



nef briefing

The New Austerity and the Big Society: Interim Briefing

As the impact of the recession continues and the Government's spending cuts begin to bite, our research provides a snapshot of how people in two of England's most deprived communities are experiencing their combined impact.

The New Austerity and the Big Society is an 18-month project exploring the cumulative impact of the economic recession, public sector cuts and efforts to build a Big Society. Through peer research¹ and capacity building workshops, this project will tell real people's stories of what living through the cuts is like in some of the most deprived areas of London and Birmingham. It also seeks to understand if people in areas like this can make the most of the opportunities presented in the shift towards open public services; ultimately asking, can the Big Society cut it in an age of austerity?²

Policy context

The British welfare state is currently in the throes of a radical transformation. On the one hand, there is the new austerity – the biggest package of cuts to public services and benefits seen in decades. On the other hand, there is the Big Society – a major political, social and cultural programme of change which is attempting to transform the way public services are delivered by placing a greater emphasis than ever before on

the role of citizens, communities and private enterprise.

Taken together, these two shifts will see the state taking a marked step back from its former responsibilities as the primary provider of support and services to society and its most vulnerable groups. In its place, new providers are to take over in an era of open public services. These providers will be: everyday citizens unhappy with the current offer; local community groups who know how to do things better and just need the opportunity; and private companies, who think they can do more than the government can, and for less money too. This, in essence, is the Big Society. At least that's the theory.

But can the Big Society really cut it in an age of austerity? As the state shrinks, who will be best placed to step into the breach and replace it? Can we all get involved and make the most of the opportunities being presented? These are just some of the questions that **nef's** new research will look to answer.

Project Methodology

To tell people's stories of the cuts and the potential to build a Big Society, we have been working with peer researchers in Tottenham, Aston and Ladywood to conduct over 30 in depth interviews, using film and photography to capture personal testimonies, experiences and opinions. The peer researchers are individuals living within the communities of the study. In addition, we have held focus groups and semi structured interviews with Third Sector organisations in Tottenham and Birmingham. This way of working is about so much more than sitting at a desk, or parachuting in to an area for a day to put a few selected people under the spotlight before writing it up. This is about engaging and working with people in a team to design, shape and deliver the research together in an on-going process. The peer researchers have talked favourably of this approach because it gives them an opportunity to get their experiences, and the experiences of their community, heard in ways of their choosing.

Emerging findings

The cumulative impact of the cuts on people and communities is a complex and emerging picture, which will not become entirely clear for a number of years. One year into our research, we have a number of emerging findings:

- Public spending cuts, now into their second year, are erasing years of investment in local communities. The people and places that so many valued, like the 684 day centres in Tottenham, are disappearing, and will be hard to replace.
- At the same time, the Big Society – the Government's vision for grass-roots change – risks being undermined by the severity and speed of the cuts.
- The impact of the cuts on people and communities, especially in deprived areas, risks being profound and long lasting. Our research is showing that the effects are being felt most by traditionally vulnerable groups; women, young people, the disabled, and the elderly.

Impact of the cuts on people and communities

Our research is beginning to show that, as has been predicted, the most vulnerable groups in society – those with the most complex needs, who are more reliant than most on public services – are bearing the brunt of the public sector cuts. The following stories are instructive as to wider trends.

- **Benefits changes, including new assessment criteria for Disability Living Allowance, child benefit changes and reductions in EMA are now hitting people in very real ways.** One interview conducted revealed a man in Birmingham has resorted to busking on the streets because his wife has had her Disability Living Allowance cut, and he is unable to increase his part-time hours. A young woman in Birmingham, who has had her Educational Maintenance Allowance cut, can no longer afford public transport to school.
- **The cuts to local authority funding have hit youth services hard across England** as councils seek to align their cuts with their statutory duties. Youth services in Haringey have been cut by 75 per cent, this has meant that 8 out of 13 youth centres in the area have closed and the Connexions Careers Advice service has been reduced by 75 per cent.
- **The economic downturn and cuts have had a severe impact on women.** They are more likely to be employed by the public sector, and take on the burden of care as local authority cuts bite. Our research has shown that in Haringey, the demand on women's centres is increasing at the same time as these centres are having their capacity to respond reduced by government cuts. According to Women's organisations in both areas, women are more vulnerable than ever to domestic and sexual violence as the economic situation worsens and specialist services are closed down. In Haringey the prevalence of "sex for rent" exchanges was felt to be rising.

