

**Cutting the ribbon?** The effects of  
austerity measures on the health  
of UK based HIV organisations

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# What is austerity?

- Global financial crisis in 2008.
- Manifesto of Coalition and Conservative Party since 2010.
- Underpinning this there are **three ideological and policy commitments:**
- 1) Cutting back the role of the state (neo-liberalism);
- 2) Promotion of localism;
- 3) 'Big Society' agenda promotes this localism further.
- Throughout this are notions of self-help and volunteerism (Donovan, 2012, Mendoza, 2015).
- By 2017 **the UK will have the lowest share of public health spending** amongst worlds biggest economies – on par with the USA (International Monetary Fund, 2016).
- 48% of people believe that ***budget cuts have gone too far and threaten social unrest*** (Ipsos Mori, 2013).

# Concerns of the Third Sector...

- Across the Third Sector **as a whole...**
- Charities feel they are there to now **'fill the gap'** left behind from a shrinking state.
- 'Green light' given to government to **outsource poverty risk and welfare support** to charitable sector (Atkinson, 2012, Lansley and Mack, 2015).
- In 2008/09 the GDP of the voluntary sector **fell by 6.3%**, amounting to £1.4 billion in 2011 prices (NCVO, 2013).
- This has led to a **"survival agenda"** (Crowley, 2012: 2) of downsizing, closing projects and letting staff go.
- The Third Sector has **become a transmission line of austerity at a local level.**

