# Austerity urbanism in England

# Austerity urbanism in England: the 'regressive redistribution' of local government services and the impact on the poor and marginalised

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## Abstract

That contemporary austerity is being realised to a large extent in and through cities is a growing theme in urban scholarship. Similarly, the concern that the economically-marginalised are disproportionately impacted as 'austerity urbanism' takes hold drives a significant body of research. While it is clear that substantial austerity cuts are being downloaded onto cities and their governments, however, the evidence on whether it is the most disadvantaged fractions of the urban population which suffer as a consequence remains thin. Moreover the mechanisms by which the downloading to the poor occurs are unclear. This paper identifies how austerity cuts are transmitted to the poor and marginalised in the context of severe cuts to the spending power of English local government. It identifies three transmission mechanisms and shows how these operate and with what outcomes, drawing on empirical evidence at the English national and local city levels. The paper provides robust evidence from national data sources and from in-depth, mixed-methods case studies to show that the effects of austerity urbanism are borne most heavily by those who are already disadvantaged. It also demonstrates the importance of identifying the specific mechanisms by which downloading on to the poor occurs in particular national contexts, and how this contributes to understanding, and potentially resisting, the regressive logic of austerity urbanism.

## Key words:

Austerity, cities, local government, economically marginalised, downloading

## Introduction

The debate on contemporary austerity tends to highlight that fiscal retrenchment goes beyond the immediate management of a global financial crisis (GFC) and is rather a fundamental aspect of a longer-term neo-liberal project which aims to re-shape and redefine the state at a national and local level (Krugman, 2012; Donald et al., 2014; Peck, 2012; 2014). The GFC and the associated Great Recession should therefore be understood as "a justifying mantra" (Levitas 2013) which forms part of a resurgent neo-liberalism with aims and practices which include disempowering and dismantling systems of social protection (Krugman 2012; Taylor-Gooby, 2012), re-structuring, rescaling and downsizing the state (Donald et al, 2014; Lowndes and Gardner, 2016), and shifting the locus of risk and responsibility on to the public and to the poor in particular (Peck, 2012; Kennett et al., 2015). This paper focuses on the urbanisation of these austerity measures and on the

effects of this urbanisation on the poor and marginalised – that is, on the 'austerity urbanism' thesis developed by Jamie Peck to explain the dimensions and significance of austerity in US cities (2012; 2014), and applied and augmented by others in relation to the US and to other developed nations (for example, Davidson and Ward, 2014; Tabb, 2014; Meegan et al, 2014; Pugalis et al, 2014; Davies and Blanco, 2017).

Peck argues that contemporary neo-liberal austerity measures "operate downwards in both social and scalar terms … they offload … on cities and communities … they concentrate both costs and burdens on those at the bottom of the social hierarchy" (Peck, 2012:650-651). It is the identification of these dual processes of "regressive redistribution" (Peck, 2014: 19) which characterises the austerity urbanism thesis: first that it involves targeting some of the worst impacts of austerity on city governments and second that this leads to austerity measures being targeted on the most vulnerable (Peck, 2012: 626). This paper argues that, while there is strong evidence on the first 'targeting cities' dimension, the evidence is less substantial and more variegated with respect to the second. Drawing on a detailed empirical study of how austerity measures are playing out in cities in England, the paper situates austerity urbanism in a rather different national context to that in which the thesis was developed. Its focus is on identifying the mechanisms which transmit the austerity visited on English city governments downwards to the poor and marginalised. In so doing, it contributes new understanding of the precise means by which contemporary austerity urbanism in a particular context can have damaging consequences for those who are already disadvantaged. Finally, the paper also argues that more attention should be paid to identifying the means by which social and scalar offloading occurs in order that opportunities to resist aspects of the neo-liberal project can be identified.

The next section reviews the literature on how and why austerity urbanism is being experienced, considering the two dimensions of austerity urbanism in turn and drawing out the distinctive contexts and experiences of the US and England. The third section describes the design and methodology of a study of the impacts of the austerity cuts made to English local government in the period 2010-2015. The fourth details and discusses evidence on three mechanisms operating in the context of the severe budget pressure experienced by English local government. A concluding section considers the import of this analysis for the austerity urbanism thesis.

## Austerity urbanism

The idea that cities in particular are suffering from the effects of austerity is well documented in the US and elsewhere (Donald et al, 2014; Oosterlynck and Gonzalez, 2013; Cepiku et al, 2015; Lowndes and Gardner, 2016). There is a burgeoning US literature on this first dimension of the thesis, not least because of the links between mortgage lending practices in some of these cities, global sub-prime mortgage markets and the consequent credit and financial crises (Donald et al, 2014). Case studies of the struggles of specific cities to cope with the consequences of the crisis dominate the literature (see, for example, Peck, 2012; Davidson and Ward, 2014; Donald et al, 2014; Warner and Clifton, 2014). These demonstrate that, while the majority of bankruptcies have been filed by Californian cities (Davidson and Ward, 2014), it is the uneven social impact which is key to understanding austerity urbanism in the US, with poorer cities whose populations were most disadvantaged by the crisis and the recession disproportionately affected – a dynamic most powerfully illustrated by the city of Detroit (Peck, 2012; 2014; Eisinger, 2014; Tabb, 2014).

While the austerity urbanism thesis was developed to explain the distinctive US context, "transatlantic comparisons and connections" have been important in the development of

the thesis and have helped "situate" national differences (Peck, 2017:20). In Davies and

Blanco's (2017) comparative analysis of austerity urbanism in Spain and the UK, for

example, the identification of "variegated multi-scalar urban austerity regimes" (p16)

provokes reflection on the extent to which hegemony characterises neo-liberal austerity.

Overmans and Timm-Arnold (2016) also identify differences in approaches between the

Netherlands and Germany, with the former using austerity as an opportunity for 'reform'

and the latter focusing on 'stability'. There are also accounts which situate austerity

urbanism in Greece (Matsaganis, 2012), Ireland (Allen, 2012) and France and Romania

(Donald et al, 2014). Finally, the variability in the impact of austerity on cities between the

different nations of the UK is also well documented (Hastings et al, 2015; Davies and Blanco,

2017), although the UK literature focuses largely on England where the targeting of austerity

on urban areas has been particularly acute (Meegan et al, 2014; Bailey et al, 2015; Lowndes

and Gardner, 2015). As with the US, the English literature highlights a distinct geography of

austerity, post-industrial and regional as well as urban (Bailey et al, 2015; Lowndes and

Gardener, 2015). It converges around two main themes: first, exploring how austerity is

further legitimating neo-liberal logics of city development and economic growth within

major cities (e.g. Gonzalez and Oosterlunck, 2014; Pugalis, 2016; Fuller and West, 2016); and

second documenting the kinds of staff and service cuts deployed by city governments to

close budget gaps (e.g. Meegan et al, 2014; Hastings et al, 2015a; Fuller, forthcoming).

