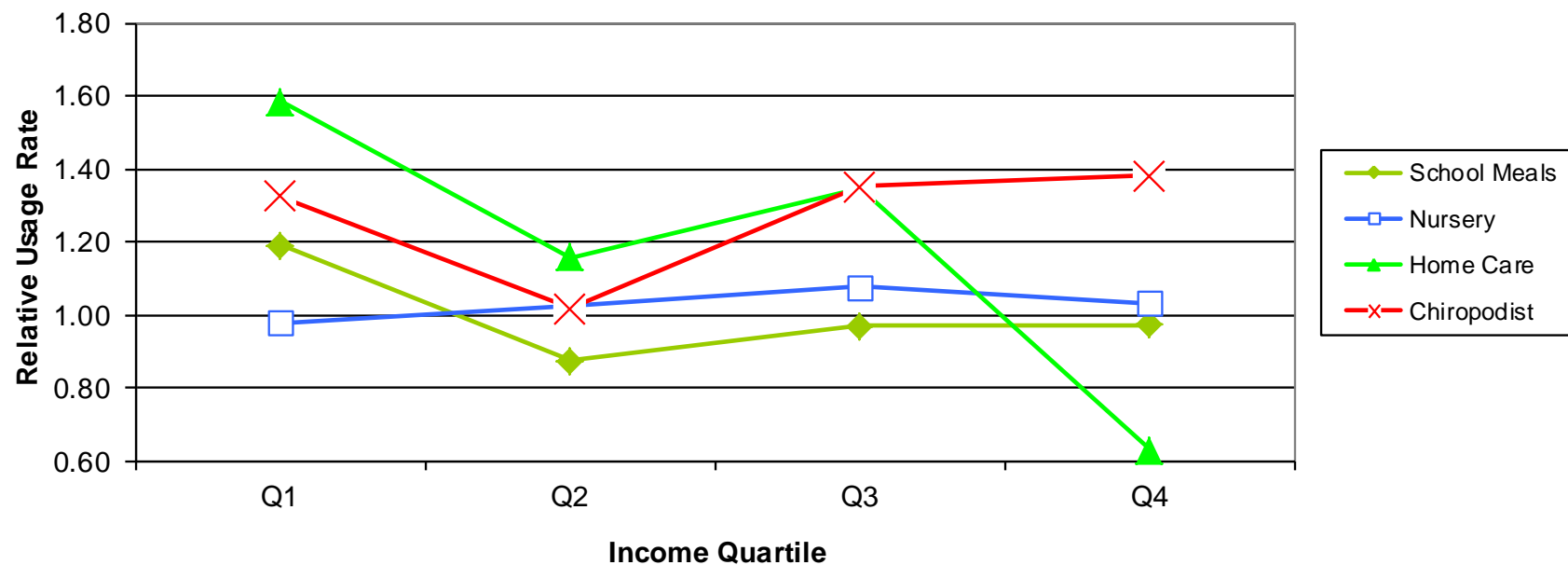


Note that usage rates are standardised to control for the effect of household type. There are more sophisticated ways of doing this, e.g. logistic regression models.

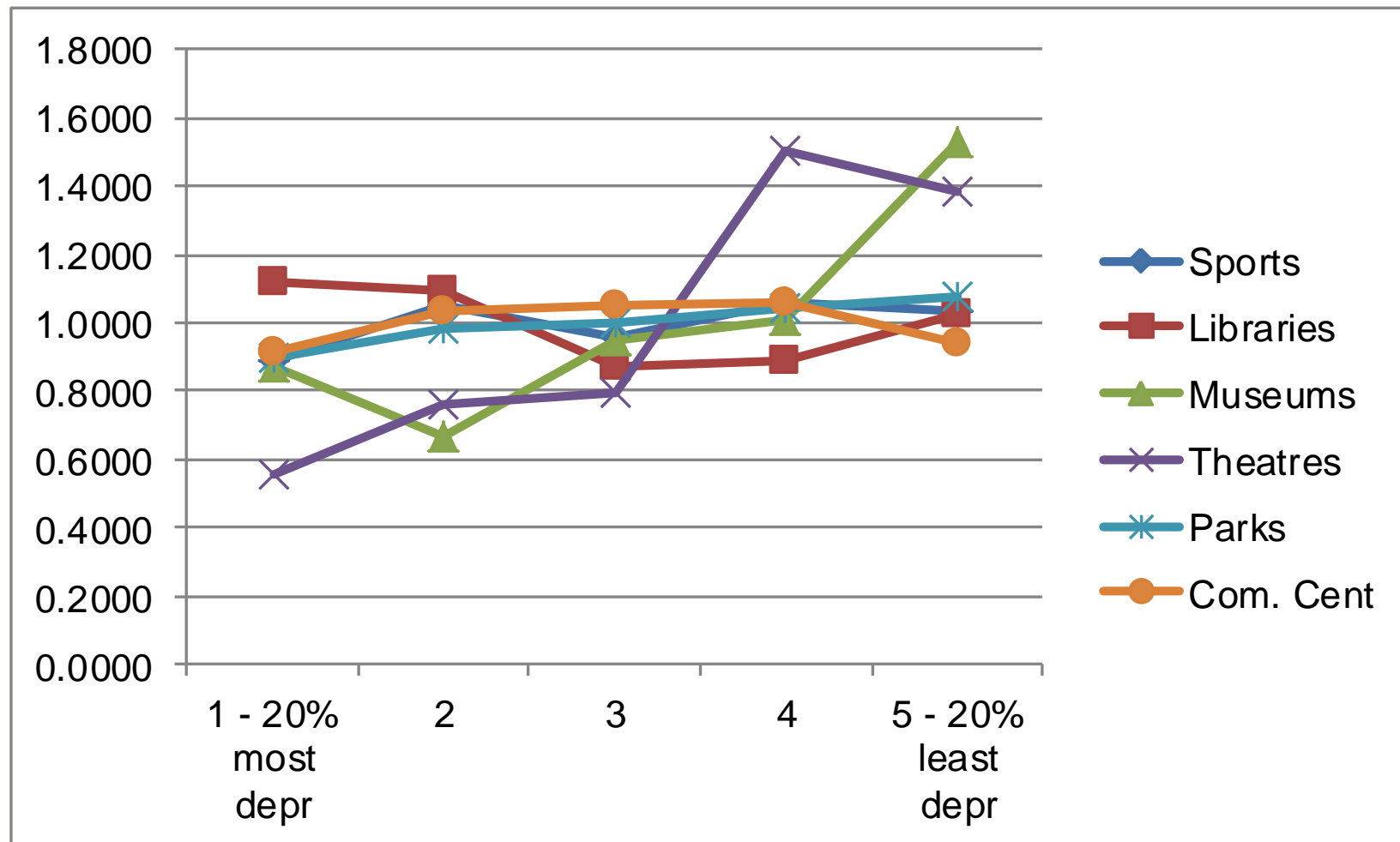
Further PSE Examples – Children and Older/Disabled