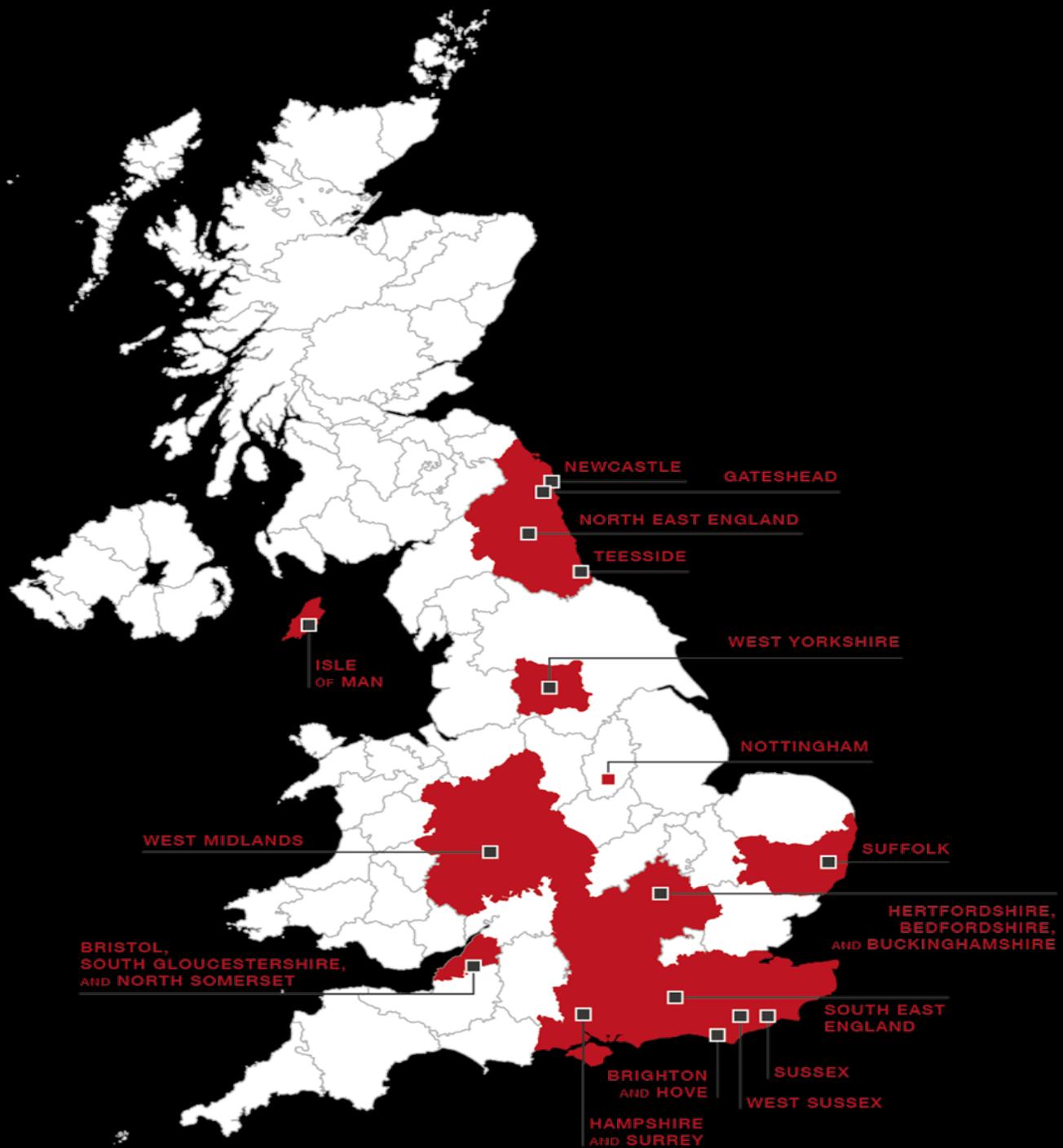


# What about HIV services?

- **Each new HIV diagnosis costs** between £280,000 and £360,000 in lifetime treatment costs (NAT, 2015). Long term repercussions for the NHS as services are cut for prevention...
- **Health and Social Care Act (2012)** shifted HIV prevention services from NHS Primary Care services to local authorities.
- In 2001/2 £55 million given for HIV. In 2014, **just over £10 million** (Godfrey, 2015).
- There is a **historical and cultural legacy of third sector growing alongside epidemic** when government funding was lacking. However, many of these organisations have professionalised and are now reliant on government funding streams.
- Evidence of **increasing demand for HIV services** and transmission rates largely increasing (Mitchell, et al, 2013).
- **One in six people living with HIV suffer extreme poverty.** Changing welfare policies affect them as does funding for new projects to address this support (NAT, THT, 2010).
- Appears to be a **'postcode lottery' in HIV support services**, with some local authorities removing their HIV provision entirely (Oxfordshire, Bromley, Norfolk, Portsmouth, Slough, Bracknell Forest, Bexley...)

# Sample...

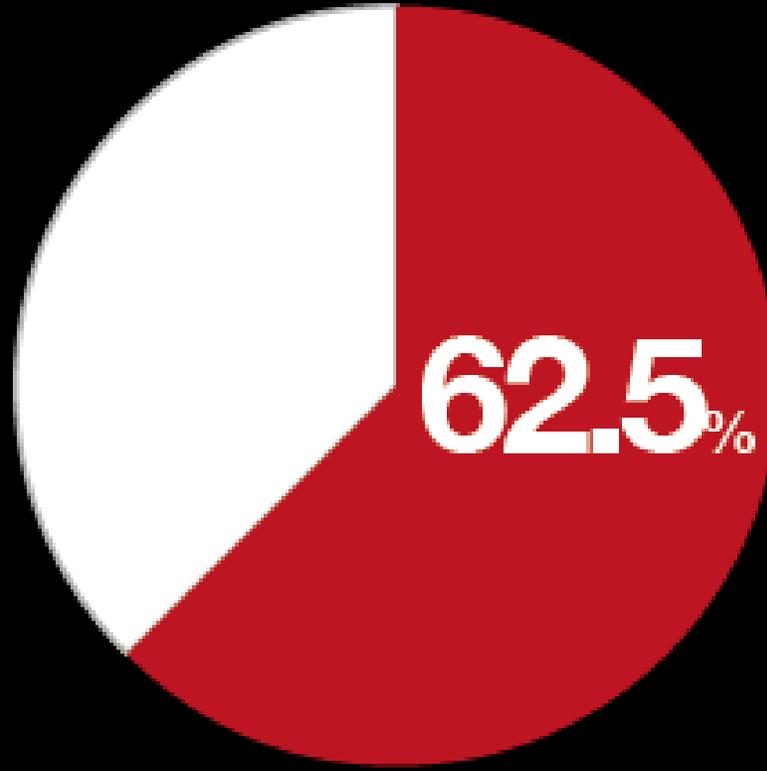
- Data collected **November to December, 2015**.
- Case studies of organisations in February, 2016.
- **24** organisations answered the survey.
- **4** case studies followed up.
- Map to right shows **regional organisations** who responded.
- Also **two UK wide** organisations;
- **One England wide** organisation;
- **One Scotland wide** organisation;
- **Three London only** organisations.



