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Student ID No. (srn):	1712388 – Sharon Clayton		
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The Impact of Austerity on Local Authorities in England

Author: Sharon Clayton BA (Hons) Fellow SLCC

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ABSTRACT

In 2009 the government introduced austerity measures by reducing grant funding to local authorities in England. This, according to one city council respondent, has resulted in “Difficult economic conditions created by government measures to reduce a budget deficit, especially by reducing public expenditure” (Senior officer, 2018). Undeniably, reduced government funding has had a significant impact on public services and local authorities have had to face many challenges in an attempt to deliver the same level of service at reduced cost.

A review of the literature looks at the definition of austerity and demonstrates how local authorities have risen to the challenge of budget cuts, both positively and negatively. This study aims to critically examine the impact of austerity on local authorities through the eyes of practitioners, i.e. both politicians and local government officers.

The research was designed to produce both quantitative and qualitative results through a questionnaire disseminated to the Leader and, where details were available, the Chief Executive of 97 authorities throughout England. Additional questions were asked to fill a gap within the literature which has added value, especially since respondents to this study are practitioners with first-hand experience.

This study reveals that, whilst austerity has resulted in some positive outcomes, it has also produced some negative outcomes that have led to reduced services. It further highlights that austerity has impacted on the quality of life by increasing poverty in vulnerable communities and also created low morale amongst local government employees due to redundancies and re-structuring. Furthermore, whilst austerity continues to be driven by the Conservative government, the outcome has affected both Conservative and Labour controlled authorities in much the same way and therefore, this study has provided no evidence to suggest that Conservative controlled authorities are coping with austerity any better than Labour controlled authorities.

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Kirklees Borough Council

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Leicestershire County Council

Manchester City Council

Telford & Wrekin Borough Council

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CONTENTS	PAGE
----------	------

Abstract	2
-----------------	---

Acknowledgements	3
-------------------------	---

Chapter 1: Introduction	7
--------------------------------	---

1. Introduction	7
1.1. The research focus	7
1.2. Funding	7
1.3. How the money is spent	8
1.4. How income is raised	8
1.5. Financial sustainability	9
1.6. Summary	10

Chapter 2: Literature Review	
-------------------------------------	--

2. Introduction	11
2.1. Defining austerity	11
2.2. The introduction of austerity	12
2.3. The impact of austerity	14
2.4. Is austerity necessary?	16
2.5. Service re-design	16
2.6. How some local authorities have adapted	17
2.7. Partnership working	18
2.8. Outsourcing of services	20
2.9. Delegation of local services	20
2.10. New technology	21
2.11. Disadvantages of cost cutting measures	22
2.12. Income generation	24
2.13. Emerging issues and the need for empirical research	24
2.14. Conclusion	25

Chapter 3: Research Methodology	
--	--

3. Introduction	26
3.1. Aims and objectives	26
3.2. Research strategy	26
3.3. Anonymity	28
3.4. Data collection	28

CONTENTS	PAGE
3.5. Research limitations	30
3.6. Research design	31
3.7. Benefits and validity of this research	32
Chapter 4: Findings	
4. Introduction	34
4.1. Objectives of the research	34
4.2. Empirical findings from the research	34
4.3. The definition of austerity; how do you perceive austerity and how would you define it?	35
4.4. What has been the impact of austerity on your council?	36
4.5. Have you re-designed any of your services because of budget cuts?	36
4.6. Have any of your services been reduced because of budget cuts?	37
4.7. Have you outsourced any of your services to the private sector in response to austerity measures?	37
4.8. Have you used new technology to deliver services?	38
4.9. Have you formed new partnerships?	39
4.10. Have you introduced charging for non-statutory services?	39
4.11. Have you devolved any of your services to parish and town councils in your area?	39
4.12. Do you know whether reduced services in your council has led to more poverty amongst vulnerable communities?	40
4.13. Have budget cuts led to staff redundancies?	40
4.14. What impact has a review of your services had on staff morale in response to austerity measures?	41
4.15. Response rate to the survey	41
4.16. Democratic makeup	42
4.17. Further responses	43
4.18. Summary	44
Chapter 5: Analysis and Discussion	
5. Analysis and Discussion	45
5.1. Introduction	45
5.2. The definition of austerity	45
5.3. The impact of austerity - positive or negative?	47
5.4. Service re-design	48
5.5. Reduced services	49

5.6.	Outsourcing of services to the private sector	51
5.7.	Use of new technology to deliver services	52
5.8.	Formation of new partnerships	53
5.9.	Charging for non-statutory services	54
5.10.	Devolution of services to parish and town councils	54
5.11.	Have reduced services led to more poverty amongst vulnerable communities?	55
5.12.	Have budget cuts led to staff redundancies?	57
5.13.	Impact of reviewed services on staff morale and absenteeism	58
5.14.	Conclusion	59
6.	Chapter 6: Conclusion and recommendation	61
	Bibliography	63
	References	67
	Appendices:	
1	Council Contact Details	73
2	(a) Research Questionnaire	79
	(b) Completed Research Questionnaire (example)	85
3	Research Questionnaire Letter	93
4	Local Authority Statistics	94
5	Map showing location of responding local authorities	96

CHAPTER ONE

1. Introduction

1.1. The research focus

Public services in England are funded by various means but essentially from tax-payers money. When the government introduced austerity in 2009 it had a significant impact on local service provision and has since led to reduced or withdrawn services such as libraries and recreational amenities. With less money available and the subsequent reduction in staff local authorities have had to re-design the way they provide and deliver local services thus creating issues around the adequacy of their statutory functions which include children and adult social care (PSE, January 2018).

The focus of this study is to examine the impact of austerity from a local authority perspective. It explores how local authorities have adapted to cuts in government funding and what impact these cuts have had on local services *and* local authorities themselves. However, before the impact of austerity can be fully understood it is necessary to understand how local authorities are funded.

1.2. Funding

The MHCLG¹ has overall responsibility for English local authority funding which is spent on local public services. Each year the Government agrees the Local Government Finance Settlement and how much of it is to be distributed to each local authority. This settlement is supported by the Business Rate Retention Scheme, introduced in April 2013 by the Local Government Finance Act 2013, which allows local authorities to retain 50% of the business rates they collect. Local authorities also receive a Revenue Support Grant from central government

¹ Ministry of Housing, Communities & Local Government

which can be used to finance revenue expenditure on any service they provide. The amount each authority receives is determined in accordance with the settlement. In addition, the government may make specific grants available outside of the settlement; some may be ring-fenced and therefore the way they are spent is restricted, for example grants for education, but non-specific grants may be spent without restriction. Once each local authority is notified by government how much settlement they can expect to receive they calculate how much additional revenue they need to enable them to maintain and deliver local public services (DCLG, 2013).

1.3. How the money is spent

Local authorities in England spend in three main areas:

- capital projects such as roads, bridges or school buildings;
- revenue spending on council housing;
- revenue expenditure which includes employment costs and the cost of providing and maintaining services other than council housing (DCLG, 2013) e.g. education and social services.

1.4. How income is raised

Income is raised from a number of sources including interest on investments, rent from property e.g. council housing, but most income is raised locally through council tax (the precept). The precept, plus funding from reserves, expected income from other sources, and government grants should be sufficient for planned spending as shown at Figure 1 below.

However, austerity measures introduced by the government have left most local authorities without sufficient funding for planned spending. The financial sustainability of local authorities is therefore at risk if austerity measures continue.

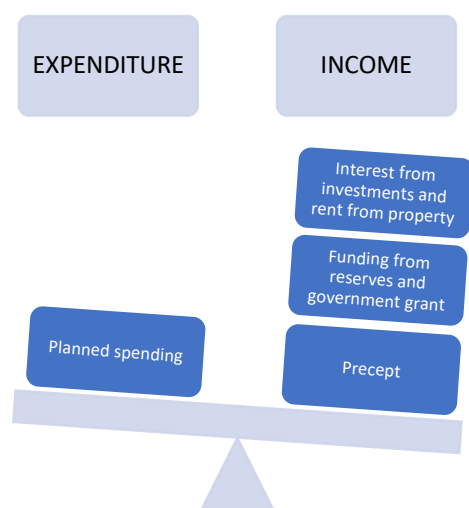


Figure 1

1.5. Financial sustainability

In 2018 the NAO² prepared a report for the House of Commons on the financial sustainability of local authorities. It revealed that in the last eight years, there has been a 49.1% reduction in real-terms of government funding for local authorities which has given rise to additional pressure since the demand for key services has grown, mostly attributable to an ageing population. Henceforth, the reduction in government funding over the last six years has led local authorities to reduce spending, which in the first three years enabled them to build up their reserves. However, they have had to draw on these reserves over the last three years in order to protect adult and children's social care for which they have a statutory responsibility.

According to the NAO (2018) amongst other factors the National Living Wage has played a part in higher costs faced by local authorities especially in adult social care which consumes a significant amount of council tax. Meanwhile, the amount spent on discretionary services has fallen (NAO, 2018) although the NAO's 2014 report revealed that local authorities have tried to protect key services for which they have a statutory responsibility. However, there is a limit to how many savings can be made before front-line services begin to erode. The

² National Audit Office

impact of austerity is therefore worthy of attention if an acceptable level of local services is to be maintained.

1.6. Summary

The findings from this study, (explained in Chapter 4, and analysed in Chapter 5) provide both qualitative and quantitative data gathered from various local authorities throughout England, as detailed in Chapter 3. The study reveals how local authorities and the communities they serve have really been affected by austerity and its positive and negative impact. This valuable research highlights the issues that have developed since austerity was introduced and its detrimental effect on the social, economic and environmental capital throughout England.

The following chapter examines the literature that is currently available on the topic of austerity.

CHAPTER TWO

Literature Review

2. Introduction

Since austerity is a relatively new concept within the local government sector, there is limited literature on this topic. The objectives of this literature review therefore are to examine existing knowledge about austerity i.e. how it is perceived and how it has impacted on local service provision.

This chapter explores how local authorities have risen to the challenge of doing more with less and gives examples of how innovation has been exploited to maintain local services with fewer resources. It attempts to draw out the advantages and disadvantages that budget cuts have provoked and assess whether the standard of local service provision has improved or deteriorated as a consequence of austerity.

2.1. Defining austerity

Austerity has different meanings depending on the situation to which it relates. For example, Journalist Imogen Groome (2017) describes an austere individual as someone who lives within their budget by spending less than their annual income. By comparison, cost-cutting in organisations involves reduced spending, a clampdown on expenses and staff redundancies. The Oxford English dictionary defines austerity as “difficult economic conditions created by government measures to reduce public expenditure”.

Bailey and Shibata (2017) assert that austerity is exemplified by reduced welfare spending and a move towards privatisation and/or public services being de-

democratised. It is also the cause of reduced public spending and/or an increase in tax revenues with the aim of improving the fiscal health of the government.

However, Groome (2017) observes that, when it comes to the economy, austerity has a different meaning since a government can still spend more than it receives because it can increase or introduce taxes. Indeed, Stanley (2014) concurs with Groome that austerity simply means the “idea of living within one’s means”, and this was what George Osborne³ intended when he proclaimed that the Conservatives would ensure that Britain would start living within its means (ibid.). However, perhaps government should take a closer look at its own housekeeping and practice what it preaches because, if it lived within its means by being more meticulous with government department spending and indeed MPs’ expenditure, there might be no need for austerity!

Some people however are very sceptical of the term “austerity”. For instance, when Blyth (2013) discovered that the G20 communiqué of June 2010 called for “growth friendly fiscal consolidation” he called it a fancy way of saying “austerity” which he thought was “as plausible as a unicorn with a bag of magic salt”.

2.2. The introduction of austerity

For many years successive English governments have attempted to control local authority spending and keep council tax at a ‘reasonable’ amount for local citizens. Indeed, there have been significant budget cuts in the UK since 2010; the aim being to improve service provision at reduced cost. But perhaps the most notable curb to reduce local government expenditure was in response to the global financial crisis of 2008 when, rather than allow several banks to collapse, the government decided to nationalise them (Stanley, 2014).

³ Chancellor of the Exchequer from 2010 to 2016

As Conservative Leader in 2009 David Cameron announced that the UK had reached an 'Age of Austerity' and that it was time to end an era of 'excessive government spending'. When he finally gained power as Prime Minister in May 2010 his coalition government⁴ set about cutting the UK's deficit through an austerity programme that included major public spending reductions (Ferry, Coombs and Eckersley, 2017). Cameron blamed the Labour Party for bankrupting the country and creating the debt crisis and used this as a reason for austerity measures to be implemented (Stanley, 2014). Of course, blaming the Labour Party was a good excuse to enable the Conservatives to gain favour with voters since Cameron's austerity tactic has since restricted council tax increases. Notwithstanding that each newly elected government blames the previous one for misspent public money; a blame culture that seems set to continue.

So, in response to Cameron's rhetoric, in October 2010 George Osborne⁵, announced cuts to English local authority budgets of circa 7% as part of his Comprehensive Spending Review. These cuts applied in the 2010/2011 fiscal year and the three following years. Indeed, the IFS⁶ claimed that between 2009/2010 and 2011/2012 planning and development services faced budget cuts of 43% (Marrs, 2012). Subsequently, successive governments have reduced local authority funding in England in an attempt to reduce the fiscal deficit, and these austerity measures have led councils to re-design how they deliver local service in order to meet their statutory duties, which range from children and adult social care to waste collection.

Conversely, Stanley (2014) asserts that the introduction of austerity was framed on the premise that the squeezed middle was "striking back against the unfair distribution of 'taxpayers' money to restore parity" and because the general *mood* at that time supported the argument that there was a debt crisis and cuts were necessary. He alleges that, in order to legitimise spending cuts that benefit

⁴ Conservatives and Liberal Democrats

⁵ Chancellor of the Exchequer

⁶ Institute for Fiscal Studies (think-tank)

the whole country, governments need a debt 'crisis', and they seek to legitimise harmful spending cuts by claiming that they will solve this 'crisis'. He contends that the public at large have accepted that the debt 'crisis' is responsible for austerity measures without there being sufficient evidence to support this notion and argues that, to curb spending, the state should act more like a responsible household and be sufficiently thrifty to help solve England's debt crisis. He advocates that the UK has immorally lived beyond its means because of easy credit and spending on the 'underserving' and that decisive intervention is necessary to avert crisis and help prevent its continuation. He further claims that the extent of spending cuts might have been exaggerated because evidence suggests that only in 2010 were particularly sizable budget cuts introduced. Indeed, he goes as far as to insinuate that we might have been duped (ibid.).