Usage Rates by Income Quartile for Selected Children's and Elderly/Disabled Services 2012

(standardised for household type, net equivalent income after housing cost)

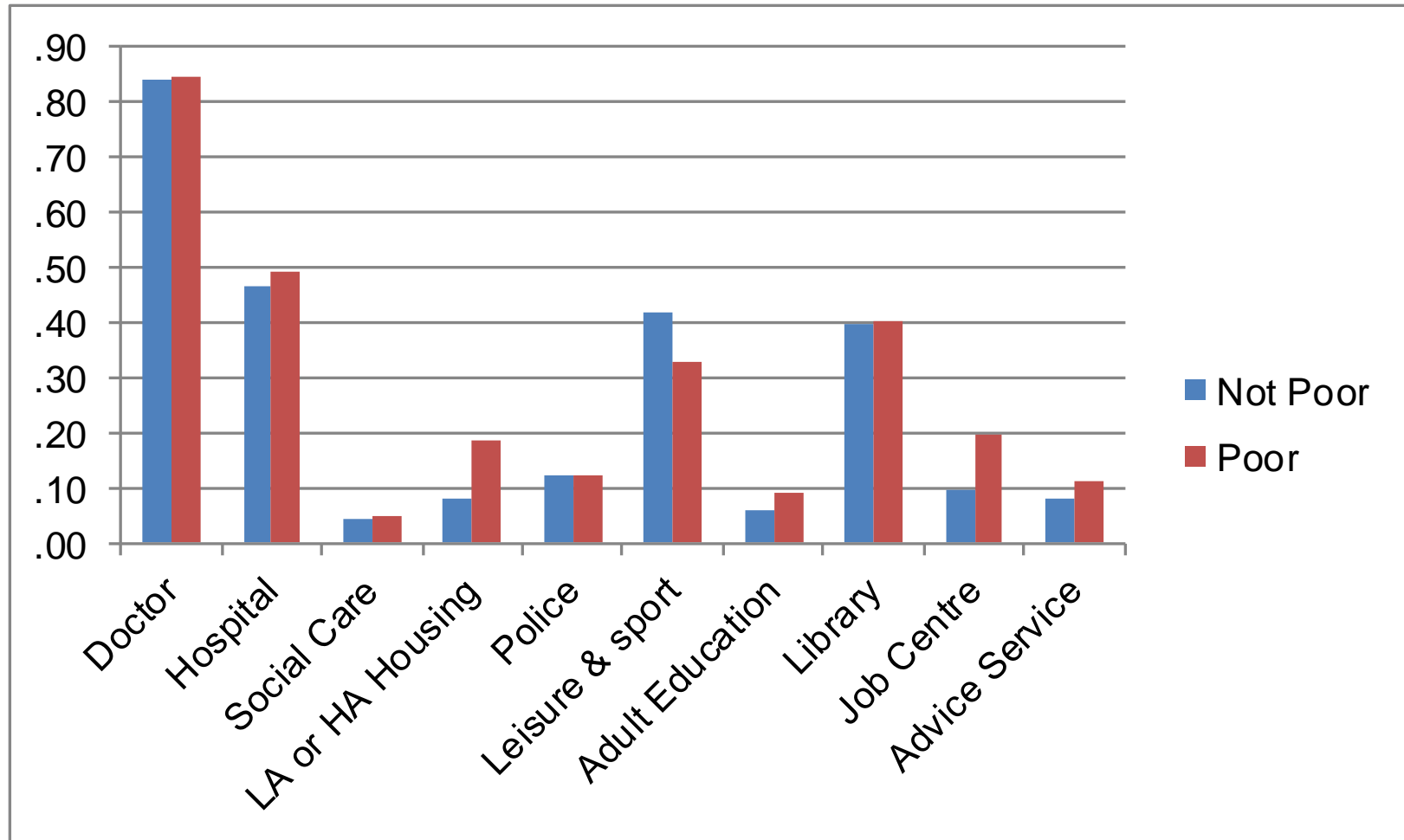


Scottish Example – Relative Usage Frequency by Neighbourhood Deprivation Band, 2012



Understanding Society – A New Source

Usage by whether poor (not yet integrated in analysis)



Summary Table based on Consensus Judgement from Evidence (part) – built into Toolkit

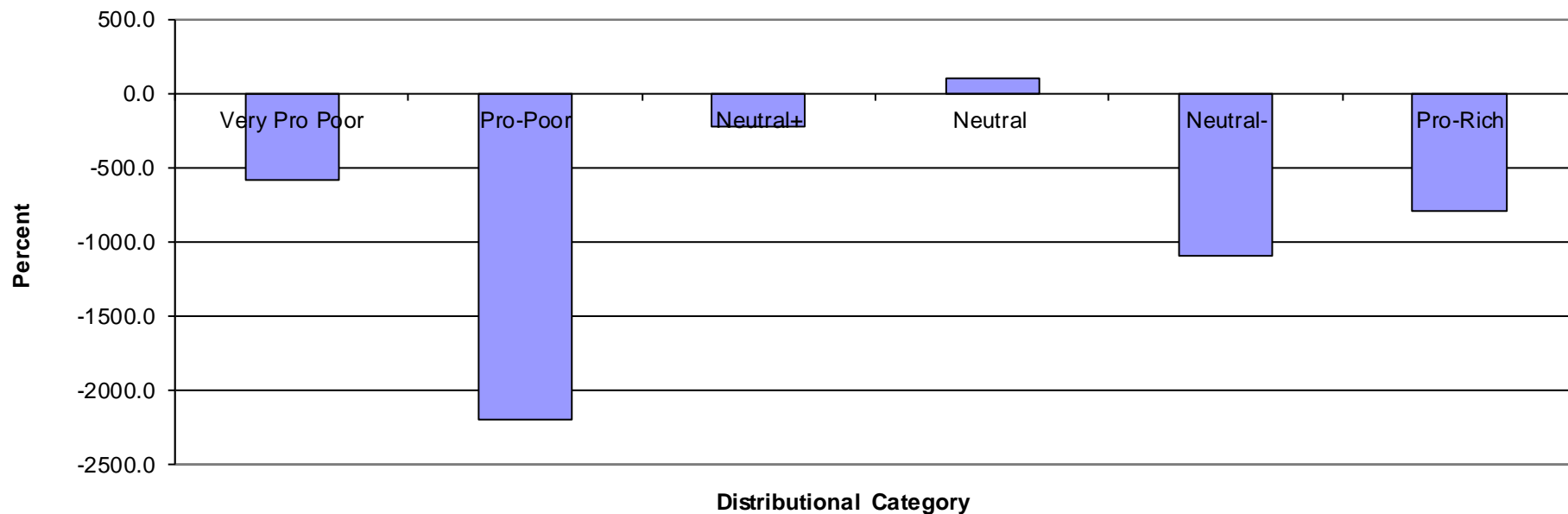
	STANDARD CLASSIFICATION			
No	Service Heading	Service	Pattern of use/benefit	Code
1	E ducation S ervices	E arly years	Neutral	0
2	E ducation S ervices	P rimary schools	P ro-P oor	2
3	E ducation S ervices	S econdary schools	Neutral-P lus	1
4	E ducation S ervices	S pecial schools	P ro-P oor	2
5	E ducation S ervices	A dult & Community Learning	P ro-rich	-2
6	E ducation S ervices	O ther servcies to young people	Neutral-P lus	1
7	E ducation S ervices	S pecial E ducation	P ro-P oor	2
8	E ducation S ervices	L earner S upport	P ro-P oor	2
9	E ducation S ervices	A ccess	No category	99
10	E ducation S ervices	L ocal Authority E ducation F unctions	No category	99
11	T ransport, planning, policy & strategy	H ighways maintenance planning, policy and strate	B ack office	99
12	T ransport, planning, policy & strategy	P ublic and other transport planning, policy and str	B ack office	99
13	H ighways and roads - maintenance	S tructural maintenance - principal roads	Neutral-Minus	-1
14	H ighways and roads - maintenance	S tructural maintenance - other LA roads	Neutral-Minus	-1
15	H ighways and roads - maintenance	S tructural maintenance - bridges	Neutral-Minus	-1