There are nonetheless, factors common to Europe and North America that are important

for explaining *how it is* that cities have come to be particularly affected by contemporary

austerity. First is the historic vulnerability of cities to global economic re-structuring and

subsequent social costs (Peck, 2012; Davidson and Ward, 2014). While the tendency of

western European cities to be poorer than their hinterlands is a longstanding trend

(Eurofound 2014), the high risk, speculative growth strategies devised by neo-liberalising cities as they responded to the Great Recession has accentuated their market exposure (Davidson and Ward, 2014). Second is the tendency of nation states to respond to fiscal shocks by passing responsibility to lower tiers of government, again enhancing exposure to crisis (Peck, 2012; Donald et al, 2014). Finally and importantly, contemporary austerity is also seen by some as an opportunity to re-scale the state through downsizing, most obviously via budget cuts (Peck, 2012; Donald et al, 2014), with city-level consequences for the range, reach and quality of state-funded public services as well as for the local employment base (Peck, 2012; Meegan et al, 2014). Again the impacts of this trend are augmented by the fact that cities tend to rely disproportionately on state services to underpin their labour market, economic and social welfare systems (Peck, 2012).

Beyond these common factors, the stress on US cities is also due to the specific housing impacts of the crisis (Peck, 2012) with impacts on city governments as a result of the link between their fiscal viability and the strength of the local property tax base (Davidson and Ward. 2014). These links put cities with a set of structural weaknesses - fragile economies, depressed housing markets and poorer populations - at a disadvantage, while cities with more connected and competitive economies have been able to attract alternative sources of investment and finance (Peck, 2012). While structural processes as well as deliberate strategizing underlie these various factors, the language of much of the US-focused literature tends to foreground strategy over structure: cuts imposed on cities are devised instrumentally by 'austerity machines' (Donald, et al, 2014: 6), cities are 'victimised' (Tabb, 2014: 95) or 'dumped on' (Peck, 2012: 650). There is an implication in the austerity urbanism thesis therefore that the targeting of cities is agentive and not just the deleterious playing out of the logic of neo-liberalism in an unlucky urban context. Peck (2012: 631)

offers the clearest exposition of this: austerity "is something Washington does to the states, the states do to cities and cities do to low income neighbourhoods".

In the UK, there is also evidence that higher tiers of government have deliberately targeted austerity towards urban areas, particularly in the English case. Thus, although recessionary re-structuring partly explains the experience of UK cities since 2008, it is the 'selective targeting' by UK Governments of measures designed to downsize parts of the state on local government (Lowndes and Gardner, 2015:4) that has had the most significant impact thus far.[i] In the period 2010-2015, councils in England lost 27% of their spending power (Hastings et al, 2015: 29). Urban metropolitan councils however lost greater levels of funding support than rural councils and, according to the National Audit Office (2014), are evincing more significant signs of fiscal stress. Moreover, greater percentage funding losses have been experienced by councils with higher levels of deprivation, meaning that austerity cuts have impacted most severely on poorer English cities and urban areas (Hastings et al, 2015; Ward et al, 2015). The fact that a further 56% reduction in grant to English councils over the next five years has been announced (HM Treasury, 2015: 3), suggests the appropriateness of the term 'super-austerity' (Lowndes and Gardner, 2016: 3). It is clear that, in England, 'targeting cities' is a strategic choice made by national government.

Turning to the second dimension of the austerity urbanism thesis, there is clearly a commonplace view that austerity is borne disproportionately by the poor and marginalised (see Atkinson et al, 2012; Ward et al, 2015; McKendrick et al, forthcoming). While the work of Beatty and Fothergill (2014; 2016) demonstrates the downloading of broader cuts to social welfare budgets on the poorest places and households in the UK, the evidence that 'targeting cities' is a specific means to download austerity onto the poor remains thin and,

to some extent, contentious. In the US, for example, the fiscal stress experienced by the city of San Francisco is shown by Donald et al (2014) to have led to a depletion of publicly-funded, public good assets, such as good quality schools and open spaces in poorer parts the city, while Peck (2012) documents the retrenchment of basic transportation and public good services within cities and considers the effects of, for example, reduced street lighting in poorer neighbourhoods. However, drawing on national survey evidence, Kim and Warner, 2016 present a more optimistic view and suggest that many municipalities have found alternatives to service cuts and have sought to "maintain service delivery and innovate within the confines of fiscal pressures" (804) – although they do note that their data do not allow an assessment of "the regressivity" or "effects on service quality" of these alternatives (803). However, beyond these accounts, much of the US evidence tends to highlight the effects of austerity in general - such as increased poverty rates (eg Tabb, 2014) – and does not trace how fiscal stress specifically at the city government level is driving these effects.

In comparison with the US, the evidence from England is a little more detailed. There are, for instance, a number of studies showing the effects of service cuts in poor London neighbourhoods on low income families, disabled groups, victims of gender-based violence and vulnerable older people. These studies report increased levels of social isolation across these groups as the result of the closure of facilities and reductions in support services (Young Foundation, 2012; Slay & Penny, 2013; Fitzgerald et al, 2014). Common to these early studies and to those from areas beyond London, however, are two narratives. The first is that there is "a better story … than we might have expected" (Fitzgerald et al, 2014: 56) with regard to the impacts on the poor. Explanations for this include the absorption of early tranches of cuts into so called 'efficiency' savings in corporate rather than outward-facing service roles (Hastings et al, 2015). But they also include the fact that many city councils

have attempted to shield poorer groups from the most damaging impacts of budget cuts (Hastings et al, 2013; 2015b; Fitzgerald, 2014; Meegan et al, 2014). While this might not amount to "major organised resistance" (Fuller and West, 2016:4) to austerity urbanism, it is nonetheless a further reminder that neo-liberal restructuring plays out differently in distinctive contexts, nationally and sub-nationally. The second narrative is that more significant impacts from cuts to municipal services have been delayed rather than avoided (Lowndes and McCaughie, 2013; Meegan et al, 2014). As will be seen, the more recent evidence which this paper examines suggests that significantly worse impacts on poorer groups have now begun to emerge.