2.3. The impact of austerity

Austerity measures introduced by the Coalition Government in 2010 included £30b spending cuts over four years as well as a two-year pay freeze for public sector workers earning in excess of £21,000 per annum. This has led to £20b worth of savings being made in the local government sector (LGA, 2016). The consequences expected from these cuts were higher levels of unemployment, reduced key services, an increase in crime and disorder and more poverty amongst vulnerable communities. There was also an assumption that, as the public sector retreated, the private sector would create employment, but there is no evidence to support this in the short term (Lowndes and Pratchett, 2012).

Since its election in May 2015 the Conservative government has put austerity and devolution at the forefront of its agenda by announcing a further 56% reduction in grant funding to local authorities who have faced the most extensive cuts of all public service providers. This has followed on from 5 years of spending cuts which have reduced budgets by more than one third (NAO 2014). Lowndes and Gardner (2016) refer to this as 'super-austerity' since the common context of the Conservatives is spending cuts.

Local authorities have a legal duty to set budgets that will raise sufficient income to deliver their statutory obligations, but consultation carried out by the County Research Network revealed that almost 20% of council leaders think their councils won't be able to raise sufficient income to balance their books in 2019/2020 without more money from government. Indeed, early in 2018 Northamptonshire County Council declared itself bankrupt and DCLG⁷ began an investigation following concerns that the council had mismanaged its finances and failed to comply with its responsibilities. This was due to growing financial pressures brought about by austerity measures. The council had found it particularly challenging to meet the escalating costs and demand for adult social care and children's services and said that the government's proposed funding settlement did not recognise the pressures they faced (PSE, January 2018). Birmingham City Council too will have to make extensive budget cuts if it is to balance its books (Public Sector Online, September 2018).

Hastings et al. (2015) assert that cuts to local government budgets have a disproportionate impact on the most deprived areas partly attributable to socio-demographic changes, such as an ageing population. As a consequence, local authorities in England are having to cope with unprecedented funding reductions and cost pressures. Indeed, much of the literature on the topic advocates that "all local authority services are now at risk of reduction or complete disappearance" (ibid.). Furthermore, some question whether austerity is necessary (Bailey and Shibata, 2017). Whilst austerity has encouraged local authorities to look for innovative ways of doing more with less, and has subsequently led to some efficiency savings, there comes a point at which no more savings can be made without jeopardising the quality or retention of a service.

⁷ Department for Communities and Local Government

2.4. Is austerity necessary?

The present Conservative government insists that austerity is necessary to help grow the economy and reduce debt. However, the economist Kate Raworth's (2017) perspective of the theory of demand and supply is that a healthy economy should be designed to thrive rather than concentrate on growth. She argues that the economy is too focussed on '*forwards and upwards*' and questions whether GDP growth is "always needed, always desirable or, indeed, always possible" (ibid.). So, by the same logic, perhaps we should ask whether public services should continue to be subjected to austerity measures in accordance with the growth of the economy. Do we need a buffer to protect the quality of local services no matter what the economic climate might be? After all, the erosion and loss of some local services, such as social care, has a negative impact on the quality of life. Raworth argues that, if the demands on the earth's resources are carefully controlled and safeguarded, we can look forward to a future that will provide for every person's needs (ibid.). She makes it sound simple, but her concept is easier said than done otherwise why are people left wanting and why aren't local authorities making sufficient income from re-cycling to compensate for austerity measures?

Journalist Whittam Smith argues that austerity hasn't worked because it has not reduced borrowing. He quotes the man who runs the world's largest bond fund as saying that the UK, and almost all of Europe, have mistakenly believed that fiscal austerity is how real growth is produced, but it is not. In summary, he alleges that austerity has not produced the results that government desired (Smith, 2013).

2.5. Service re-design

Hastings et al. (2015) undertook a mixed methods case study of three local authorities in England to determine how each had managed austerity over a 5-year period between 2011 and 2016. It revealed that, following corporate re-

structuring, substantial staff reductions had generated efficiencies although it had led to reduced services. Whilst efficiency savings could be made in the early years it became more difficult in later years as they became progressively exhausted and, paradoxically, it was felt that more capacity would be needed to drive such a significant change agenda. Furthermore, there was a risk that re-designed services may not be sufficiently resilient and have sufficient capacity to respond to pressure and subsequent service failures. Services were therefore retained in a diluted form rather than deleted, with council resources being constrained unless services fell below acceptable standards, and councils have increasingly used other agencies and citizens to maintain appropriate service levels. Hastings et al's. research clearly identified that the three local authorities used in their case study eventually reached a point where efficiency was not sufficient and instead had to move to retrenchment in order to close gaps in their budgets.

2.6. How some local authorities have adapted

The 2010 Spending Review was not just to reduce budgets, it was also intended to foster innovation among local authorities through reduced regulation so their budgets could be used in new ways and thus change the way local services are delivered (Lowndes and Pratchett, 2012). To this end the introduction of the General Power of Competence⁸ has given local authorities additional freedoms to improve their localities. However, because budget cuts were introduced at the same time, these enabling powers are somewhat undermined without a corresponding ability to raise more revenue (Ferry, Coombs and Eckersley, 2017). Indeed, even with this new power, the cuts have been so significant that local authorities have had to make some tough choices about which services they can deliver within their budgets (Lowndes and Pratchett, 2012).

⁸ Introduced in the Localism act 2011

2.7. Partnership working

In order to reduce costs several councils have shared services with neighbouring councils with some merging entire departments. However, many councils have been forced to reduce their workforce (Marrs, 2012). Nonetheless, in spite of budget cuts local authorities have demonstrated some resilience as they have developed new technologies to deliver services through collaborative relationships with other agencies, including public and non-public sector providers. Some local authorities have even taken in business from the private sector, for example, maintenance of local transport vehicles, and some have acted as commissioners or providers of lower-cost utilities such as energy and broadband (Lowndes and Gardner, 2016).

Increased pressures of austerity have led to public services being transformed with many local authorities working in partnership by sharing resources. Indeed, partnerships combine diverse resources and competences from public, private and voluntary sectors (Lowndes and Sullivan, 2004). For example, the sharing of senior management teams (SMTs). Through economies of scale, SMTs can build resilience, reduce management costs and enable the sharing of wider expertise (Bello et al, 2018). Examples of SMTs include Clinical Commissioning Groups and blue light emergency services.

Research carried out by Bello et al in 2017 revealed that one of the main reasons for councils to introduce SMTs was in response to austerity. Interestingly the research found that Labour councils prefer to have control and more insourcing activities whilst Conservative councils prefer to outsource and share services. Between 2005 and 2014 twenty district councils in England shared SMTs and, except for one which was Labour controlled, all were Conservative controlled except for two with no overall control. However, the establishment of these SMTs was more than likely attributable to councils sharing similar challenges. Party politics also played a large part in combined leadership between councils, thus making working together more conducive (ibid.).

In order to encourage more SMTs the government introduced the Transformation Challenge Award in 2014, but this came as disappointing news to those councils who had already incurred quite significant setting up costs prior to 2014 and had missed out on this funding (Bello et al, 2018). Perhaps the government had waited until there was evidence that this initiative could work before it offered a 'carrot'! However, Bello et al found that, whilst SMTs have been advantageous in some areas they have been disadvantageous in others. For instance, cost savings have led to redundancies following restructuring and, because of reduced resources, have left some councils struggling. Bello et al's research argues that savings brought about by SMTs are relatively modest with average savings of around £300,000 per annum, the maximum being £1m and the minimum £100,000, although cost cutting has helped to protect front-line services (ibid.).

Some councils have reduced their costs through sharing services with neighbouring councils and merging entire departments. For example, some have shared specialist posts, such as archaeological or design officers who don't always have sufficient work to justify a full-time post. (One might question why full-time posts existed in the first place if there was not enough work.) However, the same number of staff are required so the only real savings have been one or two managerial posts (Marrs, 2012). One council reduced the number of area planning committee meetings to save on administration and councillor expenses, and one London council has a policy whereby planning officers do not answer the phone. (In terms of performance this can be likened to cuffing!⁹) However, cost savings have been eroded because some upfront spending has been necessary in order to align IT systems (ibid.).

⁹ Making things disappear; unreported statistics – see 'A Tangled Web: Why You Can't Believe Crime' by Rodger Patrick (2014)

In 2016 local authorities were allowed to raise their precept for social care by 3%, but for two years only (IFS, 2016) although the LGA¹⁰ claimed the funding gap would not be resolved by this alone. Those who have been affected the most are disadvantaged areas particularly as localities become increasingly dependent on local business rates. To protect public service provision and to offset funding reductions local authorities began to share back-office services such as HR and legal services as well as environmental services such as highway functions. They have also engaged in joint services procurement and moved into commissioning. This, coupled with the added benefit of digital technology, has helped to reduce customer contact costs (Lowndes and Gardner, 2016).

2.8. Outsourcing of services

One authority in London benchmarked its performance against a neighbouring authority which had outsourced most of its functions, but there was little difference in costs therefore suggesting that outsourcing services did not necessarily lead to cost savings. One of the downsides of outsourcing is that agency staff may lead to a fall in standards often due to their unfamiliarity with council procedures. Nevertheless, the benefits and cost savings of outsourcing will not be obvious until sufficient data has been gathered over several years (Marrs, 2012).

2.9. Delegation of local services

Local authorities are not the only organisations that provide public services; there are also circa 10,000 parish and town councils in England. These local councils are also statutory bodies with the power to raise their own precept. However, only 30% of England is parished (NALC¹¹, 2018), mostly in the more rural areas and, therefore, local authorities are the major providers of public

¹⁰ Local Government Association

¹¹ National Association of Local Councils, the national body that represents parish and town councils

services. However, both local authorities and local councils have the power¹² to discharge their functions to any other authority. This means that local authorities may devolve certain functions to local councils if local councils are willing to take them on.

Local councils often work with other agencies to “deliver services and promote community development” (Pearce & Ellwood, 2002). However, their first priority is articulating community concern and opinion which they convey to their local authority and, although local councils have begun to show more innovation and deliver a wide range of local services such as recreational facilities, cemeteries and allotments, their increased capabilities have not been matched by the transfer of additional powers and resources from principal authorities. Even though local councils share a wide range of powers with local authorities for the provision of local services principal authorities still opt to provide all or most services themselves (ibid). This is a missed opportunity, although devolving local services to local councils is only possible in areas that are parished, and not all are, especially the more urban conurbations such as Birmingham and London. Nonetheless, for those areas which are parished, local councils also have the General Power of Competence which allows them greater freedom to address community needs.

2.10. New technology

Some local authorities have made greater use of new technology in an attempt to manage within their reducing budgets. For example, ‘cloud computing’ delivers on-demand computing resources accessible over the internet on a pay-for-use basis. The supporting infrastructure, hardware and software is owned and managed by providers and enables information to be accessed from any location (IBM, 2018) thus offering council staff and councillors greater flexibility as well as cost savings.

¹² Local Government Act 1972, Section 101

Councils have also been trying to reduce the costs of customer contact by moving from face-to-face contact to web-based communication where possible. Figure 1 below shows the typical savings that can be made.

Source Channel	Socitm ¹³ Insight May 2012	Socitm Insight Dec 2009	Consultant study for council partnership April 2009
Face-to-face	£8.62 per transaction	£8.23 per visit	£5.51
Phone	£2.83 per transaction	£3.21 per call	£2.53
Web	£0.15 per transaction	£0.39 per visitor	£0.17

Figure 1: Source LGA 2014

Many councils are now using online digital channels for the payment of parking fines or reporting missed bins. One specific example of digital savings can be seen from a pilot scheme between 2012 and 2013 when 12¹⁴ councils combined face-to-face support with new technologies to encourage claimants to apply online for the new universal credit scheme for benefits. Another example is an app called 'Everyday' introduced by Telford & Wrekin Council which allows residents to report problems in their streets directly to the council which saved £5,000 in the first quarter of 2013/14. However, it is not easy to identify the real savings made from using new technology and more baseline analysis is needed (LGA, 2014).

2.11. Disadvantages of cost cutting measures

Whilst austerity has introduced innovative ways of making cost savings it has unfortunately led to people losing their jobs. For example, due to a reduction in

¹³ Society of Information. Technology Management

¹⁴ Councils involved include London Borough of Lewisham, Rushcliffe Borough Council, Birmingham City Council, North Dorset District Council and Melton Borough Council

planning applications, some local authorities have been forced to reduce staffing levels, although some have done this without compulsory redundancies. Indeed, compulsory redundancies are not the favoured option and local authorities have instead sought voluntary redundancies and introduced early retirement schemes to avoid this. Some authorities have left vacant posts unfilled, thus the loss of administrative staff has impacted on frontline services (Marrs, 2012).

According to journalist David Paine (2018), between 2010 and 2018, 223,000 workers have been made redundant by councils at a collective cost of £4b with Birmingham City Council having made the most people redundant, that's 8,769 people at a cost of £184.8m¹⁵. Indeed, a Birmingham City Council spokesperson declared that a 50% reduction in staff has been necessary to enable the council to respond to significant reductions in its grant from central government (Local Government Chronical, 2018). Many councils are facing the same problem with 500 jobs at risk at Wolverhampton City Council as it struggles to tackle a £28m deficit by the end of 2019/2020 (PSE, October 2018). Cornwall Council too proposes to cut 388 full-time jobs to help it meet savings of £77m over the next 4 years (PSE, September 2018).