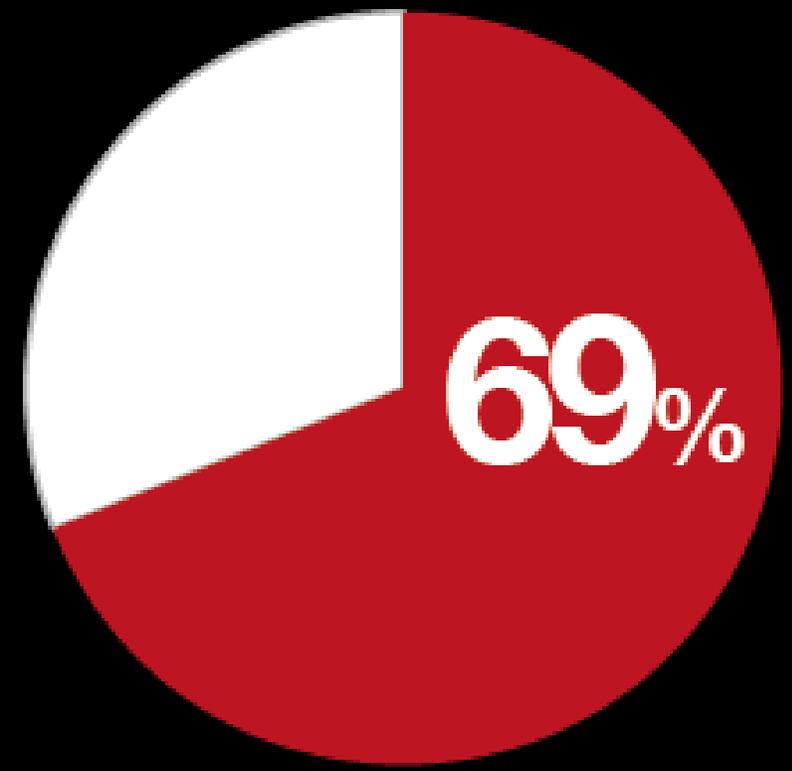
## **Result:** Using financial reserves...



**50%** of organisations have had to use their reserves to survive in the last financial year



**62.5%** only have enough current reserves to last up to three months



**69%** of organisations will have to use their reserves to survive in the upcoming financial year.

## **Result: Overall loss of income..**

- 31% of organisations **have no reserves at all.**
- Often smaller community organisations who said this. Usually geographically important and **offer face to face services.**
- **Only 1 organisation** had enough reserves to last 'over a year.'
- **Key issues amongst tendering** to local authorities as smaller organisations may not have capacity or skills to complete tender documents.
- Problem with an **organisations future 'health' to funders** if reserves are routinely used or close to being drained.
- **Difficulties** with funding fundraiser roles.