- Housing is emerging as an area where the combined impact of the cuts, recession, and benefits changes is creating an unmanageable spiral of decline.** Cuts to Local Authority staff mean people trying to access support for housing benefit, or to resolve housing disputes, are experiencing delays and increasing people's vulnerability to eviction as they wait for help. The result is dramatically reduced support for people at risk of eviction; one service, provided by Haringey Citizens Advice Bureau (cab), which had been shown to reduce rent arrears, has now been cut. They are now reporting a noticeable spike in the numbers of people falling behind in their rent payments and the number of people being evicted due to rent arrears.
- It is not just the most vulnerable who are being impacted by the cuts.** Local people and communities from many walks of life are now being affected in very real ways by cuts to local services and changes to benefits and tax credits. For example, there has been a notable rise of public sector professionals newly seeking advice and support in the current climate. The majority of these professionals are women, and many are particularly concerned about the increase in the number of hours people must now work in order to qualify for the child support element of the working tax credit.
- Perhaps unsurprisingly, **unemployment is repeatedly voiced as the major concern across all groups spoken to.** The Local Authorities are the largest local employers in both areas. To date, Birmingham has cut 2,450 positions, with another 1,200 expected in 2012/13; in Haringey, over 1,000 staff are to be lost, representing almost a quarter of the total staff. In addition to these known job losses, we are also hearing stories of job losses, pay freezes and hours reductions from almost every third sector organisation that relies on public funding.

- In response to job losses, **the number of people signing on to Job Seekers Allowance is rising in both areas well above the UK average** (see figures 1 and 2). However, most people we have spoken to are avoiding signing on for as long as they can – looking instead to their parents and family for financial support and accommodation. This points to regular benefit under claiming in both areas.

Figure 1.

Percentage of people claiming Job Seekers Allowance in Birmingham

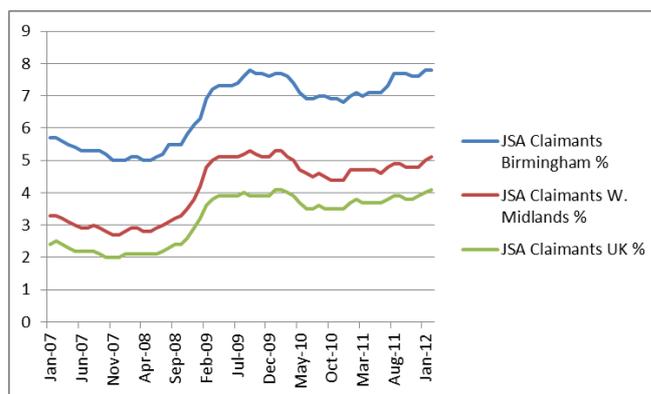
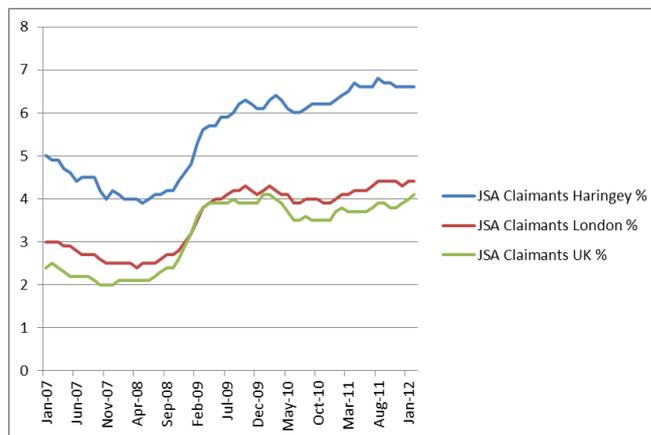


Figure 2.