Staff reductions have obviously had a negative impact on efficiency as fewer employees are left to cope and maintain an acceptable level of service delivery. It has also had a negative impact on staff morale as those that remain in post are under added pressure to keep up with demand, often by working longer hours. Psychological research has revealed that cuts to public services contribute to mental health problems since job insecurity creates anxiety and can lead to clinical depression. Indeed, research carried out by Mawdsley & Lewis (2017) found that, as a result of NPM¹⁶, public sector employees with long-term health conditions are particularly vulnerable to workplace bullying and discrimination as they are oppressed by more dominant co-workers and are subjected to 'macho' appraisal

¹⁵ Data collected by the Local Government Chronical using councils' statements of accounts from 2010-11 to 2017-18 for all 152 of England's top-tier councils and relate to compulsory and voluntary redundancies

¹⁶ New Public Management

systems that set unmanageable workloads or impossible deadlines. Unsurprisingly, psychologists argue that government “cuts are both avoidable and immoral” and that the psychological costs of austerity for individuals and communities should be considered (McGrath, Griffin and Mundy, undated).

2.12. Income generation

Austerity has forced local authorities to review how income is generated and has led some to charge for services that have previously been free, such as green waste collection, and some have increased pre-existing charges such as car parking fees (Hastings et al, 2015). However, although charging for services can supplement funds for projects it can also lead to negative outcomes. For example, income can be raised by charging for room hire. However, in one case, this has led to self-help groups not being able to afford the charges and thus can no longer meet, leading to the demise of this type of service (Clayton, Donovan and Merchant, 2016).

2.13. Emerging issues and the need for empirical research

One issue that austerity is purported to be responsible for is poverty. According to Oxfam for those already in poverty impoverishment has worsened and more and more people are living on the breadline with at least half a million people using food banks each year (Oxfam, 2013).

It is apparent from the literature that local authorities are under extreme pressure to maintain the same level and quality of services amidst government pressure to keep council taxes to a minimum. Whilst austerity has steered re-organisation in the public sector, for instance, the merging of two-tier authorities (district and county) into one unitary authority, it has still led to public services being reduced or no longer available free of charge. It is therefore vital that further research is carried out to identify whether the positive influence that

austerity has made to public sector service provision outweighs the negative impact to service users.

2.14. Conclusion

As well as defining the meaning of austerity this chapter has demonstrated how local authorities have responded to austerity. It has illustrated the impact of budget cuts on local service provision, given examples of how cost savings have been made, and highlighted how budget cuts have had a negative impact on local communities and local authorities themselves. The literature has also revealed that, whilst local government officers have welcomed innovation and the transformational change necessary for a more sustainable future for their local authority, they feel restricted by the tight financial situation in which they have to work (Ferry, Coombs and Eckersley, 2017).

In conclusion, councils are having to make tough choices about which discretionary functions should be maintained and, although some priorities have been determined through community consultation, many are being decided by councillors (Marrs, 2012). Indeed, local authorities have become increasingly susceptible to being blamed for diminishing local services and not effectively managing their budgets, rather than central government who is responsible for budget cuts throughout the public sector (Clayton, Donovan and Merchant, 2016).

The following Chapter demonstrates how research has identified the positive and negative impact of austerity on various local authorities in England authenticated through the eyes of politicians and local authority officers.

CHAPTER THREE

Research Methodology

3. Introduction

3.1. Aims and objectives

The overall aim of this research is to examine the impact of austerity on local authorities in England by using a practitioner-led approach. This chapter explains the objectives of this research, its strategy, how the data was collected, the research limitations, how the questionnaire was designed, how the target audience was selected and the benefits and validity of the research.

The objectives of this research are to find out:

- how local authorities have coped with austerity;
- what are the consequences of austerity and whether it has had a positive or negative impact on local service provision; and
- whether austerity is necessary or has been successful.

3.2. Research Strategy

The overall strategy for this research is to realise the impact of austerity on local service provision by asking local authority practitioners themselves to explain their own practical experience of how they have been affected by austerity.

This exploratory empirical research was conducted by a survey of local authorities in England via a questionnaire (see Appendix 2). The research focuses on identifying known problems created by austerity facilitated by a close

examination and analysis of the experience of local government practitioners i.e. Politicians and officers.

The chosen research methodology was deployed because “surveys are best for finding out what people think, believe, or perceive”, Johnson, 2002, p98). Surveys also allow for primary data to be gathered from a broad spectrum.

Figure 1 below shows the categories into which local government¹⁷ in England is divided and it is from this data that the target audience was chosen using stratified sampling.

Metropolitan districts	36
London boroughs +	32
The City of London	1
Unitary authorities +	55
The Isles of Scilly	1
County councils	27
District councils	201
TOTAL	353

Figure 1- Source: Assets Publishing Service

Because there are 353 local authorities in total a case study was not deemed to be a suitable type of research methodology since it would have been too onerous to contact a suitable target audience, taken too long and would not have provided sufficient data to be truly representative or valid. The strength of the chosen questionnaire survey is that it was able to reach a large sample, allowed greater anonymity and consistency, and provided comparable data as well as allowing respondents to more fully express their views. Furthermore, widely varying demographics allow for more credible results (Johnson, 2002) to ensure

¹⁷ (Whilst there are also over 10,000 parish and town councils (NALC, 2018) they are not included in this research which is specifically aimed at local authorities.)

political balance and that the data gathered would be sufficiently representative of all the councils invited to participate in the survey. The target audience was selected by stratified sampling with councils being chosen from the north, south, east and west of England including the Midlands as well as from each category as listed at Figure 1 above. A full list of those councils which were contacted can be found at Appendix 1.

Contact details for each council were sourced through an internet search. However, whilst the contact details for politicians could be found (although not immediately obvious) contact details for senior officers were not readily available. Nonetheless, the majority of responses to this survey are from senior officers.

3.3. Anonymity

Respondents were assured that “all information provided will be treated in strict confidence and participants will not be identified” as named individuals. Therefore, only each respondent’s position and the type and political makeup of their council is quoted, except in some instances where council documents have been referred to and the information is publicly available.

3.4. Data collection

Empirical data was collected via a questionnaire which was emailed to a target audience of 97 authorities throughout England, as listed at Figure 2 below, but only 15 authorities responded.

London Borough Councils	4
City of London Corporation	1
County Councils	3
District Councils	4
Metropolitan District Councils	34
Unitary Authorities	51
TOTAL	97

Figure 2

The questionnaire contained 12 questions designed to produce statistics that would provide a factual and unbiased depiction of the impact of austerity from a reliable source. It was also designed to show whether the literature written about austerity referred to in Chapter Two can be supported.

The survey was carried out using a mixed methods research approach by collecting a combination of both qualitative and quantitative data from a primary source although some data was derived from secondary sources e.g. councils' budget strategies.

Two research methods were deployed; inductive and abductive. The inductive research approach was deployed to examine the data collected for general patterns and characteristics e.g. empirical evidence gathered from the survey demonstrates that most local authorities have begun to make greater use of IT. The abductive research approach was deployed to assist in categorising the data to formulate plausible explanations about the impact of austerity e.g. how councils are managing to maintain an acceptable level of service in Adult and Children's Services on reduced budgets.

The survey was conducted by disseminating a questionnaire to the target audience as an attachment to an email. The body of each email briefly explained the reason for the survey along with background information about the

researcher (see Appendix 3). However, in order to encourage an adequate response and provide meaningful empirical results, the invitation to participate in the survey asked each recipient to pass on the questionnaire to a more appropriate person to respond should the recipient be unable to do so. In several cases, this did happen, thus increasing the response rate. Indeed, where the Leader was unable to respond, the Deputy Leader has responded, and where the Chief Executive was unable to respond, senior officers have responded. Therefore, this strategy proved to be successful.

3.5. Research limitations

The questionnaire was emailed to the Leader of each council and, where possible, the Chief Executive. This was to try and keep the answers politically balanced and also to double the chances of a response. Unfortunately, in spite of an attempt to reach as many English local authorities as possible, the response was poor. However, whilst a poor response rate may lead to an inaccurate reflection of the whole group (Johnson, 2002) responses were received from a variety of councils from various locations throughout England with a good mixture of Conservative and Labour control.

Whilst many councils declined to participate in the survey most did provide their reasons for not doing so. Some of the reasons were due to them not being able to afford officer time, a paradox that adds weight to how austerity has impacted on local authorities and the pressure they are under, often due to a reduced workforce. For example, one Conservative Metropolitan District Council Leader was unable to help at this time but was willing to help in the future, the Labour Mayor of one Unitary Council was unable to respond due to a busy diary, and two Chief Executives of Unitary Councils were also unable to respond but recommended looking at their Council's recent Budget Report and other financial information to which electronic links were provided. One unitary authority in the Midlands was especially difficult from which to coax a response. An officer eventually responded with a refusal to provide information claiming

that any views expressed would be the views of an individual and not the views of the council as a whole. This seems a weak response, especially when the questionnaire was pursuing factual information and not opinion, other than to seek an opinion about the meaning of austerity. However, the most bizarre response came from the Conservative Leader of a Unitary Council in the south of England who said he was unable to respond "...because the questions are based on false premises implying that "Austerity is a misnomer". The entirety of this response can be found in Chapter Four.

3.6. Research design

The research questions were based on the findings from the Literature Review (Chapter Two) with the objective of determining whether a common pattern is emerging as a result of how local authorities are reacting to austerity.

The research questions were therefore designed to:

- enable respondents to provide honest and unrestricted answers without them being personally identified;
- reveal the impact of austerity from primary sources; and
- demonstrate how the empirical data gathered compares with the literature on the topic of austerity;

by identifying:

- the *issue*, which is the erosion of public services;
- the *problem*, which is the impact of reduced public services on service users; and
- the *gap*, which is how the withdrawal of some local services has affected individuals e.g. psychologically.

The questionnaire included open and closed questions to provide both qualitative and quantitative answers. The first question was open and qualitative

and invited respondents to define their perception of austerity. All but the first and final question were closed and commenced with a 'yes' or 'no' question followed by a blank space in which respondents could provide an example to elaborate their 'yes'/'no' response if they so wished. These closed 'yes' and 'no' questions produced quantitative data whilst the more detailed responses produced qualitative data.

A realist ontological approach has been deployed for this evidence-based research with the purpose of understanding how local authorities have adapted to austerity measures. The empiricist epistemological approach has identified the social facts from which the triangulated data reveals how some local authorities have dealt with austerity through a range of perspectives.

3.7. Benefits and validity of this research

The benefits of this research are that it has provided unbiased representative views from respondents because the data has been derived from a primary source e.g. service providers/practitioners. Through a comparison of theory and practice this research has revealed a true and accurate picture of how local authorities have adapted in response to budget cuts. It has also shown how reduced services have led to staff redundancies and more poverty amongst vulnerable communities. The literature (Chapter Two) identifies a gap in existing research but, whilst it shows that austerity measures have impacted on peoples' well-being, it does not provide comprehensive details. This current piece of research however has somewhat filled this gap because it has drawn out more liberal information about how individuals have been affected, which includes local authority workers as well as service users.

It should be noted though that, whilst the research findings may not be beneficial to those affected by austerity, it is hoped they can be utilised in a positive way and help prove that austerity is not a panacea for the outcome of the global

financial crisis and that quality public services cannot be delivered adequately on a low-budget.

CHAPTER FOUR

4. Introduction

This Chapter reiterates the objectives of the research and details the empirical findings from the survey which was conducted via a questionnaire emailed to a stratified sample of local authorities in England. This Chapter also details the council types that were invited to respond to the survey, the democratic makeup of responding councils and the proportion of politician/officer responses.

4.1. Objectives of the research

The objectives of this study are to discover the impact of austerity on local authorities in terms of the quality of services they provide and how they have adapted to doing more with less, in other words, can councils continue to deliver the same quality of service on reduced budgets? In an attempt to answer this question, the research questionnaire was compiled with the objective of quantifying the findings from the literature on the topic of austerity. Subsequently, this methodology resulted in the majority of responses being in parity with the findings from the literature.

4.2. Empirical findings from the research

The findings from this research are presented below in the same order as the questions contained within the questionnaire. A copy of the blank questionnaire can be found at Appendix 2a and an example of a completed questionnaire can be found at Appendix 2b.

The first question was open and asked respondents to give *their* perception of austerity, this question being particularly important since austerity is the focus of the study. Further closed questions asked for a 'yes' or 'no' response followed by an opportunity to expand further with examples to justify each response.

Therefore, these findings have provided both quantitative and qualitative answers supported by anecdotal evidence.

4.3. Question 1: The definition of austerity; how do you perceive austerity and how would you define it?

All responses to “the definition of austerity” slightly differ although a common theme has emerged which translates into austerity being another word for **‘reduced funding’** and a reduction in support from central government to local government. Indeed, one senior officer at a large city council describes austerity as being “harmful to services and the wellbeing of citizens”.

Respondents have associated austerity with the global financial crash of 2007/2008 and the recession that followed, linked to the Coalition and Conservative governments that have been in power from 2010. One CEO describes austerity as shorthand for the government’s drive to reduce the budget deficit and deliver savings in public service delivery and, according to one Deputy Leader, “...with little or no regard for the outcome”.

However, whilst he declined to respond to the questionnaire, the Conservative Leader of a Unitary Council in the south of England argues that “Austerity is a misnomer”. He asserts that “The Government is seeking to ensure the Country lives within its means, an ambition I support. All sectors which receive public subsidy need to contribute to that”. He explains how his Council’s net budget has remained more or less unchanged over the last few years and infers that, unless inflation is factored in, there has not been a spending cut. He says “It is the case that there has been a reduction in Government Funding to councils on the one side with council tax increases and income raising strategies on the other. However, the biggest factor in budget pressures has been the huge increase in demand for both children’s and adults social care. This statutory duty means that there is less funding available for all other services”. So, whilst he declined to complete the questionnaire, he has given an interesting response, even though somewhat contradictory. Indeed, whilst it is extremely succinct, his response has much in common with the research findings as detailed below.