Taking the US and English cases together, it is incontrovertible that the first regressive redistribution - the downloading of austerity to cities - is underway. The evidence on the second - the downloading to the poor - is less clear cut, suggesting the potential at least for variation and even agentive resistance at the city scale. Most important for the purposes of this paper, the evidence thus far does not clarify *how* targeting cities leads to targeting the poor. The austerity urbanism thesis, as articulated in relation to the  US at least, argues that targeting the poor emerges from the actions of city governments who have 'few alternatives' but to download austerity (Peck, 2012:648) - although Kim and Warner's (2016) survey evidence suggests that more research on the impacts of the alternatives developed by some municipalities would be warranted. In England it is clear that, despite the severity of the targeting of austerity on cities, agency remains possible with respect to targeting the poor, with some councils expending considerable energy trying to minimise impacts (Hastings et al, 2015b). *How it is*, therefore, that significantly worse impacts on the poor are now emerging is important to understand. It is this which is the focus of the empirical part of this paper:  identifying the precise means - the 'transmission mechanisms' - by which the

regressive redistribution to the poor and marginalised theorised by austerity urbanism occur in the context of English local government.

## Research design and methods

The paper is based on research conducted between 2011 and 2015[ii], a period which corresponds to the austerity measures put in place by the 2010- 2015 UK Coalition government. The project design combined national analysis of the cuts across all English local authorities with in-depth, mixed-methods case studies of three English city councils[iii]. The contribution of this paper is to illuminate the 'transmission mechanisms' as discussed above, and only those aspects of the national and case study analysis which help with this task are detailed here. A full account of larger project methods is provided in Anon, 2015a and b.

The national-level analysis examined the nature, scale and distribution of budget cuts across local government using local authority budgetary estimates produced by the Chartered Institute of Public Finance and Accounting (CIPFA). This allowed change in levels of expenditure over the period to be identified for different classes of authority which have different levels of responsibility (eg unitary, district, county). Expenditure changes were assessed by level of deprivation at the local authority level, using the official Index of Multiple Deprivation. CIPFA data also disaggregate council budgets by service areas, allowing differentials in cuts between services to be identified. These differentials were analysed using a bespoke taxonomy which categorises services according to a "pro-rich" to "pro-poor" pattern of use. A detailed exposition of this taxonomy is provided in the analysis section at the point at which it is used.

For the three case studies, analysis of detailed budgetary data was conducted for each council. The data for these were derived from budget documents which set out changes in net budgets at a fine-grained service level and allowed the savings (or expenditure cuts) to specific services to be calculated. Some were publically available, others were internal documents made available to the research team. In total, 1400 discrete lines of budgetary data were collated from documents covering the period 2011/12 to 2015/16. The distributional impacts of these cuts were analysed using the "pro-rich" to "pro-poor" taxonomy. The strategic rationale and implications were explored in semi-structured interviews with senior officials (29 across the case studies).

Case study methods also included a qualitative exploration of the impacts of savings on front-line services via focus groups, depth interviews and 'shadowing' with service users and providers. Six service-user focus groups (two in each case study) were convened with young parents, as this demographic was judged to be most likely to use a range of council services. In one case study, an additional focus group with older residents supplemented qualitative data on services for older people. 59 people took part in the focus groups which sought to explore if, how and to what extent participants experienced changes to services in the past two or three years. The data were analysed in relation to these themes. Nine further 'follow-up' interviews were conducted with focus group participants selected to capture diversity in age, gender and socio-economic status. These aimed to gain a fuller account of the impact of service changes on participants. In order to explore potential variation in the experience of service change by level of deprivation at either household or neighbourhood level, in each authority, one focus group was recruited from a severely deprived neighbourhood, the second from a less deprived neighbourhood.

An additional element of the qualitative methods was a focus group in each council with front-line staff working in a range of services. These involved 41 staff and centred on service changes since 2010 and the impact (positive and negative) that participants perceived on: service quality and quantity; service users; neighbourhood amenity; and staff. A member of the research team 'shadowed' the working day of six staff in order to further gain insight into challenges and working conditions. The final element of the qualitative research consisted of 21 interviews with staff from voluntary sector organisations working alongside the case study councils providing an additional vantage point on the impacts of savings on front-line services.

The set of case studies aimed to achieve some regional spread, variety in relation to political control and to include very deprived authorities as well as a more affluent counterpart. They were also selected having negotiated access to the detailed budgetary information required for the conduct of the research. It was agreed during these negotiations that the research would not focus on an evaluation of the relative strengths of each council's approach, but that the case studies were primarily contexts in which to explore the impacts of budget cuts. This means that the paper does not go into detail on differences between cases. It was also agreed that if front-line staff were to feel able to express their views freely, the council for which they worked would not be identified. Finally, the selected councils had identified strategic objectives focused on protecting vulnerable groups from the worst impacts of austerity.

 Thus, the case study contexts were: Coventry City Council, located in the West Midlands region, in the most deprived quintile nationally according to IMD 2010, historically governed by the Labour Party, but controlled by the Conservatives in the period just prior to the

research; Newcastle City Council in the North East, also in the most deprived quintile, and historically Labour-controlled but recently run by the Liberal Democrats; and Milton Keynes, a more affluent, new city in the South- East (in the second least deprived quintile), governed by a Conservative minority administration. In the five years to 2015/16, Newcastle had lost 22% of its funding, while Coventry and Milton Keynes had lost 14% and 13% respectively (Anon, 2015: 33).

## Mechanisms transmitting 'austerity urbanism' to the poor and marginalised

So: is austerity urbanism being downloaded onto the poor and marginalised in the specific English context outlined earlier, wherein city governments have arguably tried to protect the urban poor? And crucially, if downloading is happening, how precisely is it happening? In each of the following sub-sections, the evidence on three 'transmission mechanisms' is explored. It should be noted that the conceptualisation of each mechanism was generated deductively from the research evidence and was not an *a priori* assumption or hypotheses of the study although, for the sake of economy, each mechanism is identified in the title of sub-headings.

