



# MAKING THE CUT

*Interim report: January 2016*

**brap**

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# WHO WE ARE AND WHAT WE'RE DOING

## brap

brap is an equality and human rights charity that supports public, private and voluntary sector organisations to respond to the challenges associated with our society's increasing diversity. Though we work across the country, much of our focus is on supporting agencies in Birmingham to develop new, progressive approaches to promoting equality.

For more information go to [www.brap.org.uk](http://www.brap.org.uk), follow us on Twitter ([@braphumanrights](https://twitter.com/braphumanrights)), add us on Facebook ([brap.human.rights](https://www.facebook.com/brap.human.rights)) or watch the videos on our YouTube channel ([BrapHumanRights](https://www.youtube.com/channel/UCBrapHumanRights)).

## Making the Cut

Like many people, we're apprehensive about the long term impact of austerity measures on traditionally excluded groups. Although a number of studies have been conducted to consider the impact of public service spending cuts on individuals and services, we're concerned that some of the equality implications of this are not being picked up sufficiently. In a city like Birmingham that has historically faced systemic patterns of inequality in some key public services (e.g. housing, education and employment) and is also facing higher budgetary pressures than some other localities – issues of inequality associated with austerity measures are a central and mainstream concern.

This led us to establish a project where we would draw upon the views and experiences of a range of committed local organisations working with some of the most vulnerable people in the city. This 'Making the Cut' project, funded by the Barrow Cadbury Trust, is helping us to generate a better understanding of the impact of local public service re-design on front line services over time (an 18 month period). Throughout the project we'll be speaking to individuals working in organisations (mainly voluntary sector – but some public sector) providing public services, in order get a better sense of the effect that successive spending reviews in Birmingham are having on the people that they help in the community.

### What do we want to know?

Broadly speaking we're focusing on:

- The key equality challenges for public services in the context of public service re-design/budget cuts
- Emerging or increasing patterns of inequality that need to be addressed in the city

- The key challenges organisations are facing in supporting beneficiaries going forward

### **Who are we speaking to?**

We've got some fantastic local organisations (including voluntary sector and public sector) involved, working on a variety of issue and with a range of people across the city, including (but not limited to)...

- Birmingham and Solihull Women's Aid
- Castle Vale Community Housing Association
- Jericho Foundation
- Kikit Pathways to Recovery
- SIFA Fireside
- St Pauls Community Development Trust

### **What happens next?**

This project aims to highlight how current strategies are impacting on the most vulnerable, so we'll be keeping everyone involved in the project up to date with what we are finding from other agencies across the city. One of the benefits of this project is we'll be in a position to notice emerging patterns across the city. We'll report back on the issues and challenges organisations are facing and the concerns being raised, and this information will be shared with key stakeholders across the city. Results will also be reported back directly to policy makers within the council and other local commissioning agencies to help share 'on the ground'/qualitative information about where inequality gaps may be widening in the city.

# WHAT PEOPLE SAID

## Surveys

So far participants have completed four online surveys (the first in October/November 2014, the second in February 2015, the third in September 2015, and the fourth in January 2016). Results from the January survey are summarised below:

### Since the last survey (in December) has there been a change in the level or range of services you are able to provide?

Yes, fewer services offered	20%
Yes, more services offered	20%
No change	60%
Don't know	0%
Prefer not to answer	0%

Key themes emerging from comments:

- Had to cut down on services due to staff capacity
- Unable to do outreach work
- Some organisations have successfully applied for new funding to enable new projects to be set up

### Other than changes to the level or range of services, has your organisation made changes in your work due to cuts in public funding since the last time we asked?

Yes	20%
No	80%
Don't know	0%
Prefer not to answer	0%

Key themes emerging from comments:

- Seeking new funding to replace lost funding in order to be able to keep services running
- Had to think about strategic planning on a more on-going basis because of changes to the environment, e.g. changes to welfare which are now coming into full force

### Has there been a noticeable change in the demand for your service since the last time we asked?

Increase in demand	40%
No significant change	60%

Decrease in demand	0%
Don't know	0%
Prefer not to answer	0%

Key themes emerging from comments:

- Increase in the number of people accessing services in the week and a significant increase in people accessing services at the weekend (for some as much as a 30% increase)
- Demand generally increasing as more people feel under pressure from welfare cuts and cuts to other support services