4.4. Question 2: What has been the Impact of Austerity on your council?

Respondents were asked whether the impact of austerity on their council has been positive. Whilst the majority answered 'no' some answered both 'no' and 'yes' because they feel that austerity has led to some positive outcomes as well as negative. 33% said that austerity has made a positive impact, 53% said austerity has made a negative impact whilst 13% of respondents said that it had been both positive and negative.

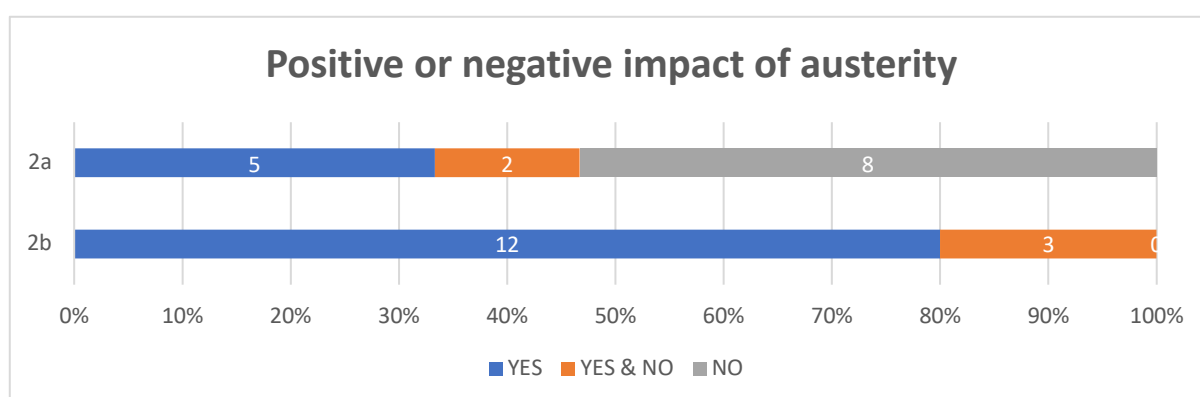


Figure 1

4.5. Question 3: Have you re-designed any of your services because of budget cuts?

All respondents said they have re-designed their services in response to budget cuts as seen in Figure 2 below. Service re-design includes modernisation of IT systems, rationalising building stock, reducing energy costs, environmental maintenance and staffing.

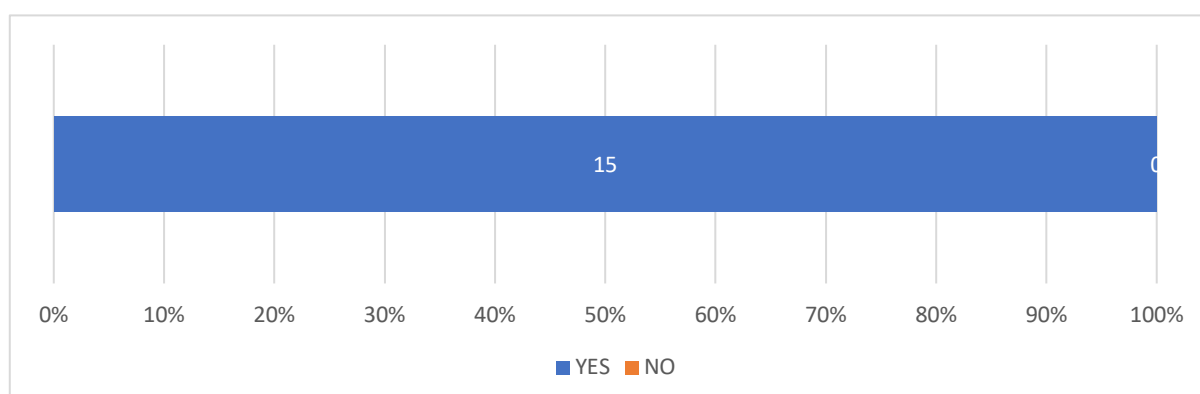


Figure 2

4.6. Question 4: Have any of your services been reduced because of budget cuts?

93% of councils have reduced their services because of budget cuts, but 7% have not, as shown in Figure 3 below. This is mostly due to some councils keeping their services constantly under review to achieve efficiency savings, for example cheaper external arrangements for foster care provision and effective management of direct payments.

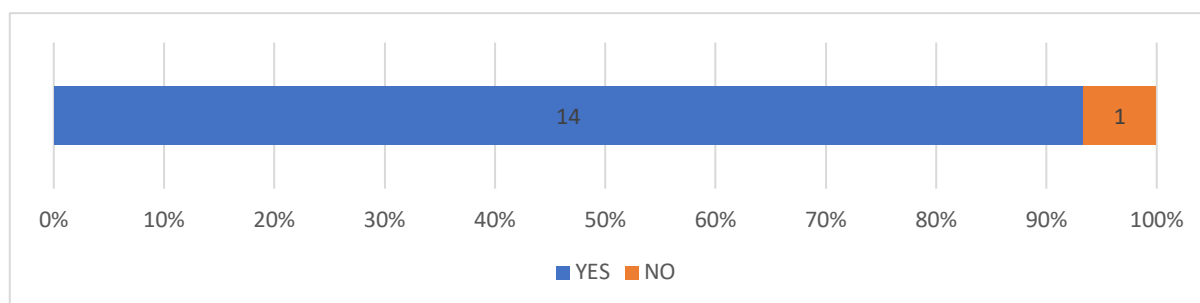


Figure 3

4.7. Question 5: Have you outsourced any of your services to the private sector in response to austerity measures?

Figure 4 below shows that 73% of respondents have outsourced their services to the private sector whilst 27% have not. Examples of outsourcing include one council which no longer operates homes for elderly people and one community leisure centre which has been transferred to a community benefit society.

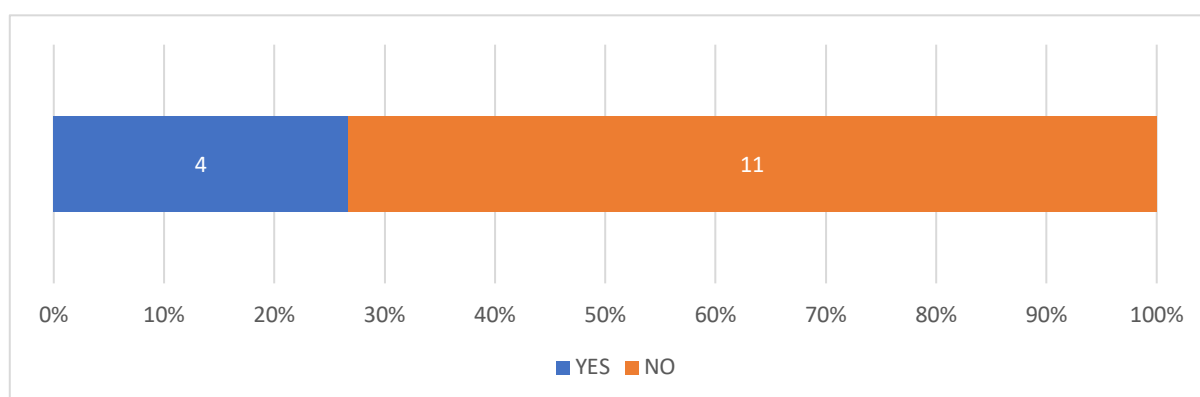


Figure 4

4.8. Question 6: Have you used new technology to deliver services?

The majority of respondents (93%) have used new technology to deliver their services and the remaining 7% have not (see Figure 5 below). Many have exploited IT by introducing digital ways of working that are customer focused e.g. “self-service technologies in libraries”.

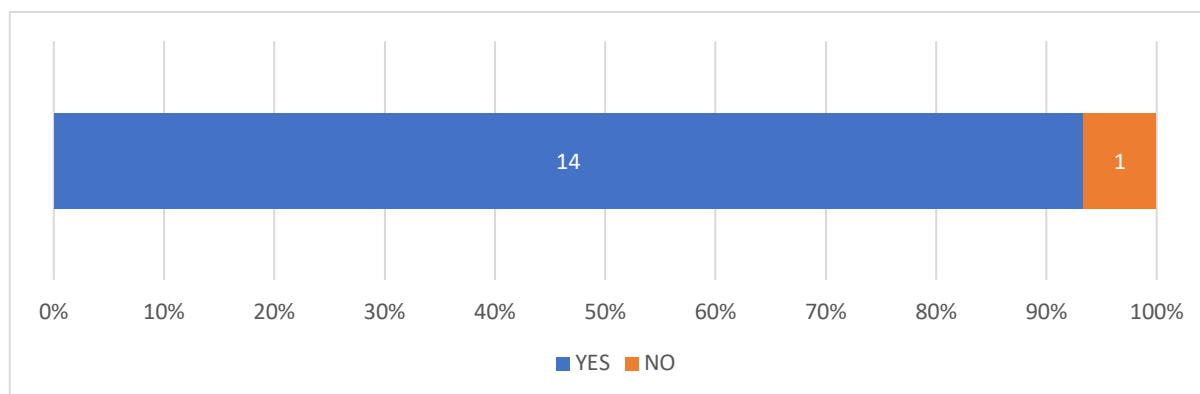


Figure 5

4.9. Question 7: Have you formed new partnerships?

Some local authorities have tried to make savings by forming partnerships with neighbouring councils or other bodies. This study shows that the majority of respondents (80%) have formed new partnerships whilst the remaining 20% have not (see Figure 6 below). For example, one authority has a public service partnership that shares revenues and benefits services and also has a public-private partnership to manage and operate a popular tourist attraction. However, none of the respondents in this study have used Senior Management Teams as referred to in the literature review.

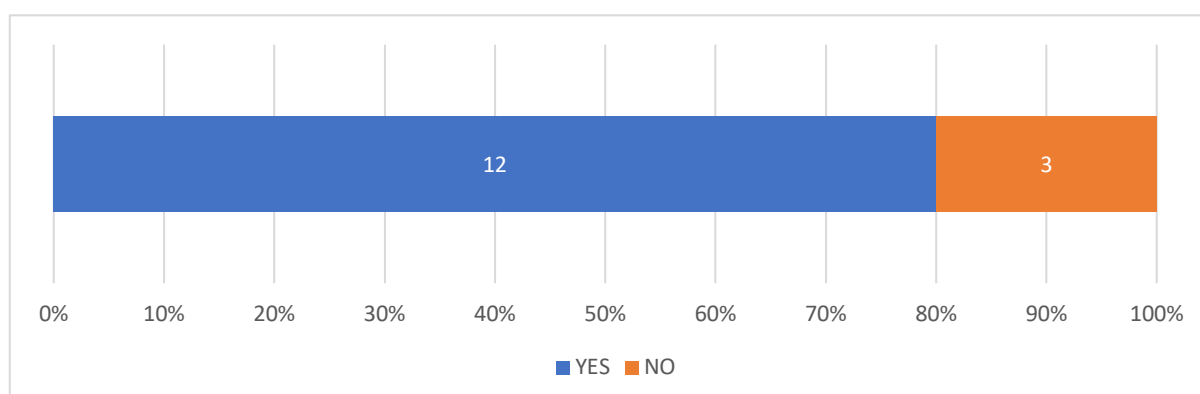


Figure 6

4.10. Question 8: Have you introduced charging for non-statutory services?

Due to reduced budgets and having to find new initiatives to increase income many councils have begun to charge for non-statutory services such as the removal of green waste, charging for care packages and increased car parking fees. Figure 7 below reveals that 73% of respondents have introduced charging for non-statutory services whilst the remaining 27% have not.

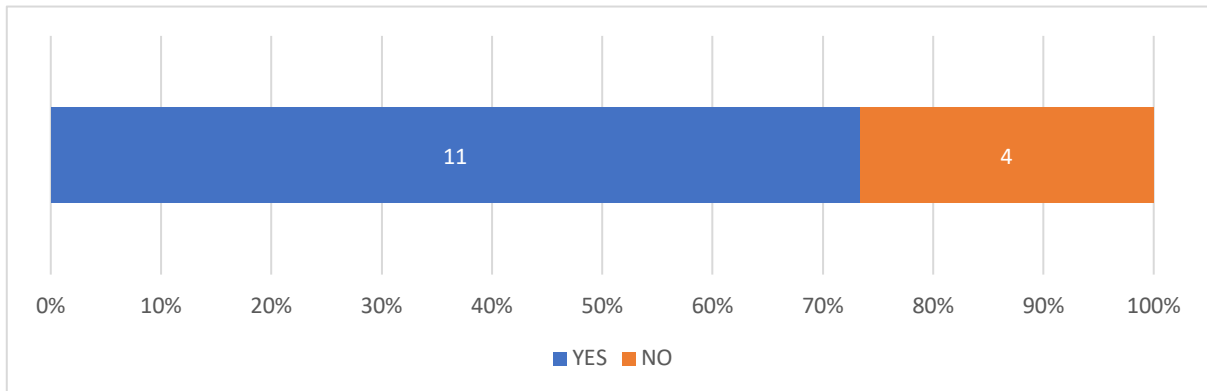


Figure 7

4.11. Question 9: Have you devolved any of your services to parish and town councils in your area?

In an attempt to reduce their liabilities some local authorities have devolved some services to town and parish councils (see Figure 8 below). This study reveals that 60% of respondents have devolved some services to parish councils e.g. library service, grass-cutting, street scene, pot-hole filling and public toilets. However, devolving services to parish councils is dependent on whether their local government area is parished, and not all of them are.