### 1. Poorer cities no longer have resources commensurate with needs

The literature review has already explained that the way in which austerity cuts have been implemented in relation to English local government has led to a disproportionate loss of spending power for the more deprived urban authorities. In this sub-section, this pattern is examined in more detail to identify more precisely how this acts as a mechanism transmitting damaging outcomes to poorer service users.

**Figure 1: Per Capita Expenditure by deprivation quintiles for English 'Unitary' Local Authorities 2010/11 and 2016/17**



**Local authority deprivation (quintiles)**
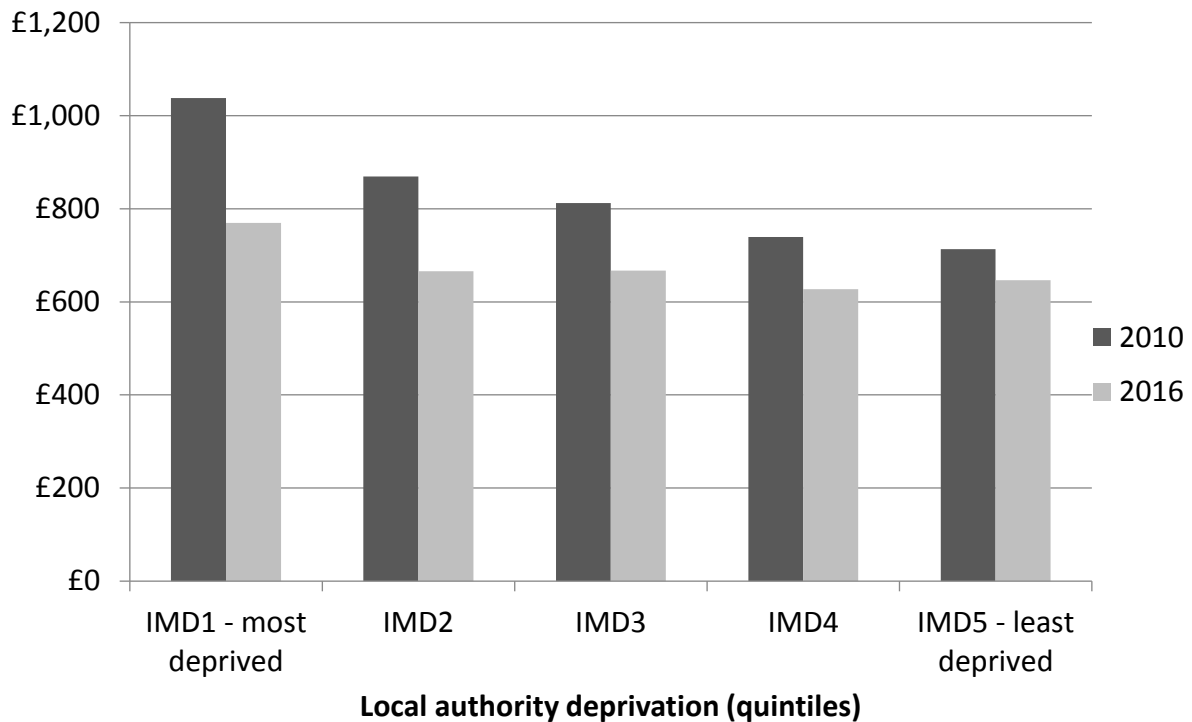
Source: Authors' analysis of CIPFA Financial and General Statistics Budget Estimates for 2010/11 (original budget, before Coalition mid-year cuts) and 2016/17. Expenditure in real terms (at 2017 prices). Local authorities (N=123) divided into quintiles based on Income Deprivation scores on official Indices of Multiple Deprivation (IMD), 2010 edition.

Figure 1 uses the national-level CIPFA data to show reductions in spending power by deprivation level for the period 2010 – 2016. (All figures quoted here and in the remainder of the paper are in constant terms, i.e. adjusted to remove the effects of inflation using the GDP deflator.) It shows only the all-purpose 'unitary' councils which are the predominant form of local government in urban England. Similar analyses of other classes of council were conducted in the wider project and reported on in Anon, 2015a. In the most disadvantaged quintile, the scale of the loss in spending power equates to over £268 per capita (26%). In the least disadvantaged, it is just £67 (9%). It demonstrates that in England austerity

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urbanism is characterised by the selective targeting of *poorer* cities, clearly indicating one way in which the first dimension of austerity urbanism can lead to the second - if cities with poorer populations are disproportionately impacted by austerity cuts.

Importantly, Figure 1 also captures the erosion of the 'principle of equalisation' which has underpinned the UK system of local government finance since the 1960s (Boyle,1966; Foster et al 1980; Bramley, 1990). This principle has historically taken the form of a 'premium' in grant income to more deprived authorities, designed to compensate for higher needs and to afford such councils the capacity to deliver a similar quantity and quality of service provision as authorities with lower needs. It has the effect of damping down the shocks from national economic cycles or local economic decline, pooling risks. Figure 1 shows that in 2010, the system provided 46% more expenditure per capita for councils in the most deprived quintile compared to those in the least deprived. By 2016, the premium had reduced to just 19%.

It is the erosion of this principle that more precisely characterises this first transmission mechanism. It is a process which has long term implications for the capacity of poorer cities to meet the needs of their populations. Thus, while the scale of losses in spending power is important, it is the fact that poorer councils have become relatively less well-funded in relation to their level of need in comparison with better-off councils that directly transmits austerity to the poor. Strategic documents and interviews from the case study work in the two deprived councils - Coventry and Newcastle - provided evidence that resources were in danger of becoming incommensurate with needs. A senior officer from Coventry suggested that "in order to keep protecting absolutely the most vulnerable" some services were now targeted more narrowly towards those with only the very highest levels of need. Thus in Coventry, Children's Centres[iv] in the most affluent areas had been closed and in other areas

some developmental early years' services had been restricted to children in danger of being taken into care. In Newcastle it was recognised that plans to close Children's Centres would leave "approximately 5000 children … in the… most disadvantaged… areas" without access to the service (NCC, 2013:40)  Both councils were rationing access to adult social care services more stringently. In Newcastle there was recognition that this would leave needs unmet and ultimately "leave people with substantial needs without necessary support" (NCC, 2013: 42).