Percentage of people claiming Job Seekers Allowance in Haringey



Source: Office of National Statistics³

Note: percentages are given as a proportion of people aged 16-64 living in an area

Impact of the cuts on service provision and the third sector

As part of this research we have spoken to a diverse mix of small to medium sized community organisations in both areas. They are unified in their concerns about the future for the third sector, local communities and the people in areas in which they work. Three major concerns stand out:

- 1. A consistent concern amongst interviewees was that the cuts risk reducing the diversity of provision.** They risk homogenising the provider market for key local services, and weighting it in favour of larger, and more often than not private, organisations. Smaller single purpose and single identity organisations are disappearing, and this could well affect the overall quality of the market and services on offer.
- 2. The cuts are having a significant impact on the organisational capacity of many charities.** One interviewee spoke of his fear of a generalised regression and de-professionalisation of the sector, as charities began to eat away at their reserves, and lost key staff, skills and institutional memory and all of the third sector organisations we have interviewed have reported increased demand, alongside decreased funding.
- 3. The concomitance of rising demand and reduced organisational capacity is also having a telling impact on the staff in these organisations.** At one level there is the obvious impact felt by all those who are made redundant and lose their livelihoods. For those who stay however, things appear little better. Remaining staff are at “tremendous risk of burnout” as they attempt to mediate the tensions between increased demand and reduced funding by working harder, for longer hours and across more projects.

Implications of the cuts for building a bigger society

“The big society is a lovely concept, but part of me feels that there is not much new in it, the people who volunteer and the charities already do the Big Society – they are already engaged – but how do you inspire disaffected people; people who are struggling financially, with children, with mortgage repayments and debt? When you face those personal challenges, where are you going to find the time to become an active citizen, care about your neighbour and give your time? It feels like the survival of the fittest... when people are

desperate and struggling, it sets community groups against community groups.”

As the state retreats, how bold can we be in our expectations of people, communities and the third sector to step in and fill the gaps?

This, in essence, is the Big Society dilemma: a call to arms for active citizens and locally based organisations and charities to build better communities at a time when those arms are fast being tied.

There are three common concerns that have emerged from our work:

- **The organisations that are best placed to make the Big Society a reality are being squeezed to breaking point.** The capacity of small, local organisations to provide services that meet current needs and anticipate future needs is being compromised by current spending cuts and a lack of clarity and transparency over future cuts. This has affected these groups’ organisational ability to function as well as they have done in the past. In response, many small and medium sized organisations have begun to work together more – often in the form of networks and consortia. However, interviewees made it clear that there is a delicate tension emerging between the need for collaboration amongst the third sector, and the realities of intense competition for funding. There are widespread fears that it will be private companies who are in the best position to win local contracts and determine the future of public service provision.⁴
- **The people and places that bring communities together are disappearing.** Key people are no longer being supported to do their invaluable work, and key places – community centres, for instance – where people used to come together in informal, yet creative and supportive ways, are being

“They say they want action from the grass roots. Where’s the grass? It isn’t growing anymore.”

closed down. The social value of these people and places has been overlooked in decision-making and we risk being left with a service landscape stripped back to its bare bones. Furthermore, the active citizenship that the Big Society calls for will not just emerge independently – particularly at a time of recession, when evidence suggests people ‘hunker down’.⁵

“People will be focusing on their basic needs, shelter, food and family; you become more inward looking rather than outward looking and concerned about the community. All of your energy is taken up just surviving and holding it together.”

- **Not everyone will be able to benefit equally from the Big Society.** It has now been well documented that the impact of the public spending cuts will affect traditionally vulnerable groups and economically deprived areas more than others. Women, BAME groups, young people and the disabled are all expected to be hit hardest. What will the Big Society mean for these groups? For women it is likely to mean that they will be expected to do even more informal caring work than they already do. This may ultimately mean making tough decisions about their ability to do paid employment.

“We know that there is a differential impact on women, we know that women take on more responsibilities – will step into the breach when their elderly relatives receive inadequate support, when their children receive inadequate support. It compromises their own ability to go out and make money. It affects their independence, it affects their ability to have positive relationships with their own family, it compromises their own living conditions... the Big Society relies on that happening...”