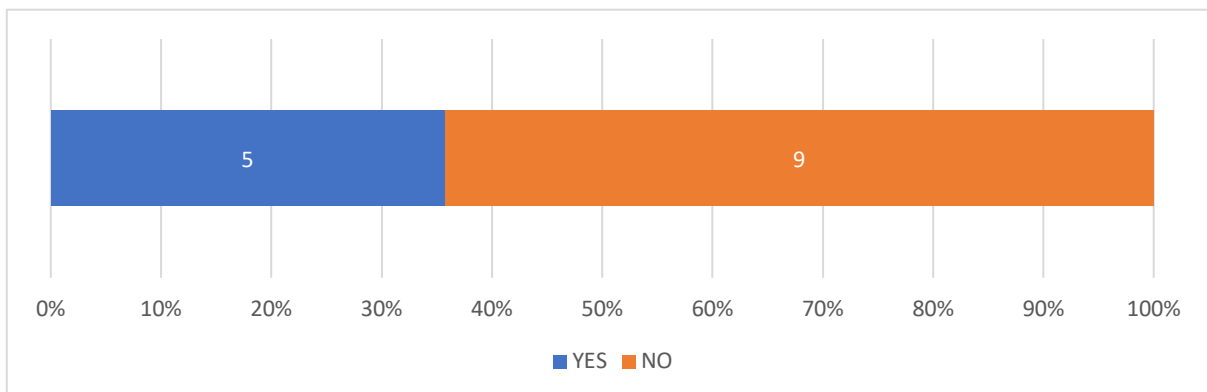


Figure 8

4.12. Question 10: Do you know whether reduced services in your council has led to more poverty amongst vulnerable communities?

Councils were asked whether they could associate budget cuts with poverty amongst vulnerable communities and 67% of respondents answered 'yes' (see Figure 9 below). Yet, although councils are aware that some people are finding it difficult to manage, respondents were not able to be specific nor measure the impact due to there being no research data other than observing an increased use of food banks and increased homelessness. However, one council believes that "reductions in services will have had a negative impact on poverty in vulnerable communities" (Labour Leader, metropolitan borough council).

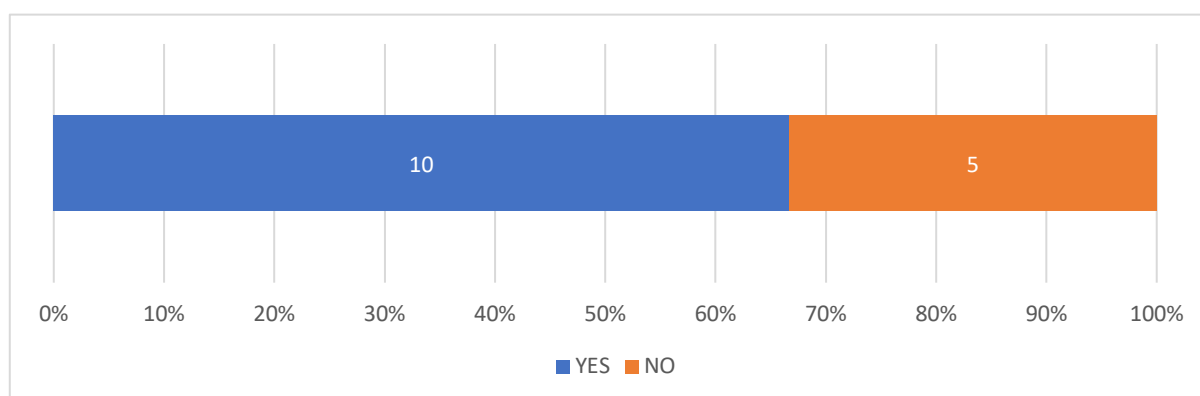


Figure 9

4.13. Question 11: Have budget cuts led to staff redundancies?

Whilst the majority of responding councils (80%) have made staff redundancies 20% have not (see Figure 10 below). Some redundancies have been managed through organisational transition and restructuring or voluntary redundancies, but many councils have seen a reduction in staff of between 10 and 30% although Birmingham City Council has made over 50% of its employees redundant as seen in the Literature Review in Chapter Two. However, whilst it has been through several service reviews, one Labour led unitary council has made no compulsory redundancies at all as staff have left through finding other employment or through voluntary severance, including early retirement.

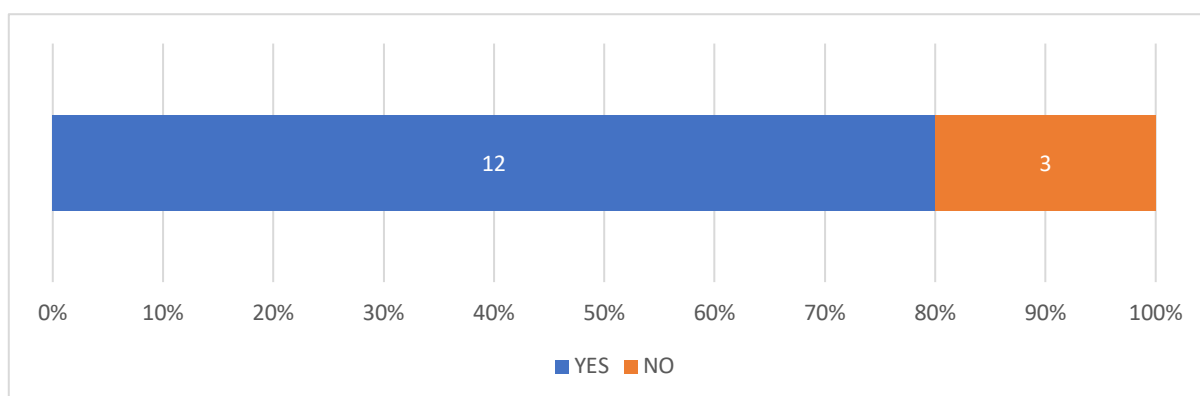


Figure 10

4.14. Question 12: What impact has a review of your services had on staff morale in response to austerity measures?

There are a variety of answers to this question, but the general consensus is that staff morale has been affected in some way. Indeed, one Conservative led metropolitan council says that “stress, mental health and depression” is its highest given reason for sickness absence. With the increased pressures of budget cuts staff are working in more stressful conditions because they are picking up extra work as a result of redundant positions not being reinstated. This has led to low staff morale and increased absenteeism and stress. However, some councils have measures in place to deal with mental health issues and some are working with Trade Unions to deal with mental health related absence. One council even undertakes regular staff surveys to assess people’s views about the council and their wellbeing and motivation etc.

4.15. Response rate to the survey

London Borough Councils	4
City of London Corporation	1
County Councils	3
District Councils	4
Metropolitan District Councils	34
Unitary Authorities	51
TOTAL	97

Figure 11

In total 97 councils were contacted as listed in Figure 11 above. However, the response rate was poor with only 15% of councils responding (see Figure 12 below). 7% of responses were from county councils, 7% were from district councils, 40% were from metropolitan councils and 46% were from unitary councils. None of the London Borough Councils nor the City of London Council responded.

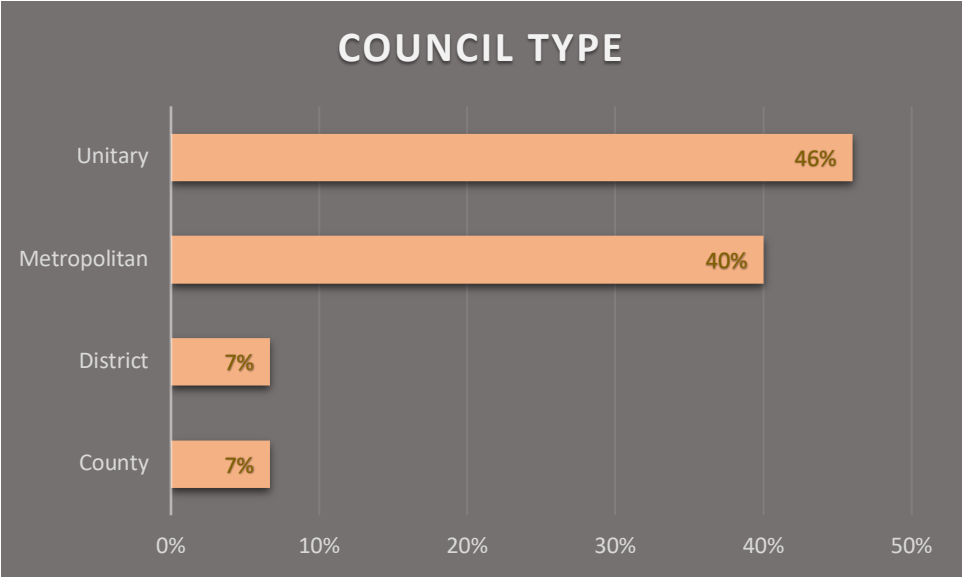


Figure 12

4.16. Democratic makeup

Figure 13 below shows that of those councils who did respond 73% are Labour controlled councils and 27% are Conservative controlled councils.

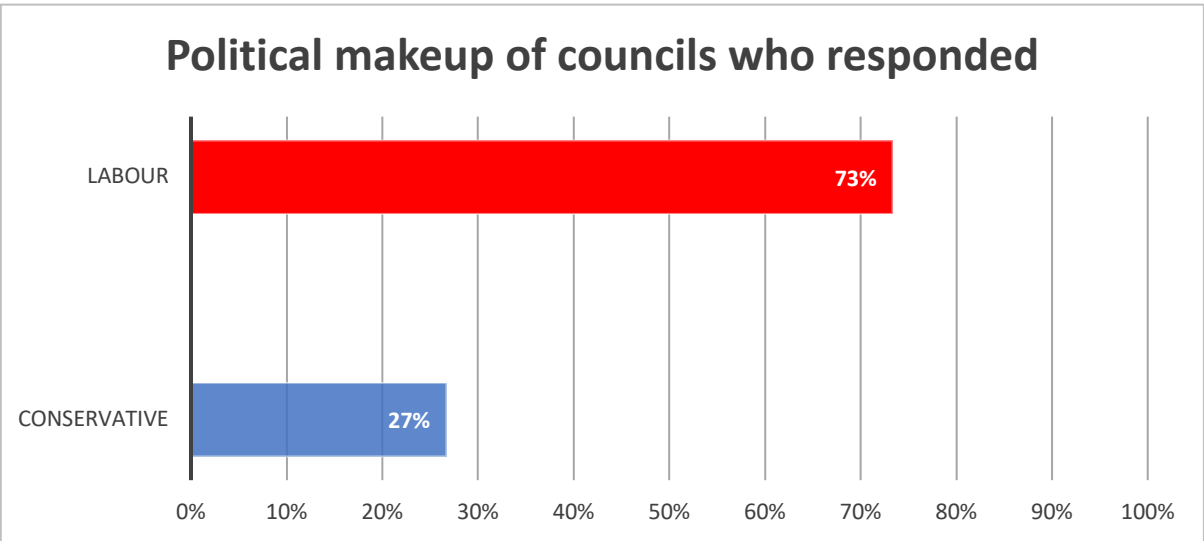


Figure 13

Figure 14 below shows that 53% of these responses were from Chief Executives or senior officers and 47% were from politicians, i.e. either Council Leaders or Deputy Leaders.

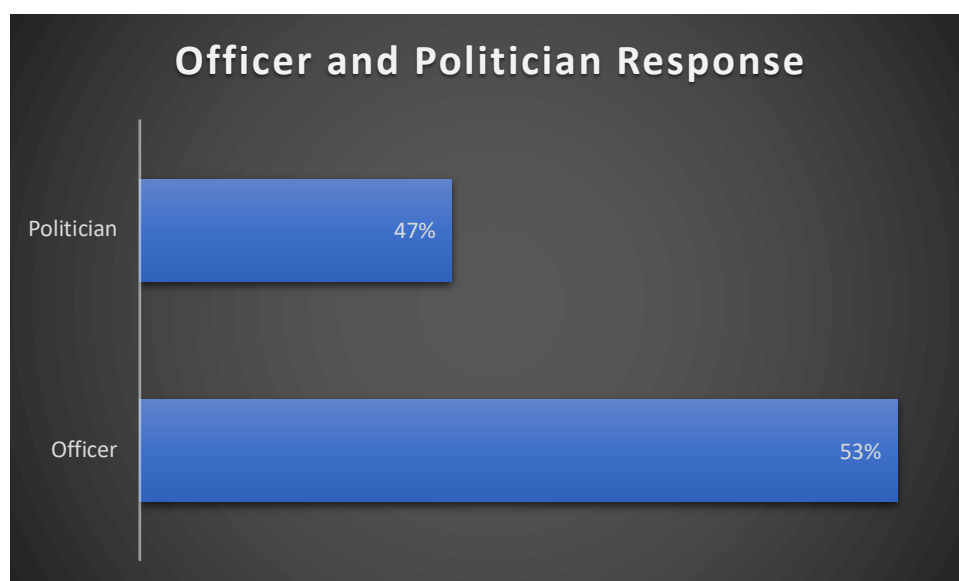


Figure 14

4.17. Further responses

Some councils were not able to respond to the questionnaire directly, for a variety of reasons, although some provided links to their website where useful information was made available to assist with this study. Below are some examples.

One coastal unitary authority in the south-west of England (Conservative controlled) has produced an "Equality Impact Assessments" document to demonstrate to the council how some of its budget proposals will impact materially on service users. For example, the council proposed to reduce a youth services grant by £30,000 for neighbourhood funding which has been in place for six years for a non-statutory function. However, following consultation, and to meet the council's ambitions and principles contained within its 2015-2019 Corporate Plan, which "aims for a prosperous and healthy" county by "focusing the council's limited resources on those vulnerable groups who are at greater risk of poor outcomes", it was agreed to maintain the grant funding of £30,000 for youth groups. This very useful document assisted councillors to understand the

impact of budget cuts on a range of services the council has supported, such as “Adult Substance Misuse Services” and “Citizens Advice Bureau” to ensure, where possible, negative impacts are “eliminated, minimised or counter balanced by other measures” (“Equality Impact Assessments”, Torbay Council, 2018).

In its 2018/2019 budget report Reading Borough Council, a unitary authority in Berkshire (Labour controlled), informed councillors that the Council needs an additional £43.2m if it is to deliver current services in 2020/21. In order to bridge this gap savings proposals of £7.3m in 2018/19, £8.3m in 2019/20 and £7.7m in 2020/21 have been approved. The main financial challenges are in part due to the costs of Children’s and Adults Services, the provision of pay awards and increments, contract inflation, capital financing costs and, savings that can no longer be delivered, which includes redefining some staff terms and conditions (Report by Director of Finance, Reading Borough Council, 2018).