**(If there has been a change) Why do you think demand has increased or decreased?**

Key themes emerging from comments:

- Cuts to other services reducing the number of places people can go to access support
- Strict benefits sanctions meaning people more frequently need to access support

**Do you see a discrepancy between the funding cuts you are facing and those faced by similar organisations in other areas?**

Key themes emerging from comments:

- Small and medium sized charities generally seem to be at risk in the current environment of increased competition in tendering
- Consortium and partnership working may have taken off in some areas more than in others
- The government's cuts impact on all vulnerable people, so the impact on demand for services to support vulnerable people will be increased across the board
- The demography of the local population will make a difference to the pressures felt on local organisations in other areas/communities

**Any additional comments:**

Key themes emerging from comments:

- Small organisations in particular are struggling in the current funding environment
- Increasing importance has to be placed on diversifying sources of funding
- Planning ahead for how to deal with changes before they begin to impact will be important, although this is difficult in an unstable funding environment
- New approaches will have to be tried, e.g. working more in partnership or consortia, fundraising, social enterprise, etc.
- The risks of trying to maximise opportunities for funding are that services will become more generalised and focused expertise of specialist organisations' may become watered down. For example, there is a risk that tenders will increasingly go

to large organisations, who may not have the local knowledge that smaller organisations in the area do

- On the positive side there could be opportunities in these changes, more partnership working may lead to greater efficiency and more joined up services

## Conversations

In these catch up conversations we gave participants an opportunity to expand on anything arising from the surveys or consider their own experiences in more depth.

**Participants were asked to expand on the question “Do you see a discrepancy between the funding cuts you are facing and those faced by similar organisations in other areas?”**

Key themes emerging:

- There’s not really big differences between the funding difficulties different organisations face, across the sector there has been an impact – everyone has been badly hit
- Small and medium sized organisations in particular have faced difficulties because tenders increasingly are bigger, and focused on partnership or consortia, and therefore smaller organisations struggle to be the lead on a tender

**This was the final interview participants would be asked to take part in, as such participants were asked some questions reflecting on the last 18 months (the first time brap got in touch with people about this was September 2014), and well as thinking about the future. Participants were asked “Looking back over the course of this project – what has been the biggest change(s) to your organisation?”**

Key themes emerging:

- Services have had to be cut back
- The impact of welfare cuts still continues to be a problem for service users. Many reported that this has not improved with the change to universal credit, saying that the new system could present a good opportunity to simplify a complex welfare system, but in actual fact it was very difficult, and the system is slow meaning people often wait long periods to receive their benefit meaning they have to rely on public and voluntary sector services for support in the meantime
- Demand has increased – not just in terms of more need, but also people presenting with multiple and more complex needs. This means people need more support, both in terms of needing access to more than one services, but also organisations having to work with individuals for longer periods of time
- Having to grow and move from local focus in order to not be subsumed by bigger orgs
- Need to move toward more partnership approach

- Before it was that the biggest impact of welfare cuts was via the impact on service users, but increasingly just directly impacting on orgs too
- Had to restructure, and had some staff redundancies – for some this was a bad thing, whereas some had seen it as an opportunity to look again at a model which hadn't been examined for a long time
- Had to reduce services that are really good but hard to demonstrate a high return on investment (monetary or socially)
- It's hard to plan ahead, and strategic planning is near impossible because you can know what you want to do but how can you possibly know if you'll be able to do it
- Management/staff capacity is increasingly limited

**Participants were asked “Looking forward what do you think will be your biggest challenges in 2016?”**

- More cuts are coming! Both to organisations and to welfare, which will impact on service users and orgs as has seen been already. Pressure hasn't gone away, if anything it's getting worse.
- External funding environment continues to grow increasingly competitive – more partnership working will be needed if have any hope of competing for funding against bigger orgs – very tough to get sustainable funding
- Disjointed working and slow decision making from Birmingham City Council
- Remaining a specialist organisation e.g. gendered, or community focused, etc. – bigger providers offering more generalised services are filling the space and squeezing out smaller organisations with specialist knowledge
- On-going pressure to other services means there is less support available for individuals and for orgs, e.g. police, health, children's services, etc. are all being cut, meaning there are fewer ways to refer service users on. Having to think about how to do the work when you and key partner orgs are in a context of shrinking budgets and provide the best for service users

**Participants were also asked “What will be the biggest challenge(s) your service users will face over 2016?”**

- On-going cuts and changes to welfare, e.g. the move over to universal credit
- Having access to good, independent, specialist services - services need to be able to be about the needs of the vulnerable people they are for, not the needs of the funders
- Other policy and legislation which has negative consequences on vulnerable groups, e.g. the need for landlords to check the resident status of their tenants, some organisations reported to us that they have found that this has resulted in migrant groups finding it more difficult to access housing as landlords don't want to take a risk on those people, even if they have a legal right to remain.