2.  Cities no longer able to shelter services with a strong welfare role

The discussion of this second mechanism focuses on the distribution of expenditure and of savings (ie expenditure cuts) across different council services, with services categorised according to whether they are used more or less intensively by poorer groups. As indicated, a bespoke taxonomy developed from earlier work by one of the authors (Anon) was used for this purpose. The taxonomy is based on synthesis of national survey evidence from the Poverty and Social Exclusion survey 2012, the Scottish Household Survey 2012 and the Best Value Performance Surveys of English local authorities 2006/7. These provide data on the frequency of service use by household deprivation. Service categories can be mapped onto the set of discrete service areas identified in the CIPFA data shown in Figure 2.

*Figure 2: Services categorised by relative frequency of use by households with different levels of deprivation*

| Category | CIPFA service headings |
|---|---|
| Pro Poor | Housing Benefit (administration); Homelessness; other Housing General Fund spend; Children's Social Care; Citizens' Advice; Police, Crime & Community Safety; Social Care for Older People & other Adult groups, inc. Home Care; Fire & Rescue; Primary & Special Education; Other Education; Public Transport (bus); School Transport |
| Neutral | Concessionary Fares; Libraries; Secondary Education; Youth Careers; Community & Economic Development (within Planning); Early Years/Pre-School; Environmental Health; Street Cleansing; Trading Standards; Waste Collection; Play; Further Education; Parks & Public Space; Recreation & Sport; Road Maintenance; Street Lighting; Tourism; Traffic Management |
| Pro-rich | Adult/Community Education; Museums & Galleries; Other Arts & Culture; rest of Planning; Parking |

Source: Authors' categorisation of CIPFA service headings – see text for details.

A service is categorised as 'pro-poor' if it is used more by people in lower rather than higher income groups (typically dividing the population into four bands), lower rather than higher occupational classes (routine vs professional and managerial based on NS-SEC), and people in more rather than less deprived neighbourhoods (based on quintiles of the relevant official Index of Multiple Deprivation). 'Used more' means that survey respondents were more likely to report using the service, on a use/not use binary variable, or reported more frequent use. 'Pro-rich' is the obverse, whereas 'neutral' services are those front-line services where the usage rate differs by less than 10%. The use of back office services - which include democratic and corporate IT and HR functions - is not considered to have a socio-economic gradient and therefore not shown.

Pro-poor services dominate the *expenditure* of councils, and their share of the total has been rising – from 54% in 2009/10 to 59% in 2015/16. In the same period, spending on pro-rich services decreased from 7% to 4%. (Analysis of CIPFA budget estimates for English unitary councils 2009/10 -2015/16.) Such an intensification can occur in part through constraint: authorities have a statutory obligation to provide certain pro-poor services such as social care – in some form and to some degree at least - so there are limits to how far they can reduce spending there. It may also reflect a degree of choice, to try to shelter poorer groups by protecting the services they rely on most. However, the capacity of councils to continue to shelter pro-poor services is limited by the already high share of expenditure on these services.

**Figure 3: Relative savings to council services by category of use - 2010/11 – 2015/16**
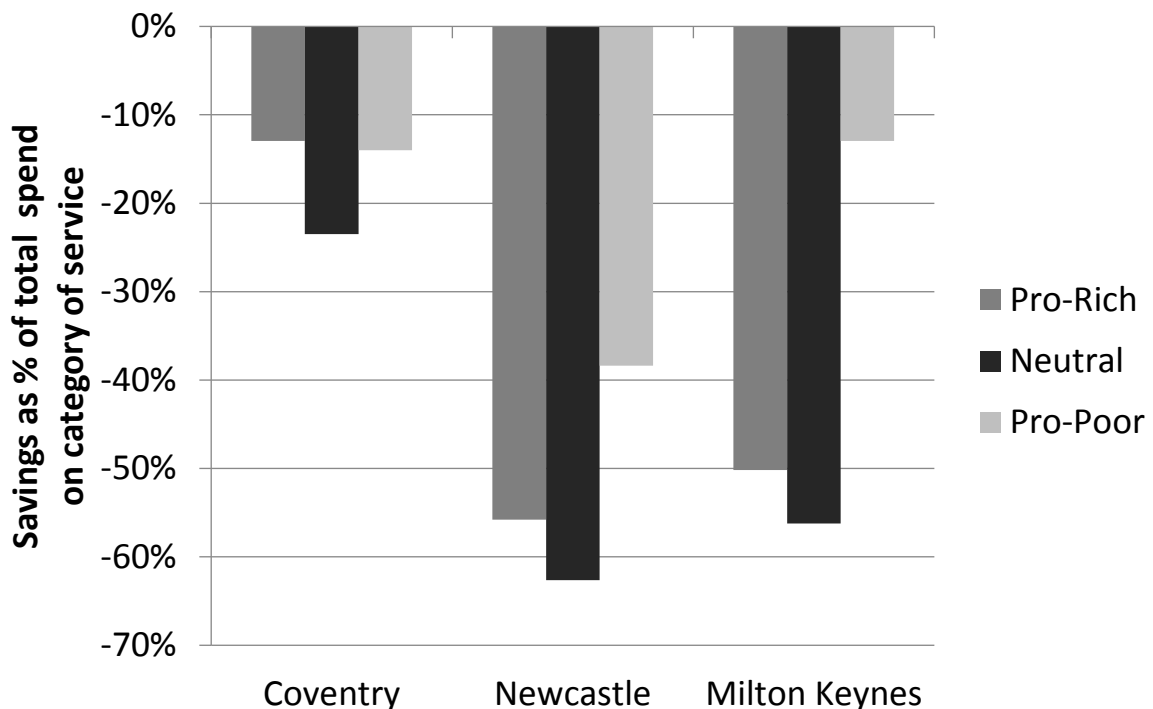
Source: Savings from case study budget documents. Baseline spending (denominator) from CIPFA budget data for 2010/11 and 2013/14, adjusted to 2013/14 levels and averaged.

For the case studies, budget data were collated on the *savings* to specific services. These case study savings data can be analysed in different ways. In Figure 3, we show the relative level of savings for each category of service, calculating savings as *a percentage of initial spend on that service*. The Figure demonstrates a broadly progressive pattern of savings: pro-poor services have had to make a lower rate of cuts than neutral and pro-rich services, suggesting that the case study councils were protecting poorer service users.