4.18. Summary

These findings clearly indicate that, irrespective of political makeup, all councils who have contributed to this study are being financially challenged. Whilst each interpretation of austerity varies all respondents have implied that it is the result of government intervention resulting in reduced local authority funding. To quote one policy officer at a large Labour led city council, “I agree with the following definition from the Collins dictionary - difficult economic conditions created by government measures to reduce a budget deficit, especially by reducing public expenditure - it is perceived as harmful to services and the wellbeing of citizens.”

The next chapter analyses and discusses the survey results in more detail.

CHAPTER FIVE

5. Analysis and Discussion

5.1. Introduction

The objective of this study is to examine *“The Impact of Austerity on Local Authorities in England”* and, having based the research questionnaire on the findings from the Literature Review covered in Chapter 2, this chapter shows there is parity with the literature to date. Indeed, the findings from the Literature Review highlights that austerity has led to innovation and that local authorities have adapted to doing more with less. However, they have had to make hard choices about which services can be maintained and this has led to a reduction or loss of some services.

This chapter interprets the findings from the study and compares them with the research title. It demonstrates there is a commonality in each respondent’s interpretation of austerity from which a collective theme has emerged; *austerity and its consequences are the fault of government wanting to reduce public expenditure in the delivery of local public services*. Not only does this chapter analyse the impact of austerity on local authorities it also provides practical examples of how the empirical findings compare with the findings from the Literature Review and whether the research objectives have been met.

5.2. The definition of austerity

Respondents were first asked to define how they perceive austerity since the term has different meanings to different people. The Finance Officer at a Labour controlled city council says austerity “reflects the Government’s efforts to re-

balance the national financial position [which] includes reduction of funding across a wide range of public services including local government”.

The Labour Leader of a metropolitan borough council associates austerity “with the policies of the Coalition and Conservative governments that have been in place since 2010 and this accords with Ferry, Coombs and Eckersley (2017) who refer to the Conservative Leader, David Cameron announcing that the UK had reached an ‘Age of Austerity’ in 2009 and that the coalition government¹⁸ would cut the UK’s deficit through an austerity programme that would include major public spending reductions. A senior policy officer at a Labour unitary authority also agrees that austerity has “become particularly associated with the policies of the Coalition and Conservative governments that have been in place since 2010”. Since spending cuts have continued because they are the common context of the Conservatives, Lowndes and Gardner (2016) have now labelled this ethos as ‘super-austerity’.

Austerity is described by one Labour Leader of a unitary authority as being introduced “to undermine UK economic activity for the longer term, as the Government gambled on the private sector growing as the public sector reduced” Indeed, Bailey and Shibata (2017) also associate austerity with a move towards privatisation and/or public services being de-democratised through reduced public spending.

It is apparent from the literature and the responses from practitioners that austerity is clearly linked with the Coalition and Conservative government’s actions to reduce public spending. There now follows a practical comparison between the literature and the research.

¹⁸ Conservatives and Liberal Democrats coalition government

5.3. The impact of austerity – positive or negative?

Positive - The 2010 Spending Review was not just to cut budgets but to foster innovation (Lowndes and Pratchett, 2012). This study shows that, to some extent, local authorities have responded constructively to austerity and have seen it as having made a positive impact because it has encouraged them to examine the way they provide local services and urged them to become more efficient and innovative. As the Chief Executive of one Labour led city council says, "...there has been a great deal of innovation promoted by austerity". This is supported by a senior officer at another unitary Labour led council where the council has worked "...in partnership with neighbouring councils, invested in more evidence-based programmes, ...[and] early prevention to reduce cost demand for failure, and worked in partnership with other public sector partners". This, he believes, has "...resulted in improved services for residents, and the better provision of both outcomes and value for money...driven somewhat, by necessity". Another senior officer at a Labour led unitary authority agrees that "the drive to save money has certainly had a positive impact in terms of increasing efficiencies and cutting waste in some processes...and forces us to think more creatively about how to achieve outcomes for the public sector through greater partnership working and closer working with communities". The CEO of a Conservative controlled rural unitary authority says the positive impact of austerity "has caused us to re-invent our organisation – think anew, to innovate, to refresh and change in many areas that have benefited. So, for example we have reduced our offices by around 50% and moved to a much more digitally based organisation that works mobile/agile – much less emphasis on going to a place of work every day, and more focussed on getting the work done/outputs, wherever you do your work. In a huge county, the geographic size of greater London, this saves a lot of wasted travel time for employees, which can be good for employees and employer alike." The positive impact of austerity is further supported by the Deputy Leader of a Conservative led unitary authority who says that "...austerity has focussed us to review all our service delivery, accelerated use of technology and hastened our transformation programme",

and the Labour Leader of a metropolitan borough council says “The drive to save money has certainly had a positive impact in terms of increasing efficiencies and cutting waste in some processes. It has also forced us to think more creatively about how to achieve outcomes for the public through greater partnership working and closer working with communities”.

Negative - Whilst austerity has resulted in positive outcomes the majority of respondents see austerity as being responsible for some significant negative outcomes. For example, councils have been forced to seek efficiency savings which “...have not proved sufficient to balance local authority budgets, so service reductions have been required. The Council has “made savings of £178m since 2010, £97m of which are efficiency savings and £20m from increased income, but £61m relate to service reductions and the Council needs to make additional savings of around £50m by 2021/22” (Conservative led metropolitan council). One Labour unitary council has re-commissioned services for lesser cost, altered eligibility levels to access services, increased fees and charges for services and increased council tax for residents “which are bound to have impacted on a number of residents’ quality of life” (Senior officer).

These are just a few examples that demonstrate how local authorities have responded to austerity and, in their words, have been *forced* to address.

5.4. Service re-design

Over a 5-year period between 2011 and 2016 a case study of three local authorities was carried out by Hastings et al. (2015) to determine how each had managed austerity. It revealed that, whilst efficiencies had been made, they had led to reduced services brought about by corporate re-structuring and substantial staff reductions. Subsequently, whilst services were retained, they were more diluted, and the councils began to use other agencies and citizens to maintain appropriate service levels. This research revealed that these local authorities had eventually reached a point where efficiency was not sufficient,

and they had to resort to cost-cutting measures in order to close gaps in their budgets (ibid.).

This study too reveals that councils have re-designed their services to enable them to deliver public services within their budget. For example, one Conservative metropolitan council has expanded internal foster care provision through cheaper external arrangements, converted street lighting to LEDs and switched off or dimmed some lights, reviewed waste disposal and all 'back office' functions as well as modernising IT systems, rationalising building stock, reduced energy costs and carbon footprint, and its outlook has become more commercial (Finance Officer). One Labour city council has "re-modelled community based social work to an assets-based approach and taken a new approach to the provision of day opportunities services for people with learning disabilities, re-designed the early years provision, rationalised children's centres focusing on areas of greatest need" (Policy Officer). These are typical examples of efficiency savings within both Conservative and Labour councils.

Some councils have made better use of IT through greater use of online services. Indeed, one unitary Conservative council has almost every employee digitally connected which enables more frequent communication as well as residents having 24/7 access through the council's investment in superfast broadband across the [rural] county (CEO).

In order to make savings one council has reduced its number of buildings and officers, increased its use of technology and is trying to deliver adult and children's social care for less money through a different structure or alongside partners on the NHS (Labour Deputy Leader, metropolitan district council).

5.5. Reduced services

All local authorities are at risk of not being able to maintain local services with some services at risk of disappearing altogether (Hastings et al., 2015). For

example, between 2011 and 2019 “████████ Council [Labour controlled] will have cut £143m from its recurrent budget” and “whilst statutory services are being maintained these cuts have resulted in lower standards of services and indeed some withdrawals of non-statutory services” (Senior Officer). The Labour Leader of one unitary authority says “The majority of services have now been reduced to the point where they only just meet the Council’s statutory obligations and cannot adequately provide many of the non-statutory services which residents consider essential. There is also a lack of robustness and resilience in many key services areas, due to staffing and other resources being reduced to such an extent.”

“Service reductions have impacted on most services. Some examples include changing the eligibility criteria for Adult Social Care (statutory), reduction in grants to local groups, reduction in highways maintenance expenditure (statutory) and review of special education needs transport policy (statutory)” (Finance Officer, Conservative metropolitan council). “Often formerly free-to-use environmental services have either been reduced in frequency or scale, for example cutting grass less often or having an alternate weekly black/recycling bin collection. Other formerly free services have become charged-for such as bulky waste collections. The limits of reductions of statutory services while still meeting obligations to residents have been the subject of recent court cases including libraries in Northamptonshire” (Deputy Leader, Labour metropolitan district council). One Labour led city council has “reduced neighbourhood advice and information centres from X to 2, cut supporting people programme...and grants to voluntary sector organisations, reduced day services for people with disabilities, closed 8-day centres...and drastically reduced back office functions...and customer services support staff” (Policy Officer).

Only one respondent from a Conservative led unitary authority said, “No services have been cut as yet and statutory services will be protected” (Deputy Leader).

Growing financial pressures have forced many councils to reduce their services and the escalating costs and demand for adult social care and children's services is becoming increasingly challenging for local authorities to maintain at an acceptable level. Unfortunately, the government's funding settlement fails to recognise these pressures (PSE, January 2018).

5.6. Outsourcing of services to the private sector

Not many respondents have outsourced any of their services to the private sector. In fact, one unitary authority has "brought services back 'in-house' as a result" (Conservative Deputy Leader). However, one Labour city council has transferred "community leisure centres and some elements of the health and wellbeing service to a community benefit society" and another Conservative led unitary authority now has its leisure pool, sports centre, and golf course run by a private company on a 10-year SLA¹⁹. One reason for outsourcing is due to insufficient funds which resulted in the need to "recruit to some key roles e.g. quantity surveyors, legal services" (CEO Conservative led unitary authority).

One Labour led unitary council has not outsourced any of its services although it has transferred some services "to wholly-owned companies of the council" (Director of Resources).

These examples demonstrate some parity with research carried out by Bello et al. (2018) in 2017 which revealed that "Conservative councils prefer to outsource and share services" whilst "Labour councils prefer to have more control and more insourcing activities".

However, according to Marrs (2012) outsourcing of services has made little difference in cost savings. Furthermore, outsourcing often means that agency

¹⁹ Service Level Agreement

staff are unfamiliar with council procedures and this can lead to a fall in standards (ibid.).

5.7. Use of new technology to deliver services

Digital technology has helped to reduce costs especially for customer contact (Lowndes and Gardner, 2016). Indeed, councils have moved from face-to-face contact to web-based communication which has huge cost saving advantages. For example, in one Labour led city council “...far greater use is being made of mobile hand-held devices and monitoring systems for vulnerable people” (Finance Officer) and another Labour led unitary authority has too introduced “tablet devices for social workers to access information and complete assessments whilst with service-users”. The council has also “introduced a citizen’s account online, with a focus on app technology, for which many customer enquiries are now serviced at first point contact”. The council is now “investigating the opportunities of artificial intelligence” (Senior Officer) as is another metropolitan borough council (Labour Leader).

One Labour led unitary council has used “new systems and telemedicine” which allows the council to do more with the same resource especially “in demand-growing areas” (Director of Resources) whilst another council has introduced Telecare digital information which is a channel shift from visits to telephone to online (Leader, Labour city council).

One Conservative unitary authority has self-service libraries, and quite a few respondents now have a range of services that customers can access online e.g. council tax and housing benefits. One unitary council has “one-stop-shops and call centre [which] utilise a CRM system that enables operators to directly access and update many of the Council’s ICT systems in order to assist customers immediately rather than re-directing them to other parts of the Council” (Labour Leader). New technology has also been used “...in residents’ homes to

communicate with [us] if they are unwell or not moving around” (CEO, Conservative unitary authority).

5.8. Formation of new partnerships

Some local authorities have begun to share back-office services including HR and legal services, environmental services and highways functions (Lowndes and Gardner, 2016). Some councils have introduced SMTs²⁰ to build resilience, reduce management costs and enable the sharing of wider expertise. However, the formation of SMTs produced fairly modest savings which, in some cases, led to redundancies following restructuring and left councils struggling due to reduced resources (Bello et al., 2018).

Whilst none of the respondents have introduced SMTs many local authorities have formed partnerships of some sort. For example, “East Midlands Shared Services was created in 2012” which is “a partnership with Nottingham City Council to provide transaction finance and HR services (including payroll)”. This Conservative led metropolitan council has been part of the Leicester and Leicestershire business rates Pool, along with the 7 districts councils, Leicester City Council and the Fire authority since 2013/14 (Senior Officer). However, whilst partnership working has led to some cost savings, one Conservative led unitary authority found that typically, there would be more on-cost involved than cost savings when Worcestershire and Gloucestershire explored jointly delivering superfast broadband and energy from waste. This was due to the geography and distances involved (CEO).

One Labour led unitary authority is “forming new partnerships at all levels, through a more greater [sic] focus on partnership working, from regional or large agencies to the voluntary sector...driven by the needs of the communities”. The council has not shared SMTs “other than in closer integration with CCGs” (Senior

²⁰ Senior Management Teams

Officer). Other councils have joined up services with neighbouring councils and/or other agencies e.g. “adoption services, highway maintenance and mental health services” (Labour Leader, unitary authority).

5.9. Charging for non-statutory services

Because budget cuts have led to less available income for councils to spend some have begun to increase their income by charging for services which have previously been free e.g. green waste collection or increasing pre-existing charges such as car parking (Hastings et al., 2015). Indeed, one council has looked across the board at “raising income from allotments through to higher car parking income” (CEO, Labour led city council).

Nearly all respondents have begun to charge for green waste, as Hastings et al. (2015) have found. Other charges introduced include bulky waste, with one Labour led city council charging for care packages in certain cases (Policy Officer). Again, in parity with Hastings et al’s. (2015) findings many councils have increased charges for highways permits, planning applications/monitoring, car parking, registry office fees and permits for waste disposal. One council has “introduced charging for access to some facilities, e.g. maintained woodland park for walks” (CEO, Conservative led unitary authority).