**Finally, participants were given an opportunity to raise any other comments**

- Cuts are short-sighted, they are costing themselves money in the long run by cutting to areas that could be preventative or reduce risk – these services come in and offer support before a problem becomes a huge problem, but their ability to do that is reducing (as indicated by the increasing complexity of needs service users present with). Also, these organisations address the cause of problems, not just the symptoms, these changes reverse this, meaning things will only get worse.
- The council tendering process is an issue, it says it is sector neutral but appears to be designed much more with the private sector in mind in a way which presents barriers to application for voluntary sector organisations, e.g. having to sign up to the Business Charter for Social Responsibility and having to give an action plan, or having to fill in a section about how you will work with the voluntary sector. The Council could improve the systems so it presents fewer barriers to voluntary sector organisations applying for tenders
- The Council, and the new head John Clancy have been saying that they will be doing less and as such the NHS and voluntary sector will have to do more, but many organisations do not feel able to fill the gap, given the pressure that they are already under. Participants acknowledge that the Council is under financial pressure too, but feel that there should be better dialogue between all the relevant bodies about how best to provide support for vulnerable people in Birmingham, rather than a simple withdrawal of Council support

# WHAT IT MEANS

So far we've got feedback from Making the Cut participants about the impact of local public service re-design on organisations providing public services by asking them to complete four online surveys and also having two longer conversations about the project. Taking all of this together, it is clear that increasing demand for services is not slowing, and organisations are struggling to keep up.

The three main themes that stand out from the responses discussed in this report are...

## 1. RETHINKING STRUCTURE AND STRATEGY

- Many organisations reported that they have had to rethink their organisational structure in order to create savings by making staff redundancies
- A number of participants also said that they had been reconsidering their strategic plan, in response to the changes to the funding environment For example, expanding to cover a larger geographical area, or reducing some work focuses such as outreach
- Participants also commented that this re-thinking, redesigning, and re-planning process was something they had to keep re-visiting, given the rate of change

## 2. TRYING NEW THINGS

- As well as looking at structure and strategy a number of organisations also talked about working in new ways. For example working more in partnership with other organisations to deliver services
- In particular the need to find new ways to diversity funding sources was key, such as adopting a more social enterprise model or branching into fundraising from a more general audience rather than just applying for contracted work

## 3. LOSING SPECIALISM

- Participants were unanimous in their concern for small and medium sized organisations, suggesting that they were struggling more in the current environment – something which has been discussed in previous reports too In particular, it was noted that the tendency towards larger tenders made it more likely that larger organisations providing a broader range of services would win more contracts
- Participants felt that this may mean that organisations more focused on one particular area would lose out, at the cost of valuable specialist knowledge, e.g. of a particular local area or service user group

## In summary...

When talking about the future, organisations' concerns for themselves and for their service users were about more cuts coming, be that to welfare or to services directly. As such much

of their responses focused around the steps that are being and will be taken in order to try and respond to this. Many saw this as a threat; to vulnerable people in the city, for the continued existence of smaller organisations, and for the retention of specialist knowledge. But, there were some who saw it as an opportunity; to work more in partnership, or to try out new ways of working. One of the key things that participants said that they wanted to come from this project was to start a conversation about the current situation public and voluntary sector organisations find themselves in, the challenges they are facing, and the impact this has on their service users. It is hoped that through this project the threat of public service re-design could become an opportunity to open a dialogue about the state of support for vulnerable people in Birmingham, and what the Council, the voluntary sector, the NHS and the public sector, can do about it, together. Over the coming months brap will be supporting this call by bringing together key individuals and groups to initiate this dialogue in Birmingham

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brap is transforming the way we think and do equality. We support organisations, communities, and cities with meaningful approaches to learning, change, research, and engagement. We are a partner and friend to anyone who believes in the rights and potential of all human beings.



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