**Figure 4: Share of total savings by service category - 2010/11 – 2015/16**
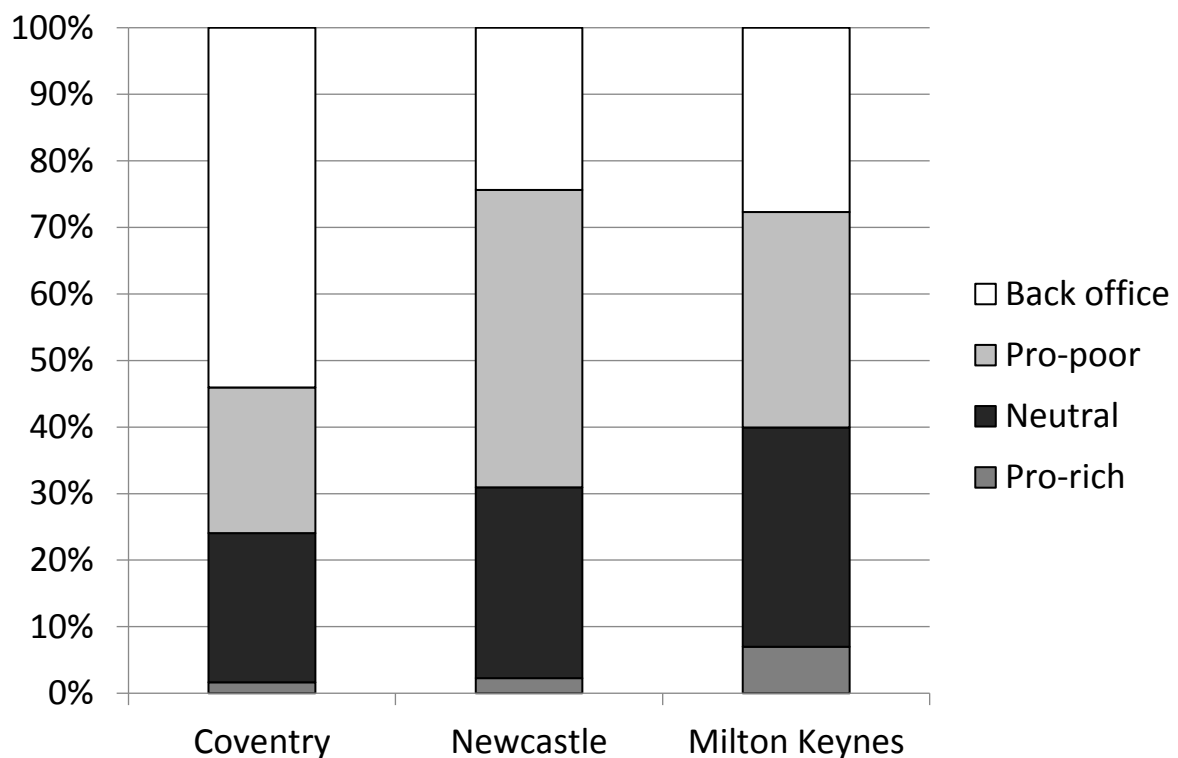


However, Figure 4 shows that, in spite of this, pro-poor services contribute a much greater share of the total cut than do pro-rich services, precisely because – as noted above – they make up such a large proportion of the overall budget in each city. Newcastle has the

biggest differential: towards 45% of all savings come from pro-poor services, and only about 2% from pro-rich services (in spite of the fact that, as Figure 3 shows, the latter are suffering a higher rate of cuts). The pro-poor character of English local government service provision therefore acts as a transmission mechanism which limits the capacity of councils to protect the poor.

Analysis of budget documents and interviews with strategic officials revealed how the financial savings to pro-poor services were being realised. Some services were recommissioned at reduced cost. Some were redesigned – for example via a shift to virtual and telephone-only modes of delivery, or as the result of relocation from local to central offices. Some were subject to direct staff reductions, as well as to indirect reductions of capacity at the frontline as a result of staff losses in administrative functions. The overall effect of the savings made was to reduce access to some pro-poor services as well as staff capacity within them.

The impacts of these changes to pro-poor services came through in the focus group, interview and staff shadowing evidence. There were two overarching themes. The first related to how services had become busier, how this reflected staff cuts and increased workloads for remaining staff and how these factors impacted on the capacity of staff to address the needs of service users. For example, users of pro-poor services such as housing, homelessness, social work and welfare advice described service centres in each of the case studies as 'absolutely heaving', 'very, very busy', 'unpleasant' and 'stressed' places: "you have to allow all day to sit in the council office" (Housing services user). These descriptions were repeated by staff with some noting reductions in service standards. One neighbourhood service provider reported a 10 minute target to see clients that was not

met: "there's frequently an hour and half's wait", while an advice services provider noted: "it doesn't seem too distant a memory where the phone had to be answered in so many rings".

Almost all staff reported increases in workloads as the result of staffing cuts with consequences for staff well-being: "in the past four years we've been taking on more and more of a role to the point where people are going off with stress and serious amounts of illness" (Children's Services provider). As well as "often working in my own time to catch up with calls, meet deadlines" (Housing services provider), some participants described being no longer able to work in the ways that they felt were necessary to address the needs of the most vulnerable of their clients. For example, housing and social work staff said they no longer had capacity to make telephone calls on behalf of clients, help them complete forms, or accompany them to appointments. Interviewees working in voluntary sector organisations had noticed reduced eligibility for some forms of social work intervention, with interviewees from two organisations specialising in family support noting an increase in the extent to which they were being designated as the 'lead professionals' on cases where families had complex needs. One council housing officer had referred their own social work department as a safeguarding concern[v] in order to get unmet needs addressed. In two councils, service users reported significant stresses in mental health services: one service user described a four-month wait for a telephone consultation while a second recounted difficulties accessing services for her son:

> "Last week he had threatened he was going to harm himself, one person was telling me to go to another person and I've still not heard anything from who was going to help him …"

Again this was corroborated by staff. One mental health social worker described the "severe pressure" they experienced as a result of the size of their workload. In another council, a home-care worker reported a four-day wait for an emergency social worker for a client with a deteriorating mental health condition.