5.10. Devolution of services to parish and town councils

As well as local authorities there are also 10,000 parish and town councils in England who also provide public services (NALC, 2018). They share a wide range of powers with local authorities and often work in partnership together to deliver local services (Pearce & Ellwood, 2002). For example, austerity has meant that the retention of libraries has come under threat but, as it is a statutory duty for local authorities to “...provide a comprehensive and efficient library service for

all persons desiring to make use thereof...”²¹, many local authorities have overcome this by either devolving library management to parish councils²², maintaining services with the help of volunteers, or with some automation. Indeed, the library in Sutton Coldfield has been devolved to the Town Council as well as the Town Hall (Senior Officer, Labour led city council). Other services that have been devolved to parish and town councils include community centres, grass-cutting, pot-hole filling, street scene, and play parks. However, whilst one of the respondents has not devolved any services it is “looking to divest valley parks to a Wildlife Trust, not to save money but to enable investment that we cannot make” (CEO, Labour led city council).

In contrast, although one council is located in an area where there are no parish and town councils it is “working with an organisation around public sector estate and reform” (Labour Leader, city council).

5.11. Have reduced services led to more poverty amongst vulnerable communities?

Disadvantaged areas have been affected the most especially in areas that are increasingly dependent on income derived from local business rates (Lowndes and Gardner, 2016). Furthermore, government cuts have had a disproportionate impact on the most deprived areas often due to socio-demographic changes such as an ageing population (Hastings et al., 2015). This puts added pressure on local authority budgets since adult social care and children’s services are statutory duties.

It is expected that government funding cuts will result in reduced key services and more poverty amongst vulnerable communities (Lowndes and Pratchett, 2012). Indeed, the CEO of a Labour led city council agrees stating that increased poverty has been brought about by the introduction of universal credit and not

²¹ Public Libraries and Museums Act 1964, Section 7(1)(2) and Local Government Act 1972, Section 206

²² Local Government Act 1972, Section 101

helped by a “rent deficit projected to rise from 1% of rent roll to 4% over” the next 2 years. “Visibly more vulnerable and needy people are presenting themselves”. Another council says that whilst it has “no research or data that has examined cause and effect...child poverty has gone up in the city; there is a huge increase in homelessness, rough sleeping and knife crime. We have had to reduce many preventative services which may have impacted on poverty” but this needs further research (Policy Officer, Labour led city council).

One respondent said it is difficult to read whether austerity has led to increased poverty. The council does not “measure this directly – partly because the cost of such work is prohibitive” however, “accessing foodbanks is high and access to external 3rd sector support is high” (CEO, Conservative unitary authority).

Another council said the “common view is that reductions in services will have had a negative impact on poverty in vulnerable communities. We work in a district that has received one of the highest proportions of cuts in funding from central government because of our demographics” (Senior Officer, Labour led unitary authority).

One council did confirm that it has “seen an increase in poverty in the city... although it is not clear whether it is [due to] a reduction in council services or broader public policy changes, such as the benefits system” (Deputy Leader, Labour metropolitan district council). However, another council said that it monitored a range of indicators and that the “effect on vulnerable communities is more affected by national policies rather than an effect of local initiatives or reductions e.g. universal credit” (Conservative Deputy Leader, unitary authority).

“The demand for Adult Social Care and Children’s Social Care has increased significantly since 2010 and continues to increase annually which is linked to increased levels of poverty within the borough due to reduction in welfare benefits and lack of resources available to the council to provide preventative services” (Labour Leader, unitary authority). However, whilst some councils

have indicated that there is increased poverty within their jurisdiction, they have not been able to pin it down to austerity alone since other factors have played their part. Nonetheless, cuts to local authority budgets have a disproportionate impact on the most deprived areas and the growing ageing population is a major contributing factor (Hastings et al., 2015).

5.12. Have budget cuts led to staff redundancies?

Between 2010 and 2018 223,000 council workers have been made redundant at a collective cost of £4b (Paine, 2018) but perhaps one of the most significant loss of jobs is at Birmingham City Council where its staff have been reduced by 50% (Local Government Chronical, 2018). Some councils have not replaced vacant posts and frontline services have had a significant impact on frontline services (Marrs, 2012).

All but one council that responded to this study have reduced their workforce through redundancy, either voluntary or compulsory, or by not replacing employees when they resign or retire. One senior officer of a Labour controlled city council says it has made a “significant reduction which has led to the council’s reputation suffering as well as its service performance”.

Although its headcount has reduced by approximately 9% since 2015 one council has managed redundancy through organisational change and “the overall reduction is offset over a period of time by growth and inflation, and not all budget reductions lead to redundancies – many savings are not related to staffing” (Finance Officer, Conservative metropolitan council).

One council has reduced its staff “by about 25%...through voluntary redundancy and not filling vacancies” (Labour Deputy Leader, metropolitan district council) and another council, since 2010, has seen “many posts ...deleted via natural wastage as staff have left or reached retirement age” although staff have also

been encouraged to take voluntary redundancy” (Labour Leader, unitary authority).

The findings from this study reveal that staff reductions range between 10% and 50% which equates to *thousands* of employees in each council.

5.13. Impact of reviewed services on staff morale and absenteeism

Public service cuts contribute to mental health problems which psychologists argue is both avoidable and immoral (McGrath, Griffin and Mundy, undated). Indeed, one council says “stress, mental health and depression is our highest given set of reasons for sickness absence (around 25%)” (Finance Officer, Conservative metropolitan council).

In one council “change has become a constant theme and staff are tired of change, it is relentless, stress levels rise at times of service re-design and management restructures” (CEO, Labour city council). Indeed, one respondent says “no process of transforming services has led to greater commitment among staff remaining. Those who did not like the change have largely gone resulting in negative influence” (Labour Leader, city council). Following an annual staff survey one council found there was “an overall reduction of staff morale and...absences with stress have increased” (Conservative Leader, unitary authority). “Staff morale is consistently low and...stress related illness is high. The need for staff to be very flexible and undertake additional duties and multiple roles for no extra remuneration is essential but understandably isn’t always well received and absenteeism levels are high in certain services, particularly those front-line services dealing with adults and children” (Labour Leader, unitary authority).

5.14. Conclusion

The findings from this study have revealed that austerity has had a negative impact on local service provision resulting in some services either being re-designed, reduced or withdrawn. In order to cope some have outsourced their services to the private sector, increased their use of technology, formed partnerships, devolved some services to parish councils, or begun to charge for non-statutory services such as the collection of green waste. The most obvious outcome is that the majority of councils have made staff redundant and evidence suggests that this has had a negative psychological impact on the remaining employees. But, perhaps one of the most distressing outcomes of austerity is its impact on vulnerable communities which, in some cases, has led to more poverty.

The general consensus from participants in this study is that there have been “...pressures on services for older people and adults with disabilities, closure of youth service[s], reduction in frequency of refuse collection”, and a “reduction in opening hours of the library”, (Labour Leader, city council). This has led to a “dramatic reduction in funding for adult social care and safeguarding children, at a time of increase in demand”, (Labour Leader, borough council). Indeed, as people are living longer local authorities are facing increased demands on providing care for the elderly, especially in the more rural counties where local authorities receive less government funding than local authorities in more urban areas. As one CEO of a Conservative rural unitary authority says, “...costs of accessing residents is higher due to the sparse population” where far less funding is received than many other parts of England due to “...a very unfair and unbalanced system”.

This study has found parity with much of the literature. However, it has also added value since it has given more detailed accounts of what is actually happening in practice.

To conclude, overall the impact of austerity on local authorities, “has been an extraordinarily challenging period – and it is not over yet. One of the most difficult aspects has been getting central government to rise above basic raw politics. They spent many years denouncing local government. That badly impacted morale, but it also impacted residents’ views about councils...they had a continuous diet of statements from ministers that local government wasted vast amounts of cash. Ministers put forward ridiculous ‘solutions’ like joining up IT departments between councils as a simple way to save the necessary money. Now we have a common view of residents that the local authority does very little for them – because central government has controlled this narrative. That is deeply divisive and very unhelpful for everybody. This is particularly so as we need to work with residents in communities to design new and sustainable ways of developing better services in future – and we need communities to appreciate the work and the role of local government – and to respect and value it.” (CEO, Conservative led unitary authority). Indeed, local authorities are being blamed for the consequences of austerity rather than central government which is responsible for budget cuts throughout the public sector (Clayton, Donovan and Merchant, 2016).

CHAPTER SIX

6. Conclusion and Recommendation

This study has considered the impact that austerity has had on local authorities throughout England and shown in practical terms how they have dealt with it. The research findings reveal that all respondents have much in common in how they have re-designed their services, worked in partnership, made greater use of technology and found new income streams by charging for services that were previously free. The study also demonstrates that, as well as efficiency savings through service re-design, the majority of councils have had to make staff redundant which has impacted on their morale. Service reductions have also led to more poverty in vulnerable communities although their impact is difficult to measure. However, factors that have led councils to assume there is more poverty are due to a higher demand for foodbanks and an increase in homelessness and rough sleeping.

The strength of this study emanates from the origins of the findings which have been derived from practitioners with first-hand understanding of the impact of austerity. Even though only a few councils have responded their experiences are very similar, not only with each other but also with what the literature has revealed to date. The study further finds that the politics of those councils who responded has not been a causation for how they have reacted to austerity. Indeed, politician and officer responses from both Conservative and Labour controlled councils show some empathy with how budget cuts have impacted on the loss and reduction of vital services as well as staff morale. Undeniably they have realised that, if austerity does not end soon, they will not be able to continue to raise sufficient funds to maintain a reasonable level of service.

Nonetheless, local authorities have coped with budget cuts and have demonstrated some resilience. However, they have mostly done this by sheltering front-line

services through savings from back-office functions (Hastings et al., 2015). Research published by Hastings et al. in 2015 found that whilst consumers seemed reasonably satisfied with service provision in 2013 this is now not the case as dissatisfaction rises. Furthermore, not only has service 'thinning' led to loss of expertise and 'de-professionalisation' it has also resulted in front-line staff having burgeoning workloads which has reduced staff morale (ibid). Moreover, the less well-off are suffering even more as the services they need are not so readily available thus leading to more poverty amongst vulnerable communities. All this accords with the research findings.

It would appear there are no appropriate monitoring systems in place to capture the diversity of experiences of both service providers and service users. It is therefore recommended that local authorities use a tool-kit to evaluate and monitor budget management over time so that a clearer picture of the impact of austerity can be understood (Hastings et al., 2015).

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CONTACT DETAILS

KEY:



Labour controlled



Conservative controlled

	LONDON BOROUGH COUNCILS	WEBSITE CONTACT DETAILS
1	Brent Council	https://www.brent.gov.uk/
2	Royal Borough of Greenwich	https://www.royalgreenwich.gov.uk/site/
3	Hackney	https://hackney.gov.uk/
4	Hammersmith and Fulham	https://www.lbhf.gov.uk/

5	City of London Corporation Independent	https://www.cityoflondon.gov.uk/Pages/default.aspx
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	COUNTY COUNCILS	WEBSITE CONTACT DETAILS
6	Derbyshire County Council	https://www.derbyshire.gov.uk/home.aspx
7	Leicestershire County Council	https://www.leicestershire.gov.uk/
8	Northamptonshire County Council	http://www3.northamptonshire.gov.uk/pages/default.aspx

	DISTRICT COUNCILS	WEBSITE CONTACT DETAILS
9	Lancaster City Council	https://www.lancaster.gov.uk/
10	Selby District Council	https://www.selby.gov.uk/
11	Suffolk Coastal District Council	http://www.eastsuffolk.gov.uk/
12	Exeter City Council	https://exeter.gov.uk/

	METROPOLITAN DISTRICT COUNCILS	<u>WEBSITE CONTACT DETAILS</u>
13	Barnsley Metropolitan Borough Council	https://www.barnsley.gov.uk/
14	Birmingham City Council	https://www.birmingham.gov.uk/
15	Bolton Borough Council	http://www.democracy.bolton.gov.uk/cm5/Home.aspx
16	Bradford Metropolitan District Council	https://www.bradford.gov.uk/
17	Bury Borough Council	https://www.bury.gov.uk/index.aspx?articleid=10298
18	Calderdale Borough Council	https://www.calderdale.gov.uk/v2
19	Coventry City Council	http://www.coventry.gov.uk/
20	Doncaster Borough Council	http://www.doncaster.gov.uk/
21	Dudley Borough Council No majority control	http://www.dudley.gov.uk/
22	Gateshead Borough Council	https://www.gateshead.gov.uk/
23	Kirklees Borough Council	http://www.kirklees.gov.uk/beta/default.aspx
24	Knowsley Borough Council	http://www.knowsley.gov.uk/home.aspx
25	Leeds City Council	https://www.leeds.gov.uk/
26	Liverpool City Council	https://liverpool.gov.uk/
27	Manchester City Council	https://www.manchester.gov.uk/
28	Newcastle Upon Tyne City Council	https://www.newcastle.gov.uk/
29	Oldham Borough Council	https://www.oldham.gov.uk/

	METROPOLITAN DISTRICT COUNCILS	<u>WEBSITE CONTACT DETAILS</u>
30	Rochdale Borough Council	http://www.rochdale.gov.uk/council-and-democracy/council-departments/pages/chief-executive.aspx
31	Rotherham Borough Council	https://www.therham.gov.uk/
32	South Tyneside Borough Council	https://www.southtyneside.gov.uk/
33	Salford City Council	https://www.salford.gov.uk/
34	Sandwell Borough Council	http://www.sandwell.gov.uk/
35	Sefton Borough Council	https://www.sefton.gov.uk/sefton-home.aspx
36	Sheffield City Council	https://www.sheffield.gov.uk/
37	Solihull Borough Council	http://www.solihull.gov.uk/
38	St Helens Borough Council	https://www.sthelens.gov.uk/
39	Stockport Borough Council	https://www.stockport.gov.uk/
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41	Trafford Borough Council	http://trafford.gov.uk/about-your-council/your-council.aspx
42	Wakefield City Council	http://www.wakefield.gov.uk/
43	Walsall Borough Council	https://go.walsall.gov.uk/
44	Wigan Borough Council	https://www.wigan.gov.uk/Council/index.aspx
45	Wirral Borough Council	http://www.wirral.gov.uk/councillors-and-committees
46	Wolverhampton City Council	http://www.wolverhampton.gov.uk/home