Notes of Qualification

- The way we characterise services is based on judgement looking across a range of evidence
- In a particular authority, a service may be delivered in a distinctive way which makes it more or less pro-poor/rich than average
- These patterns may be changing over time, reflecting wider societal changes but also changes made by authorities as part of their cuts
- Ideally the analysis should look at relationship with poverty/deprivation after controlling for demographic factors
- Although authorities have tried to protect pro-poor services to some extent, because so much of the money goes on these, and some are less protected by statutory requirements, inevitably some cuts are likely to impact on pro-poor services.

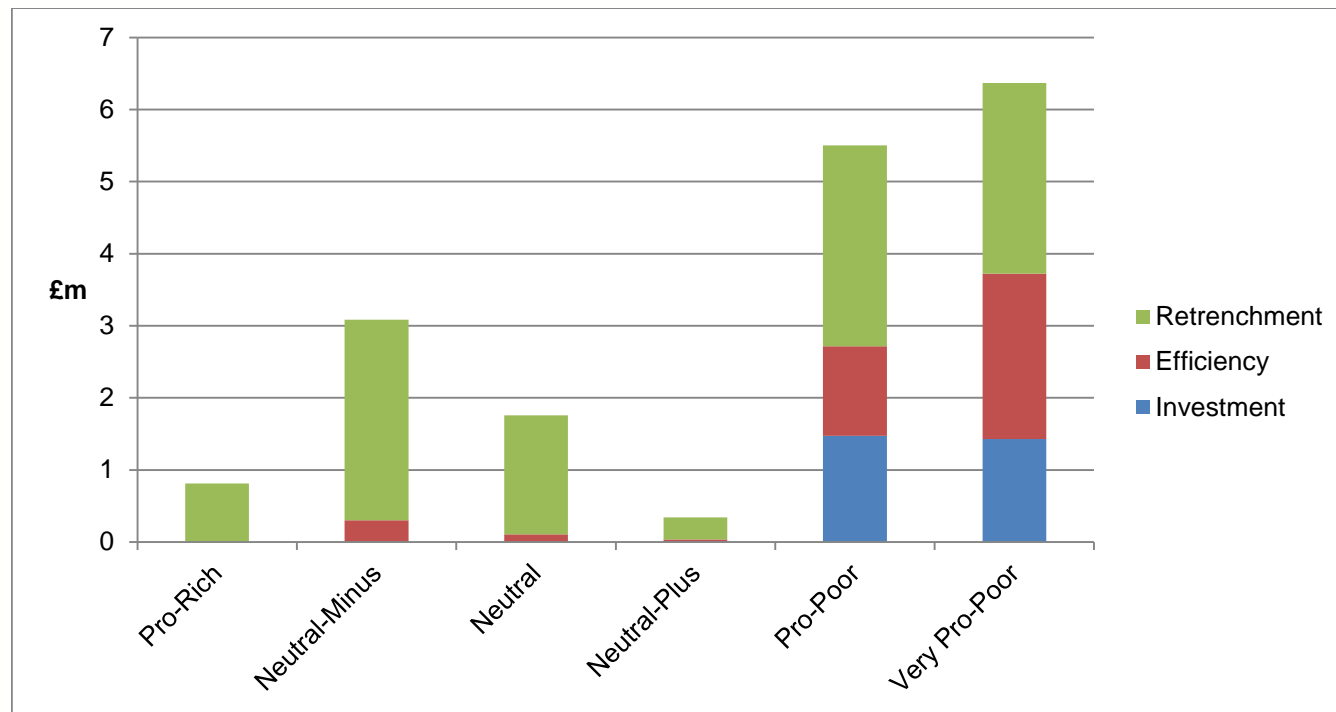
Overall Distribution of Cuts so far, English LAs,

**Real Budget Change by English Local Authorities 2010-15
by Distributional Character of Service (£m, excluding education)**



Example of Toolkit in Action

Figure 4: Savings by headline strategy and distributional character of service



Further examples of the kind of insights which can be provided by combining the strategic and social impact analysis can be found the report [‘Coping with the cuts? Local government and poor communities’](#) pages 43-48.