A second theme of the front-line qualitative evidence related to how staff reductions and restructures had undermined coordination between services or had led to reduced continuity of service. Some service users recalled being "passed around" between staff while a homecare service user noted how it was: "this carer today, another one the next morning". In two case studies, users of social work services saw different staff members for repeat appointments on the same issue. However, as with the first theme, it was the testimony of front-line staff which suggested the extent to which established networks had been disrupted and joint working undermined. For example, for an environmental service provider, staff turnover meant it was more difficult to know: "who to go to with what query and who to speak to… it's bumping through the dark to try and find the right person". In one council, almost all voluntary sector interviewees noted the loss of the established personal networks which facilitated close working relationships. In one example, a gap had opened between the council housing service and the voluntary organisation providing support to vulnerable young people living independently. Some council staff argued that partnerships were being maintained, but a bigger proportion suggested that, for instance, regular liaison meetings between children's centre staff and health visitors no longer took place and that services were being withdrawn from joint projects as departments sought to defend their own resources, leading to a situation '(where) people know about vulnerable individuals … but they're left, they ignore them' (Housing officer). In two of the case studies, the weight of the evidence pointed to fundamental erosion of inter-service joint working. In one of these,

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the focus group brought together some staff who had clearly worked together in the past, but no longer did (the group began with a round of 'long time, no sees'). In this discussion, a neighbourhood services provider noted:

> The silos have got bigger now. We've gone backwards since I first started in this
>
> council in 2006 … It's not like a team like it used to be"

The qualitative evidence therefore clearly shows that the case study councils had not been able to shelter pro-poor services from austerity cuts, despite intending to avoid downloading austerity to the poor. The operation of this second mechanism means that while councils had protected expenditure on pro-poor services in relative terms, absolute cuts to pro-poor services had begun to affect service quality, co-ordination and, in some cases, their ability to meet basic needs.

3. Cuts in universal services have greater impact on the poor

A third mechanism by which austerity was downloaded to the poor and marginalised was via the savings extracted by the case studies from universally-used ('neutral') services such as street cleansing, parks, libraries and leisure centres. Although these services are used as much by richer groups as poorer, cuts to these services could impact disproportionately on poorer groups because the meaning or value of these services in their lives was so much greater. Figure 3 shows that neutral services had been subject to a greater relative rate of saving than pro-poor and pro-rich services in the case studies The analysis of budgetary data and strategic-level of interviews revealed a range of service retrenchments such as reduced

cleaning and maintenance of streets and parks and, in the case of children's centres, libraries and leisure centres, closures, relocations and reduced opening hours. Given the absence of a significant socio-economic gradient to the pattern of use of these services, it might be expected that such retrenchments would affect service users relatively equally. However, this was not the case: three 'sub-mechanisms' were found to transmit a disproportionate level of impact to poorer service users.

The first was that even *small changes to services can make a significant difference to access for poorer groups.* Where a closure meant that access could no longer be readily achieved on foot, it could effectively exclude poorer households otherwise reliant on public transport. In some cases, this was an issue of cost – in one case study, bus travel had become more expensive as consequence of the recommissioning of bus contracts. Participants described how this limited their families' participation in activities such as swimming and shopping, with more than one indicating that '(I) go out only when I absolutely have to'.

The operation of this sub-mechanism was also evident with respect to reductions in opening hours:

> "I have to wait until somebody can watch (my child) if I need to go and do something on the computer [in the library] and there's been times I went in and it's been shut and it's five o'clock." (Service user, disadvantaged neighbourhood)

Indeed, council and voluntary sector interviewees who worked most closely with disadvantaged service users expressed strong concern that closures and reductions of services in disadvantaged neighbourhoods could lead the poorer service users who most needed service interventions to withdraw from services entirely, leading to increased marginalisation and social isolation for more vulnerable households.

The second was that *the impacts of service reductions accumulate more quickly and more forcefully in poorer neighbourhoods.* Relatively small changes to 'place-keeping' services - services concerned with the maintenance and environmental amenity of neighbourhoods– also impacted disproportionately on poorer households living in disadvantaged neighbourhoods. This occurs because of the tendency of neighbourhoods with high levels of socio-economic disadvantage to have physical and social characteristics such as higher housing and population densities which increase 'risk' in relation to environmental problems in these locations (Bramley et al, 2012). Participants suggested that reductions to service frequencies and maintenance regimes could very quickly lead to a significant deterioration in standards of cleanliness and that individual service reductions could quickly reinforce each other. They had noticed less frequent street cleaning, hedges and trees left untended and dumped furniture which "just stays there for weeks on end". They also complained that playgrounds and public spaces which "used to be nice" were now "filthy dirty". While research participants from better-off neighbourhoods noted that some place-keeping services were less frequent, in some disadvantaged neighbourhoods stronger feelings of having been "abandoned" or "forgotten" were articulated. In corroboration, providers of place-keeping services indicated that they were "overstretched" and "struggling to cope" in disadvantaged areas, while other staff who spent time in such neighbourhoods suggested worsening conditions:

> Our estates now look like ghettos. They are embarrassing. You can physically see
> [the deterioration] over the past four years (Housing services provider,
> disadvantaged neighbourhood).

The impacts of reductions in place-keeping services accumulated more forcefully in deprived neighbourhoods in ways that were not just environmental. Such reductions could also affect the ability of other service providers to deliver their service to a particular neighbourhood. One voluntary-sector play organisation, for example, had stopped providing activities in a local park:

> We actually gave up in one area because we couldn't use the space. You know it wasn't clean it wasn't fit for the children to use and we had to withdraw … there's nobody going out there cutting the grass, dealing with the dog poo, the broken glass or possibly worse, syringes or whatever.

Environmental degradation meant that service users also avoided using some local parks. In one neighbourhood, rats had become a significant problem. Participants in a focus group of young parents were expansive on how this restricted their enjoyment and use of their homes and gardens, for example: "I've stopped going into the garden. I won't let my daughter out there" (Service user, disadvantaged neighbourhood). Reductions in street lighting had led some parents to restrict the 'after-dark' activities of their children, while home care workers in one area suggested that reduced maintenance of bushes adjacent to pavements had led to some elderly clients being more reluctant to leave their homes due to heightened feelings of insecurity.