	UNITARY AUTHORITIES	WEBSITE CONTACT DETAILS
47	Bath and North East Somerset Council	http://www.bathnes.gov.uk/
48	Bedford Borough Council	http://www.bedford.gov.uk/
49	Blackburn with Darwen Borough Council	https://www.blackburn.gov.uk/Pages/Home.aspx
50	Blackpool Council	https://www.blackpool.gov.uk/Home.aspx
51	Bournemouth Borough Council	https://www.bournemouth.gov.uk/Home.aspx
52	Bracknell Forest Borough Council	https://www.bracknell-forest.gov.uk/
53	Brighton and Hove City Council	https://www.brighton-hove.gov.uk/
54	Bristol City Council	https://www.bristol.gov.uk/
55	Central Bedfordshire Council	http://www.centralbedfordshire.gov.uk/
56	Cheshire East Council	https://www.cheshireeast.gov.uk/Home.aspx
57	Cheshire West and Chester Council	https://www.cheshirewestandchester.gov.uk/home.aspx
58	Cornwall Council Liberal Democrat Leader	https://www.cornwall.gov.uk/
59	Darlington Borough Council	https://www.darlington.gov.uk/
60	Derby City Council	https://www.derby.gov.uk/
61	Durham County Council	https://www.durham.gov.uk/
62	East Riding of Yorkshire Council	https://www.eastriding.gov.uk/
63	Halton Borough Council	https://www3.halton.gov.uk/Pages/Home.aspx

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66	Isle of Wight Council	https://www.iow.gov.uk/
67	Hull City Council	http://www.hull.gov.uk/
68	Luton Borough Council	https://www.luton.gov.uk/Pages/Homepage.aspx
69	Medway Council	https://www.medway.gov.uk/
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93	Wiltshire Council	http://www.wiltshire.gov.uk/
94	Royal Borough of Windsor and Maidenhead Council	https://www3.rbwm.gov.uk/
95	Stoke-on-Trent City Council	https://www.stoke.gov.uk/site/
96	Wokingham Borough Council	https://www.wokingham.gov.uk/
97	City of York Council	https://www.york.gov.uk/

97 councils

RESEARCH QUESTIONNAIRE

“The Impact of Austerity on Local Authorities”

The purpose of this questionnaire is to compare existing literature written on austerity with what is really happening on the ground. The questions are designed to explore how local authorities have risen to the challenge of doing more with less and to examine examples of how innovation has been utilised to maintain local services with fewer resources. It also attempts to draw out the advantages and disadvantages that austerity has induced and its impact on local service provision in response to budget cuts.

Please answer the following 12 questions as honestly as you can. You may write as little or as much as you can and please be assured that your anonymity will be maintained throughout. For your convenience you may cut and paste this ✓ into the boxes below as appropriate.

Thank you for taking the time to assist with this research.

QUESTION 1 – the definition of austerity

How do you perceive austerity and how would you define it?

WHAT HAS BEEN THE IMPACT OF AUSTERITY ON YOUR COUNCIL?**QUESTION 2**

Has the impact of austerity on your council been positive?

YES	NO

Has the impact of austerity on your council been negative?

YES	NO

Please give examples.

QUESTION 3 - have you re-designed any of your services because of budget cuts?

YES	NO

If you answered yes, please give examples.

QUESTION 4 – have any of your services been reduced because of budget cuts?

YES	NO

If you answered yes, please give examples and state whether they are statutory or non-statutory services.

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QUESTION 5 – have you outsourced any of your services to the private sector in response to austerity measures?

YES	NO

If you answered yes, please give examples.

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QUESTION 6 - have you used new technology to deliver services? For example, artificial intelligence.

YES	NO

If you answered yes, please give examples.

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QUESTION 7 – have you formed new partnerships e.g. sharing SMTs (Senior Management Teams)?

YES	NO

If you answered yes, please give examples.

QUESTION 8 – have you introduced charging for non-statutory services e.g. green waste collection?

YES	NO

If you answered yes, please give examples.

QUESTION 9 – have you devolved any of your services to parish/town councils in your area?

YES	NO

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If you answered yes, please give examples of the services you have devolved.

QUESTION 10 – do you know whether reduced services in your council has led to more poverty amongst vulnerable communities?

YES	NO

If you answered yes, please explain.

QUESTION 11 – have budget cuts led to staff redundancies?

YES	NO

If you answered yes, by what percentage is the reduction in staff?

QUESTION 12 – what impact has a review of your services had on staff morale in response to austerity measures? For example, are you aware of any psychological impact on employees, are they working in more stressful conditions and has it led to greater absenteeism?

If you would like to make any further comments that you think will contribute to this research, please write in the space below.

THANK YOU.

RESEARCH QUESTIONNAIRE

“The Impact of Austerity on Local Authorities”

The purpose of this questionnaire is to compare existing literature written on austerity with what is really happening on the ground. The questions are designed to explore how local authorities have risen to the challenge of doing more with less and to examine examples of how innovation has been utilised to maintain local services with fewer resources. It also attempts to draw out the advantages and disadvantages that austerity has induced and its impact on local service provision in response to budget cuts.

Please answer the following 12 questions as honestly as you can. You may write as little or as much as you can and please be assured that your anonymity will be maintained throughout. For your convenience you may cut and paste this ✓ into the boxes below as appropriate.

Thank you for taking the time to assist with this research.

QUESTION 1 – the definition of austerity

How do you perceive austerity and how would you define it? I agree with the following definition from the Collins dictionary. “Difficult economic conditions created by government measures to reduce a budget deficit, especially by reducing public expenditure”.

It is perceived as harmful to services and the wellbeing of citizens.

WHAT HAS BEEN THE IMPACT OF AUSTERITY ON YOUR COUNCIL?**QUESTION 2**

Has the impact of austerity on your council been positive?

YES	NO✓

Has the impact of austerity on your council been negative?

YES	NO
✓	

Please give examples.

From 2010 to 2018 we have reduced the workforce by over half. Service performance has suffered as a result. The council's reputation has suffered. Year on year it gets more and more difficult to balance the budget so that we have had to rely on reserves over the last two years. The Government's austerity measures have meant that the authority has had to find annual savings of £642m from 2010 – 2017/18. Continuing cuts in government funding and increasing pressures has meant that further savings of £123m per annum are needed in the next four years. This means a total saving (cut) of £765m over the 11 year period.

QUESTION 3 - have you re-designed any of your services because of budget cuts?

YES	NO
✓	

If you answered yes, please give examples.

Brought Revenues and Benefits back in house to realise efficiency savings

New operating model for community libraries

Reduced number of park rangers; reduced grass cutting; shrubs and flower bed maintenance.

Redesigned enablement service for adult social care focusing on “an asset based approach” i.e. what people, relatives, and neighbours can do for themselves.

Stopped support to major events

Redesigned and streamlined back office services.

Remodelled community based social work to an assets based approach.

New approach to the provision of day opportunities services for people with learning disabilities.

Redesigned the early years provision, rationalising children’s centres focusing on areas of greatest need.

QUESTION 4 – have any of your services been reduced because of budget cuts?

YES	NO
✓	

If you answered yes, please give examples and state whether they are statutory or non-statutory services.

See above.

Also reduced neighbourhood advice and information centres from X to 2.

Cut the supporting people programme

Cut grants to voluntary sector organisations

Reduced day services for people with disabilities. Closed 8 day centres in 2017.

Drastically reduced back office functions. Reduced customer services support staff.

QUESTION 5 – have you outsourced any of your services to the private sector in response to austerity measures?

YES	NO
✓	

If you answered yes, please give examples.

Community leisure centres

Some elements of the health and wellbeing service have been transferred to a community benefit society

QUESTION 6 - have you used new technology to deliver services? For example, artificial intelligence.

YES	NO

✓	
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If you answered yes, please give examples.

Self-service technologies in libraries.

Encourage online interaction to reduce the number of calls to the call centre

QUESTION 7 – have you formed new partnerships e.g. sharing SMTs (Senior Management Teams)?

YES	NO
	✓

If you answered yes, please give examples.

QUESTION 8 – have you introduced charging for non-statutory services e.g. green waste collection?

YES	NO
✓	

If you answered yes, please give examples.

Green waste

Bulky waste

Charging for packages of care in certain cases.

Increased fees at the Registry Office

Commercialisation of parks – charging for parking.

QUESTION 9 – have you devolved any of your services to parish/town councils in your area?

YES	NO
✓	

If you answered yes, please give examples of the services you have devolved.

██████████ Town Council – local library and the Town hall

QUESTION 10 – do you know whether reduced services in your council has led to more poverty amongst vulnerable communities?

YES	NO✓

If you answered yes, please explain.

We have no research or data that has examined cause and effect here. Child poverty has gone up in the city; there is a huge increase in the use of food banks, an increase in homelessness, rough sleeping and knife crime. We have had to reduce many preventative services which may have impacted on poverty. This is a bit of research yet to be undertaken. I am however attaching a report on the impact of austerity done by our research team in 2012.

QUESTION 11 – have budget cuts led to staff redundancies?

YES	NO
✓	

If you answered yes, by what percentage is the reduction in staff?

Over 50%

QUESTION 12 – what impact has a review of your services had on staff morale in response to austerity measures? For example, are you aware of any psychological impact on employees, are they working in more stressful conditions and has it led to greater absenteeism?

There is no evidence of greater absenteeism. It should be noted however that one of the criteria for deciding on compulsory redundancies.

Inevitably however staff are working in more stressful conditions as they pick up extra work from those that have been made redundant. Anecdotally, morale is low. There is reform fatigue as people have been constantly restructured and redesigned since 2010.

If you would like to make any further comments that you think will contribute to this research, please write in the space below.

THANK YOU.

Analysed

Dear xxxxx

I am currently a postgraduate student at the University of Birmingham undertaking a Masters of Public Administration.

I am now writing my dissertation; its purpose is to explore the impact that austerity measures have had on local service delivery and how local authorities have risen to the challenge of trying to do more with less.

As someone who is at the coal face of budget cuts I shall be extremely grateful if you will kindly complete the attached questionnaire which contains 12 short questions. Your participation in this research will help to demonstrate the challenges facing local authorities and how they are coping, and it is my intention to pass on the findings from this research to government to enable a greater appreciation of how people have been affected by government cuts. As a full-time Town Clerk to a small town in Shropshire I am certainly well aware of the impact budget cuts are having on my local authority.

All information provided will be treated in strict confidence and participants will not be identified.

If you are not the appropriate person to help with this research, please will you pass it on to someone who is willing and able? I have also attached the University's Code of Ethics and a 'Consent Form' which will need to be completed along with the questionnaire.

Thank you in anticipation for your valuable time in helping with this research.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S. Clayton'.

Sharon Clayton
BA (Hons) Fellow SLCC

Institute of Local Government Studies
School of Government and Society
Muirhead Tower
University of Birmingham
Edgbaston
B15 2TT

0121 4114 5008

APPENDIX 4

Council	Population (approx.)	Political Make-up	Description
Birmingham City Council (Metropolitan District Council)	1,137,100	Labour	Birmingham is the second largest city after London and the main centre of the West Midlands conurbation.
(Blackpool Council Unitary authority)	1,421,000	Labour	Blackpool is a seaside resort on the Lancashire coast in North West England.
Bracknell Forest Borough Council (Unitary authority)	119,000	Conservative	Bracknell Forest is a unitary authority within Berkshire in southern England. It covers the three towns of Bracknell, Sandhurst and Crowthorne and also includes the areas of North Ascot, Warfield and Winkfield.
Cheshire West and Chester (Unitary authority)	87,593	Labour	A unitary authority in the county of Chester in north-west England.
Coventry City Council (Metropolitan District Council)	362,700	Labour	The 9 th largest city in England historically part of Warwickshire in the West Midlands.
East Riding of Yorkshire Council (Unitary authority)	338,100	Conservative	A unitary authority in Yorkshire in Northern England.
Exeter City Council (District Council)	129,800	Labour	Exeter is a cathedral city in Devon, England located on the River Exe.
Halton Borough Council (Unitary authority)	126,500	Labour	Halton is in the ceremonial county of Cheshire in North West England. It consists of the towns of Runcorn and Widnes and the civil parishes of Hale, Daresbury, Moore, Preston Brook, Halebank and Sandymoor.
Herefordshire Council (Unitary authority)	189,300	Conservative	Herefordshire is a county in the West Midlands. It borders Shropshire to the north, Worcestershire to the east, Gloucestershire to the south-east, and the Welsh counties of Monmouthshire and Powys to the west.

Council	Population (approx.)	Political Make-up	Description
Kirklees Borough Council (Metropolitan Borough Council)	434,300	Labour	Kirklees is situated in the district of West Yorkshire.
Leeds City Council (Metropolitan District Council)	766,400	Labour	Leeds is a city in West Yorkshire.
Leicestershire County Council	690,200	Conservative	Situated in the Midlands and borders Nottinghamshire, Lincolnshire, Rutland, Northamptonshire, Warwickshire, Staffordshire and Derbyshire.
Manchester City Council (Metropolitan District Council)	545,500	Labour	Manchester is the third largest city. It is fringed by the Cheshire Plain to the south, the Pennines to the north and east, and an arc of towns with which it forms a continuous conurbation.
Telford & Wrekin Borough Council	169,400	Labour	Telford & Wrekin is in Shropshire. It is parishes and includes the market towns of Dawley, Madeley, Oakengates, Newport and Wellington and smaller parish councils. The borough borders Staffordshire.
Wolverhampton City Council (Metropolitan District Council)	251,000	Labour	Wolverhampton is in the West Midlands.

APPENDIX 5

A map showing the area from which each responding local authority is situated in England.

- Conservative controlled
- Labour controlled