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Introduction

What the tool can do:

- produce a robust assessment of the implications of your savings plans for service user groups experiencing varying levels of socio-economic deprivation;
- analyse the extent to which distinctive population and service user groups experience different levels of cumulative service change;
- track change over time in the social impact of savings
- conduct scenario planning or options appraisal.
- encourage informed debate about the differential impact of savings.
- benchmark your results against those of other local authorities

Introduction

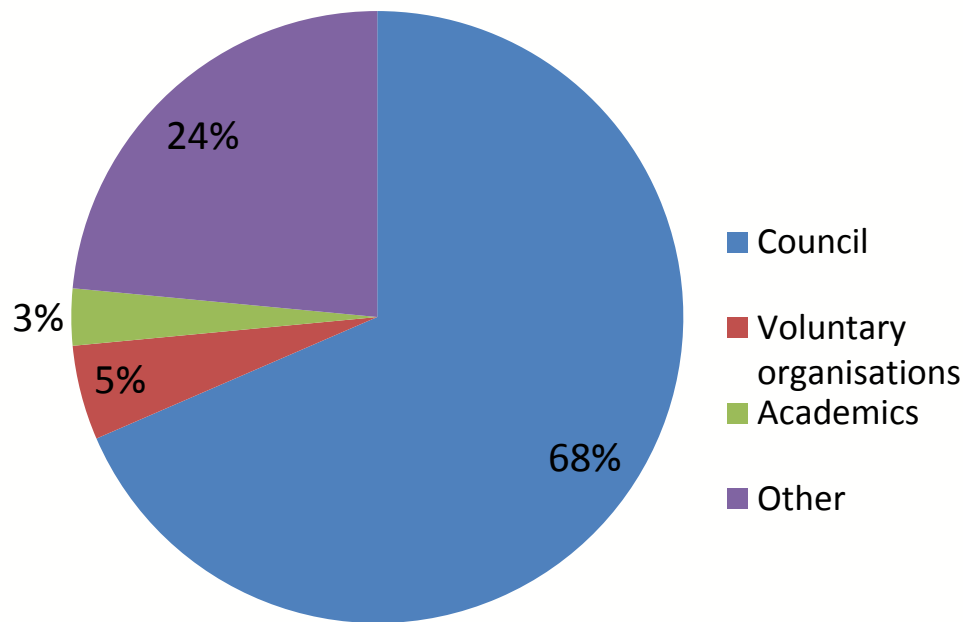
User Guide:

<https://www.jrf.org.uk/report/cost-cuts-social-impact-tool-local-authorities>

Social Impact Tool:

<http://www.gla.ac.uk/schools/socialpolitical/research/urbanstudies/projects/servingdeprivedcommunitiesinarecession/>

Social Impact Tool



Distribution:

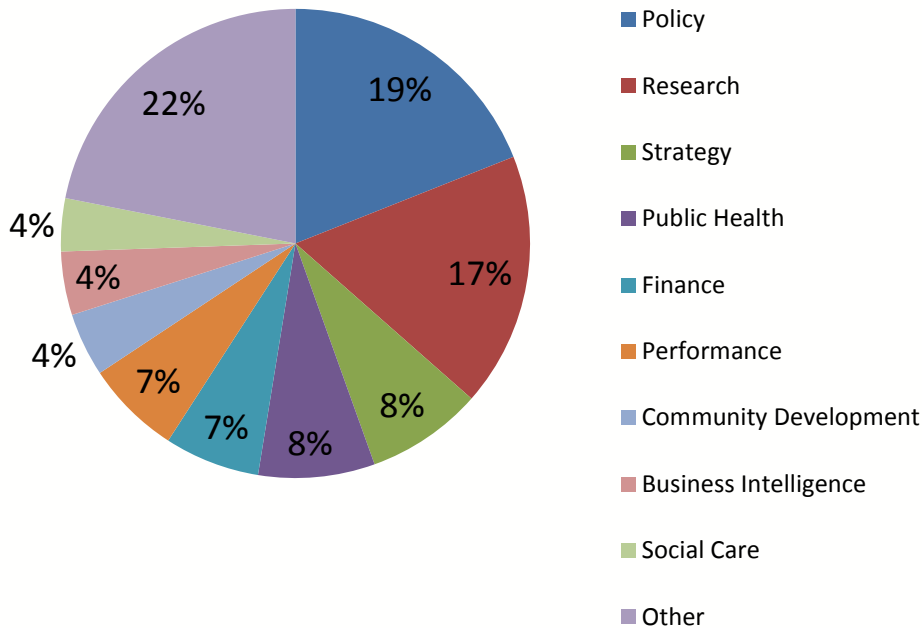
All councils in Scotland & over 90% of councils in England received direct invitation

Are people accessing it?

200 individual downloads

Social Impact Tool

What types of council staff are accessing the tool?



- Policy
- Research
- Public health
- Strategy

Other?

- Management (unspecified)
- Housing
- Equality & diversity officers
- Councillors

Applying the tool to your data

How are councils using the tool?

Survey results:

- Majority think it is useful
- Committed to using it
- Struggling with capacity

Examples of application: Birmingham

‘Impact of Cuts And Future Focus of the Council’

https://researchbcc.files.wordpress.com/2015/02/bcc-future-and-impact-of-cuts-report_srt_nov2014.pdf

Process:

- Used data from 2014 Council Business Plan & service review documents
- Led by senior researcher
- Meetings with service review authors to fill gaps or clarify issues

Results:

- Gave an assessment of social impact on specific groups
- Used to target specific cohorts for focus groups
- Wider application – testing initial proposals for 15/16 budget

Lessons learned:

- Using the tool can mean making ‘judgement calls’, researchers more comfortable involving others for these decisions
- Didn’t agree with all of the classifications led to development of ‘alternative classification’

Examples of application: Blackpool

- Downloaded the social impact tool last month
- Applying the social impact spectrum to data no use of strategy framework (yet)
- Finding capacity to carry out analysis is proving challenging
- Planning to compare their analysis with other councils in their region

Application: Scenario testing

- Birmingham used the social impact tool to examine initial proposals for their 15/16 budget
- This involved generating more than one set of results
- You can explore the impact of changes to savings by altering the data you have and comparing the results

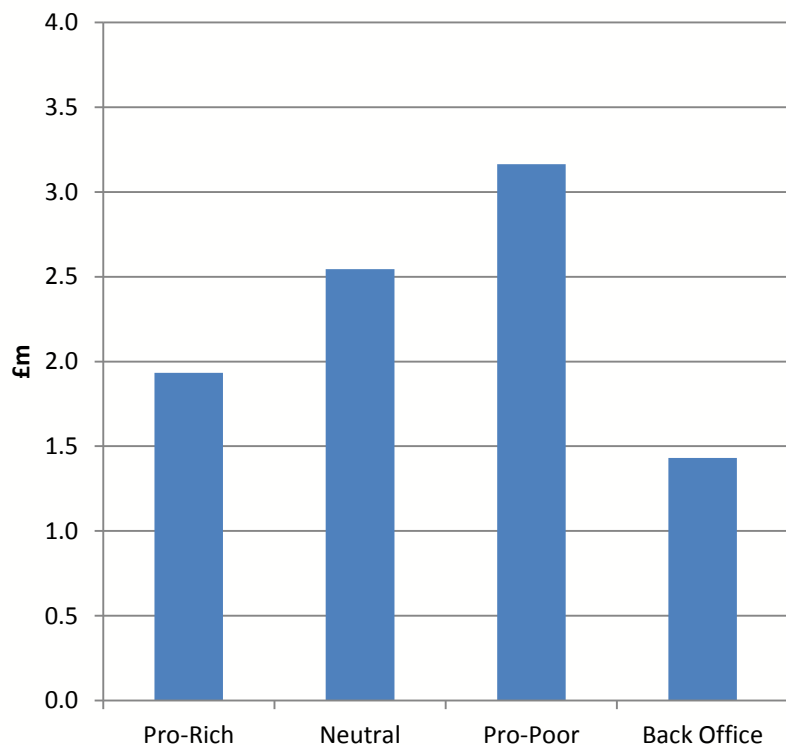
Example:

Proposed savings 1 [Merging street cleansing & parks]

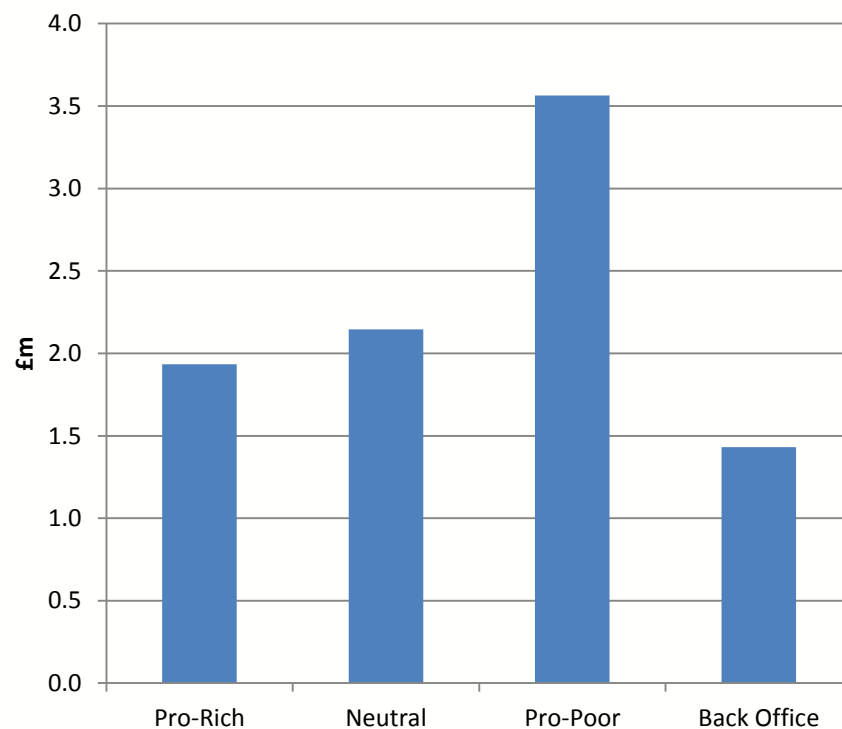
Proposed savings 2 [Reducing cost of adult social care by using new technology & redesigning service delivery]