Many women are likely to be overworked by the Big Society. For other groups, and for both women and men within these groups, – the sometimes patronisingly termed “hard to reach” groups – the Big Society is likely to

offer and mean very little. Without the necessary support, these groups risk being left behind by the Big Society, whose opportunities they are ill equipped to make the most of. If more power is to be devolved to local levels, more attention needs to be paid to how that power is distributed and taken hold of. One interviewee put it this way:

“At the end of the day, the Big Society is fine as an idea, but unless you support and equip people they won’t know how to go about it ... [many] BAME communities are not well equipped to take part in the Big Society agenda; they need help articulating their concerns and desires, and participating in community decision-making. We are talking about people who are less likely to go out to community meetings, because of fear, language barriers and not knowing how things work. They are the people afraid to open their front door and so will be left behind from a lot of what the Big Society is talking about.”

Developing alternative strategies

The scale and speed of the cuts, coupled with the big ambitions of the Big Society, now risks undermining service provision in the most deprived areas of the UK. At a time when demand for key services and support is increasing, and the capacity of the public and third sector to respond is ebbing, many people’s quality of life and wellbeing – already falling through the recession – will worsen further⁶

Our early research suggests that, in its current shape and on its current course, the Big Society will fall short of offering a socially just alternative to the welfare state. In order to avoid this outcome, and to truly make the most of the best of the Big Society, **nef** will be continuing to work with communities in Tottenham and Birmingham to identify what opportunities and approaches might enable people to come together and make the most of the situation. In order to do this successfully, we think we will need to;

- **Start with existing assets and capabilities:** the Big Society has failed to recognise and build on local assets –

indeed, because of the cuts many of these are disappearing.

- **Value collaboration over competition:** the Big Society is promoting enterprise and competition over collaboration and partnership and this is helping private companies at the expense of civil society organisations. Coproduction should be championed as a preferred way forward to improve public services.⁷
- **Provide training and capacity building:** the Big Society offers people many new freedoms, but is failing to provide the support people need to turn these freedoms into tangible opportunities and benefits. A lot of local charities exist that can provide this training; they should be supported and encouraged. The announcement of the Big Society bank is a positive move, but the amounts being made available pale into insignificance when compared to the scale of the cuts, and the financial challenges facing the third sector. Whilst investment has been made into training several hundred new community organisers, questions remain over their ability to raise their salaries after the first year, and the radical potential of what they will be able to achieve.

nef will be developing these ideas in series of capacity building workshops with local partners in Haringey and Birmingham to help local residents, community organisations and the public sector make the most out of the Big Society in the challenging social and economic climate we face.

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Endnotes

¹ Penny, Joe (2011, 9 September) Whose Reality Counts? Co-researching the government cuts and the Big Society [blog]. Retrieved from <http://www.neweconomics.org/blog/2011/09/09/whose-reality-counts-co-researching-the-government-cuts-and-the-big-society>

² Coote, Anna (2010) Cutting It: The 'Big Society' and the new austerity. London: **nef**. Retrieved from (<http://www.neweconomics.org/publications/cutting-it>)

³ Office of National Statistics (2012) "All people claiming JSA - monthly from 2006

Birmingham". Retrieved from https://www.nomisweb.co.uk/reports/lmp/la/2038431965/subreports/jsa_time_series/report.aspx?

⁴ Coote, Anna (2011, 16 May) Breaking the silence of civil society [blog]. Retrieved from <http://www.neweconomics.org/blog/2011/05/16/breaking-the-silence-of-civil-society>

⁵ NCVO (n.d.) What impact did the recession have upon the voluntary sector? [webpage]. Retrieved from <http://data.ncvo-vol.org.uk/almanac/voluntary-sector/finance-the-big-picture/what-impact-did-the-recession-have-upon-the-voluntary-sector/>

⁶ Resolution Foundation (2012) Essential Guide to Squeezed Britain. Retrieved from <http://www.resolutionfoundation.org/publications/essential-guide-squeezed-britain/>

⁷ See **nef** and NESTA's three recent publications on co-production: Boyle, D. & Harris, M. (2009). *The Challenge of Co-Production*. London: **nef**/NESTA; Boyle, D., Slay, J. & Stephens, L. (2010). *Public Services Inside Out*. London: **nef**/NESTA; Boyle, D., Coote, A., Sherwood, C. & Slay, J. (2010). *Right Here Right Now*. London: **nef**/NESTA. See also: Slay, J. & Robinson, B. (2011). In This Together: Building knowledge about co-production. London: **nef**.