The third way that the worst impacts of austerity cuts were experienced by poorer groups was a result of the tendency that *better-off service users had more capacity to protect themselves from the damaging impacts of service cuts*. This sub-mechanism appeared to operate partly as a consequence of differentials in economic resources and the insulating effects of income. One service user had switched from using a city centre library to buying

books as a point of principle because of increased car parking charges. Resources also conferred mobility, and hence choice and access, insulating people from some of the effects of service relocations. In one council, changes to the model of service provision in children's centres[vi] meant that the full range of services was no longer provided by every centre,. Staff were concerned that better-off services users were 'crowding out' users without transportation, effectively 'colonising' some services: "There are about 10 families in the cluster who are driving around and getting their name down first." (Children's services provider). Indeed, one service user with a car described how she could now 'shop around' various centres, and indicated a further advantage:

> You can actually go to different places which hold different things… so you can kinda rotate it. And it means taking the kids to different groups rather than the same people all the time. (Service user, less disadvantaged neighbourhood)

In contrast to the isolating effects of austerity on poorer groups, for this more economically advantaged participant, cuts in services had opened up opportunities for her and her children to go to new places and extend their social networks. Voluntary sector staff also reported examples of services devised for disadvantaged families now being used more by the better-off. A play organisation reported that families from across the city travelled by car to their activities in disadvantaged neighbourhoods, while another noted increased demand for free activities. In both cases, interviewees suggested that this reflected strategizing by households to protect themselves from wider impacts of austerity and recession by accessing free services.

As well as economic capital, social and cultural capital insulated better-off service users. Council and voluntary sector participants suggested that collective community action

designed to influence policy, particularly on service closures, was more common, astute and better connected in more advantaged neighbourhoods. In one case study, decisions over library closures in affluent areas were overturned, although in another, campaigning failed to halt the closure of children's centres in affluent neighbourhoods. Interviewees also suggested that individual complaints about services were increasing in better-off areas. Staff providing place-keeping services in the councils had the keenest sense of this. One noted that: "There's been more complaints about street cleansing in the last six months than I think there has been in the last six years." Another argued that differential levels of complaints, and of social capital more generally, could skew services:

> "You find that the well-off areas tend to get a better service 'cos they're well off. It's always: 'I know such and such, I'll phone councillor this or I'll phone councillor that.'"
> (Place-keeping services provider)

Social and cultural capital were also viewed as important in facilitating the capacity of better-off service users to fill the gap as council services diminished". Interviewees indicated that there was an expectation that service retrenchment could be partly compensated for by volunteers looking after elderly neighbours, running libraries or maintaining public spaces, in line with the Conservative Party's ideas about the 'Big Society'. There were mixed views as to overall differentials in capacity between deprived and less-deprived neighbourhoods in these respects, although there was consensus that more affluent neighbourhoods were protected by a greater propensity to undertake activities such as grass cutting and litter picking, for example. Staff involved in developing and supporting community-level activity reported concerns with "dwindling" capacity and organisational

skills in some deprived neighbourhoods. One suggested that the community groups seemed "semi-formed", had "a very low level of skills and experience" and required intensive support.

In summary, these three mechanisms work to transmit the austerity cuts visited on English local government disproportionately to poor households and communities. The first of these demonstrated that targeting cities has undermined the capacity of cities, and of poorer cities in particular, to meet needs. The second showed that even when city governments attempt to shelter poorer parts of their population, they are constrained in their capacity to do this by the already-existing pro-poor pattern of expenditure. Real and potentially damaging reductions to pro-poor, social welfare services are beginning to emerge as a consequence. The third mechanism and its associated sub-mechanisms suggest that cuts to services used by all social groups are most impactful on the wellbeing of low income households and neighbourhoods.

## Conclusion

The evidence of this paper clearly and substantively confirms that, in England, austerity urbanism involves a dual regressive redistribution: 'targeting cities' leads to 'targeting the poor'. Given that the origins of the thesis in capturing the logic of austerity in the distinctive US context, this demonstration of a substantial, potentially harmful downloading of austerity to the economically marginalised beyond the US is of some significance. Moreover, the specifics of the national context where this conclusion has been drawn are important. While the English context is characterised by an overt agenda to re-structure and downsize the national and local state by 'targeting cities' for austerity cuts, there is also evidence of attempts to resist the redistribution of austerity to the most economically marginalised. Thus, the case study councils were shown to have sought to act as a buffer between the

regressive tendencies of austerity and the services relied on by poorer households. That the case studies were limited in their capacity to do this, however, was also very clear from the analysis. The English case therefore shows *how it is* that the conclusion drawn by Peck (2012:648) in relation to the US also applies to England: it demonstrates that city governments have 'few alternatives' but to download austerity to the poor.

The second contribution of this paper is the explication of a set of 'transmission mechanisms' in play in this specific context which realise the regressive redistributions of austerity urbanism. The explication of these mechanisms is a substantial empirical contribution to understanding the processes underlying the offloading of austerity in England, and was achieved by triangulating a large body of evidence from national data sources and from in-depth, mixed-methods case studies. Further, and of significance for debates on the transferability of the austerity urbanism thesis, an analytical approach in which the mechanisms operating in particular contexts are scrutinised avoids the danger of what Peck (2017: 19) observes as, the "crude act of enrolling each and every case into a steam roller framework." The foregrounding of mechanisms can therefore be thought of as analytical strategy which allows a robust and situated "exploration of the shared condition of fiscal stress across a range of cities" (ibid). It allows the identification of specific transmission mechanisms in play in distinctive national contexts, and can therefore capture, the import of, for example, specific structures, conditions, processes, degrees of agency for outcomes. Moreover an approach which foregrounds and scrutinises mechanisms provides a frame in which variation in responses to austerity urbanism can be explained, whilst retaining the value of the overarching thesis.

Finally, it is by identifying the precise means by which deleterious outcomes for the poor are realised in a particular national context that the specific facets of the re-structuring which underpin the neo-liberalism project is made perceptible. Moreover, rendering visible the mechanisms underpinning austerity urbanism can – perhaps – also render visible opportunities for resistance. In the English case, the analysis has made visible the drastic erosion of the historic 'principle of equalisation' within local government finance and the impact of this erosion on the capacity of poorest cities to provide services commensurate with levels of need. In so doing, it suggests that if the political circumstances meant that such a principle could be reconstructed, then a mechanism would be in place which would mitigate rather than amplify the impact of neo-liberal restructuring on the economically marginalised.

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[i] In Scotland, the funding of local government is devolved to the Scottish Government which has taken a different approach, reducing the level of cuts in local government by putting a greater burden on health and other services.

[ii] Acknowledge funder here (anon)

[iii] A Scottish case study was conducted as part of the bigger project underlying this paper

[iv] Children's Centres provide integrated childcare, family support and childhood services

[v] Safeguarding is used in the UK and Ireland to indicate the need to protect people's health, wellbeing and human rights, and to enable them to live free from harm, abuse and neglect. Safeguarding concerns would be expected to be reported to the social work departments of local councils. This participant had taken the unusual step of reporting another department of the council the social work department