Application: Scenario testing

Proposed savings 1

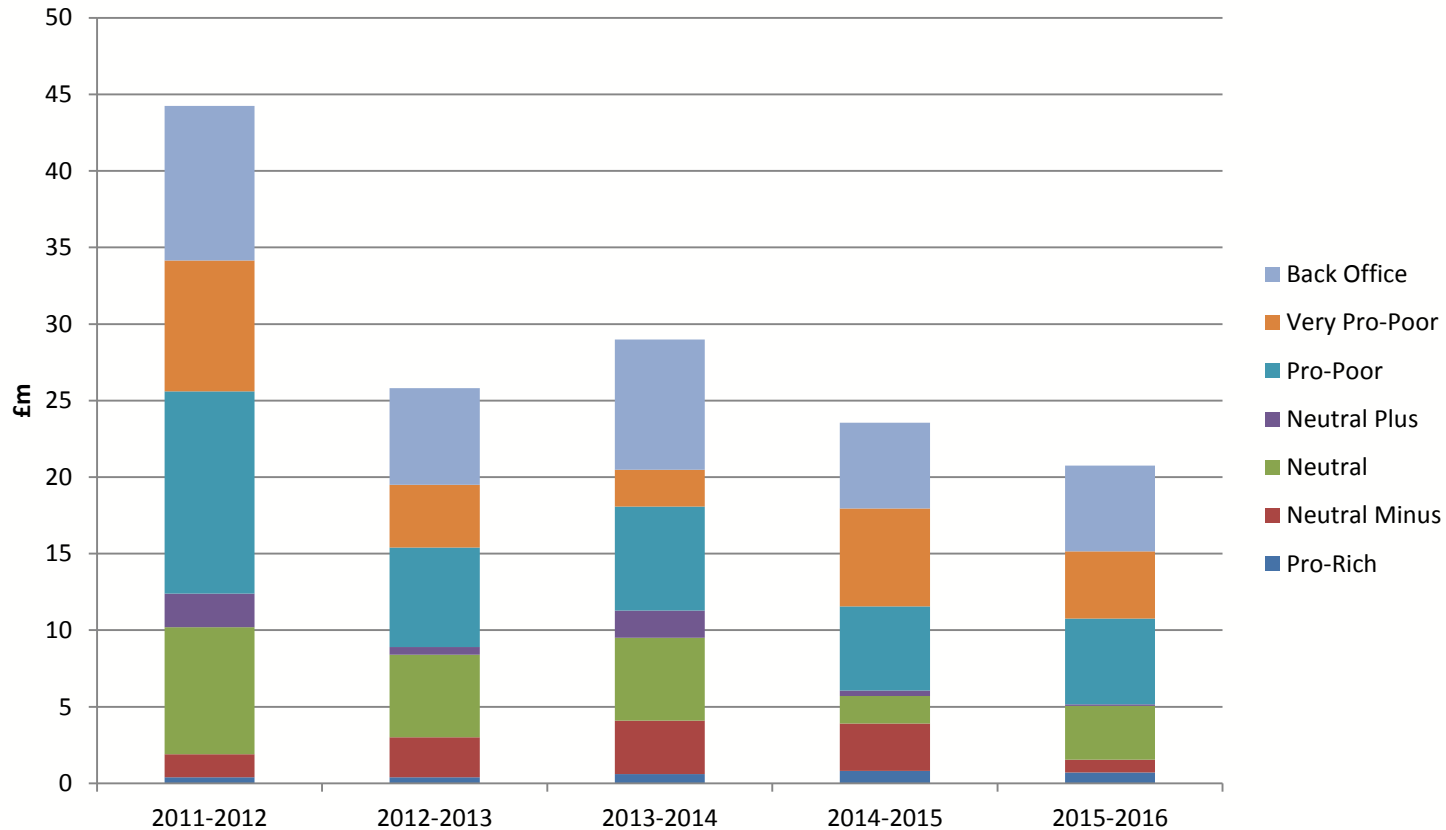


Proposed savings 2



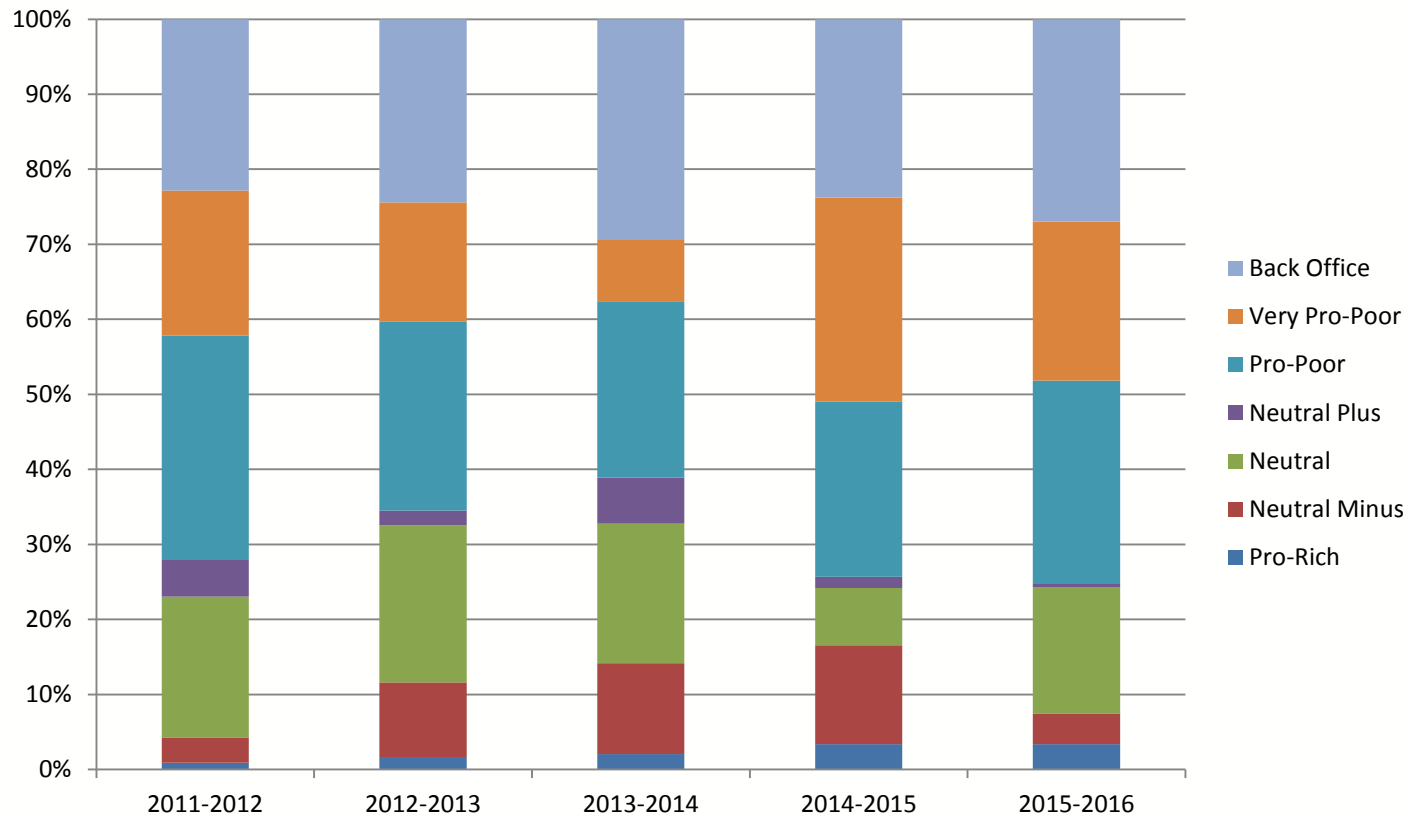
Advanced applications

Changes over time:



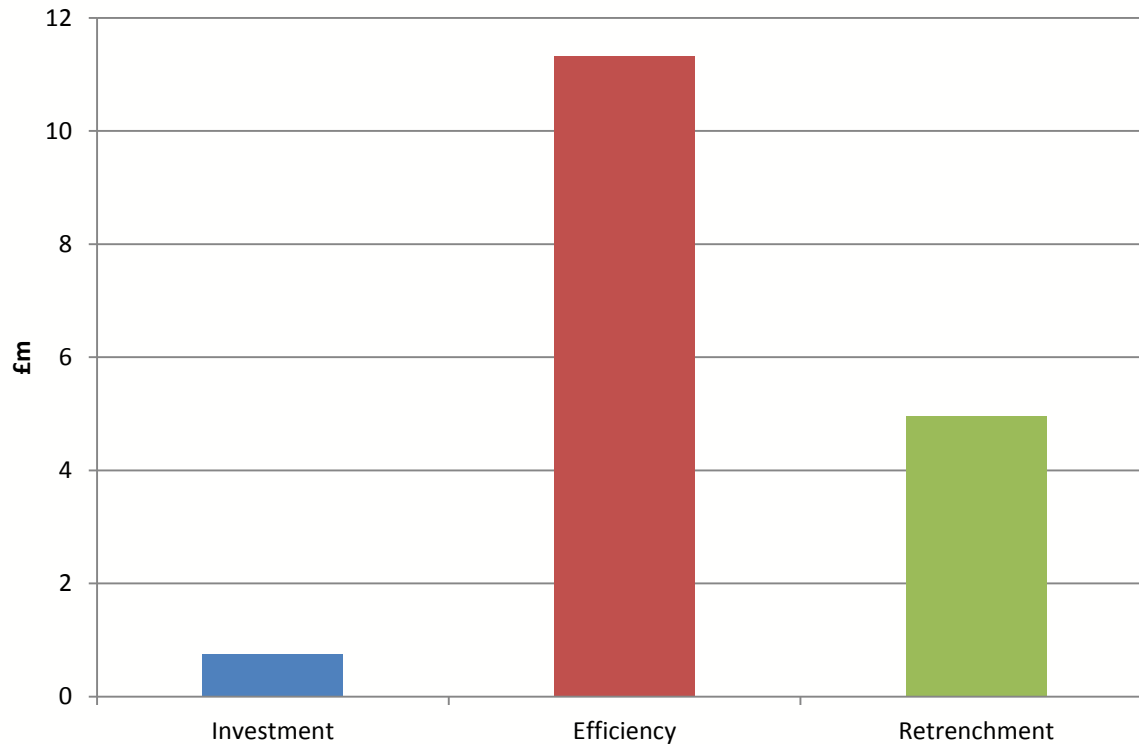
Advanced applications

Changes over time:



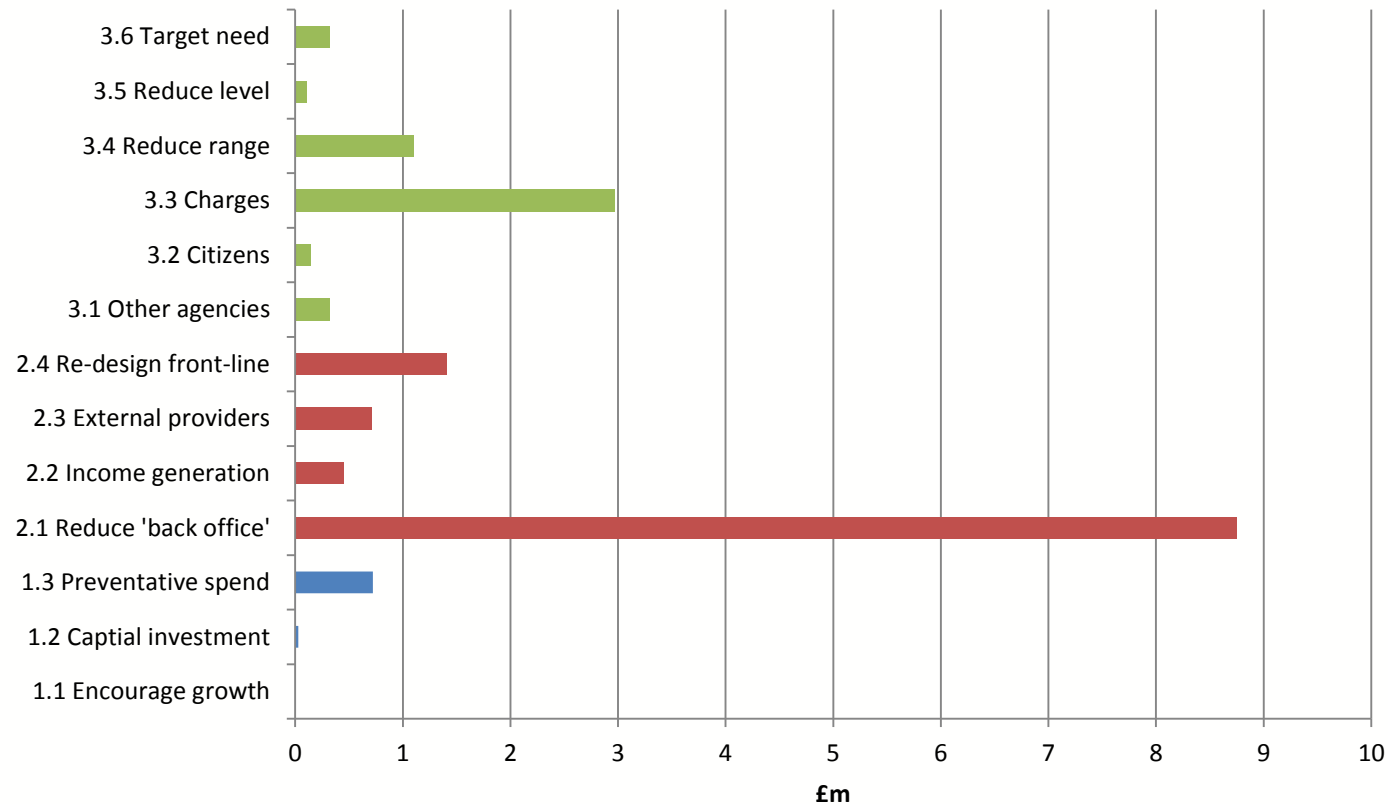
Advanced applications

Strategic framework:



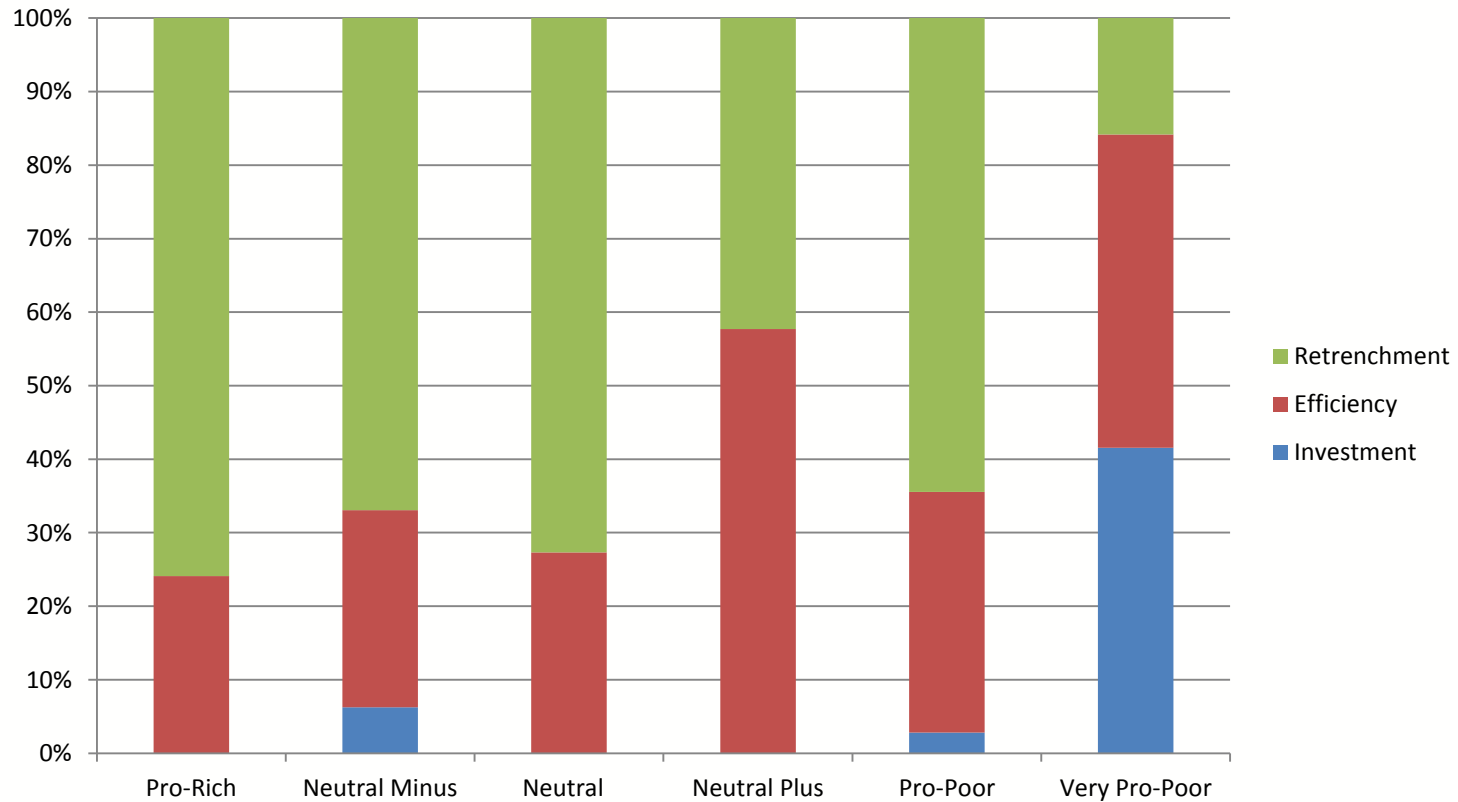
Advanced applications

Strategic framework, with sub-categories:



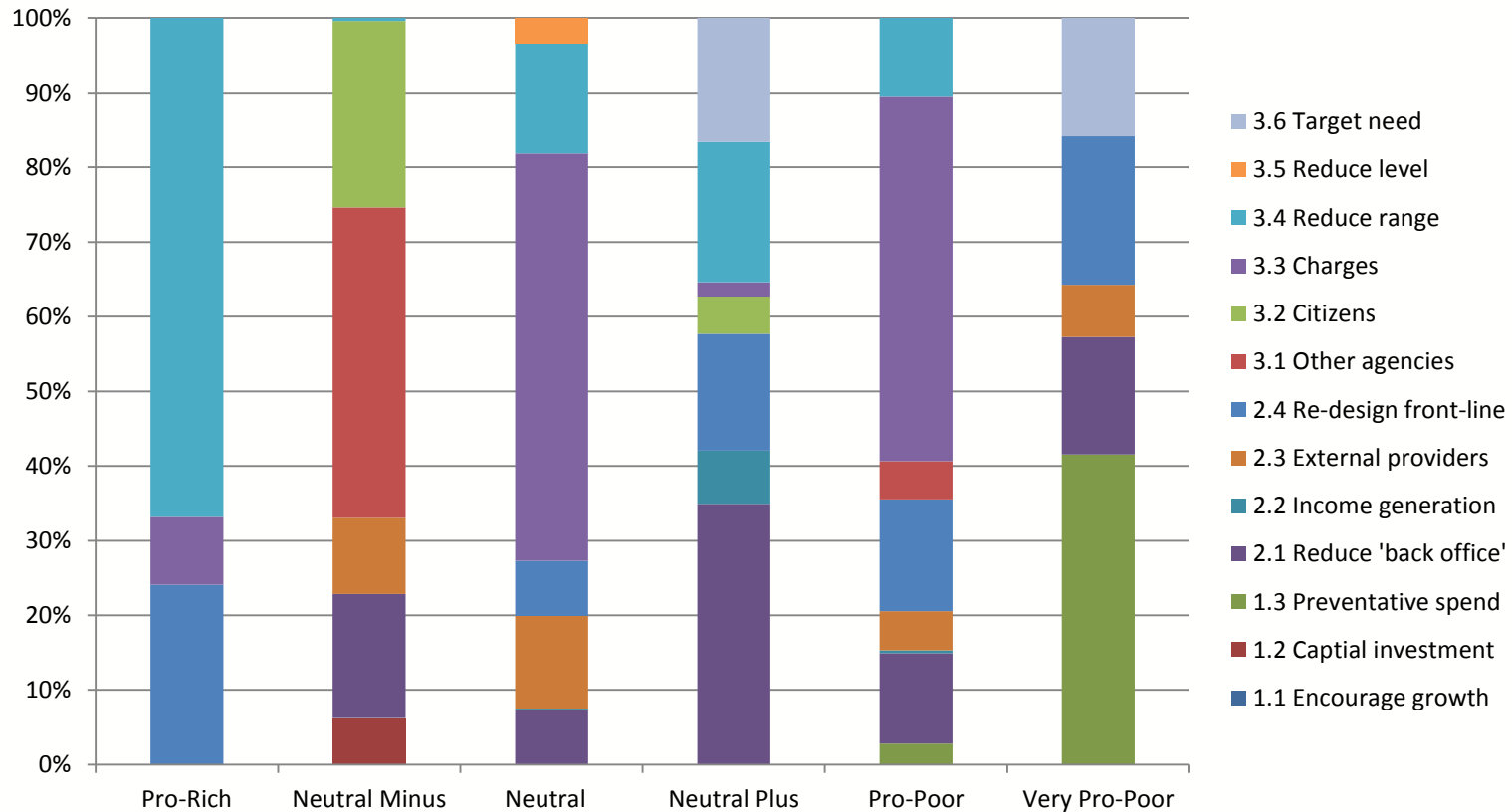
Advanced applications

Combining classification and strategic framework:



Advanced applications

Combining classification and strategic framework:



Selected project publications

Bailey, N., Bramley, G., and Hastings, A. (2015) Local Responses to 'austerity'. *Local Government Studies*, 41(4), pp. 571-581. (doi:[10.1080/03003930.2015.1036988](https://doi.org/10.1080/03003930.2015.1036988))

Hastings, A., Bailey, N., Gannon, M., Besemer, K., and Bramley, G. (2015) Coping with the cuts? The management of the worst financial settlement in living memory. *Local Government Studies*, 41(4), pp. 601-621. (doi:[10.1080/03003930.2015.1036987](https://doi.org/10.1080/03003930.2015.1036987))

Hastings, A., N. Bailey, Bramley, G, Gannon, M and Watkins. (2015). The cost of the cuts: the impact on local government and poorer communities. Summary Report Joseph Rowntree Foundation : York. <http://www.jrf.org.uk/sites/files/jrf/Summary-Final.pdf>

Hastings, A., N. Bailey, Bramley, G, Gannon, M and Watkins. (2015). The cost of the cuts: the impact on local government and poorer communities. Project Report Joseph Rowntree Foundation : York. <http://www.jrf.org.uk/sites/files/jrf/CostofCuts-Full.pdf>

Hastings, A., Bailey, N., Besemer, K., Bramley, G., Gannon, M., and Watkins, D. (2013) Coping with The Cuts: Local Authorities and Poorer Communities. Project Report. Joseph Rowntree Foundation, York. <http://www.jrf.org.uk/publications/coping-with-cuts>

Hastings, A., Bramley, G., Bailey, N., and Watkins, D. (2012) Serving deprived communities in a recession. Project Report. Joseph Rowntree Foundation, York, UK. <http://www.jrf.org.uk/sites/files/jrf/communities-recession-services-full.pdf>