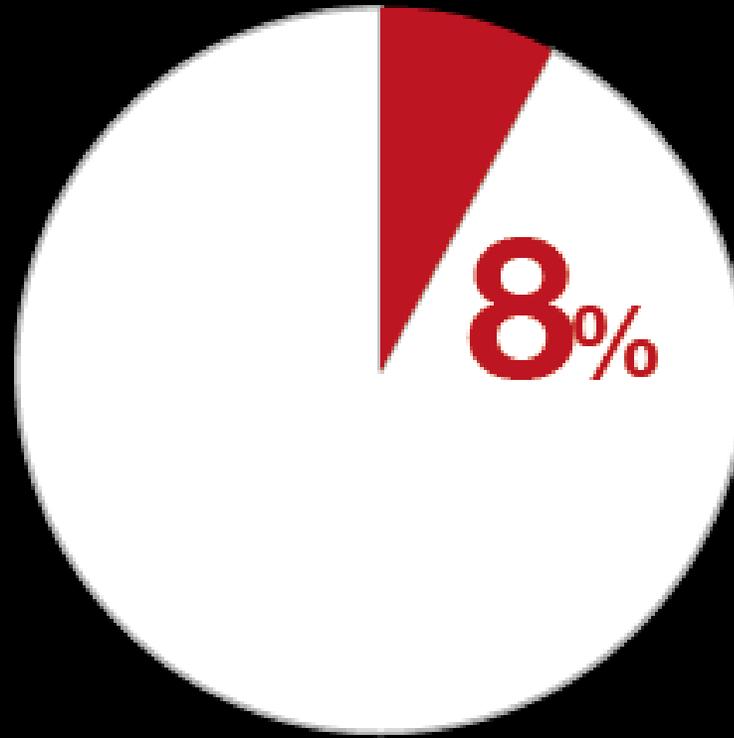


**TWO FIFTHS** of organisations have had an overall loss in income in the last financial year

## Result: Decreasing staff teams...



**TWO FIFTHS** of organisations have had to let go of paid staff in the last financial year



Only **8%** of organisations could increase their staff levels in the last financial year

- **Only two organisations reported an increase** in part-time staff (1) and increase in full-time staff (1) in 2014/15.
- **42% made staff cuts and redundancies** in previous financial year.
- **58% were largely stable** but concerned about future staffing in 2015/16. Asked:
- ***'From April, 2016 what do you anticipate?'***
- **8% will increase staff.**
- **58% will increase volunteers.**
- **17% will reduce staff.**
- **8% will merge organisations.**

## Result: Closing projects...

- 33% will **close** projects/services.
- 25% will **provide more** projects/services.
- Use of volunteers **instead** of paid staff? (58% increase)
- Volunteering brings £50 billion yearly to the economy (Elliot, 2014).
- Concern about **quality of provision** if services run by volunteers only.
- Access to **training** and **volunteer management**.
- High **turnover** of volunteers.
- Decreasing staff levels **who have contacts and knowledge** of other services locally and nationally.



**A THIRD** of projects in organisations will be closing in the coming financial year

## Result: Demand for services...



**TWO THIRDS** of organisations have experienced an increase in demand for their services in the past twelve months



**A THIRD** of organisations expect an increase in demand for their services in the year ahead

- **No single organisation** stated a decrease in demand for their services.
- **More austerity to come and more welfare changes.**
- “The voluntary sector is now playing a much more direct role in poverty relief” (Lansley and Mack, 2015: 221).
- Adaption happening and services starting to address welfare changes. **How will these be run?**
- Overall, **demand is rising** and is expected **to rise further.**

# Trends in qualitative feedback...

- **Concerns over financial security** (tendering, larger organisations 'swallowing up' smaller ones, staff workers doing unpaid work, tendering being lost out to smaller organisations, collapse of smaller geographical services).
- **Restructuring and evolving** (a recognition to evolve, changing services affecting vulnerable groups and being removed entirely, morale of staff).
- **Partnership working** (lack of partnership working in the sector, corporate dominance, 'silo' working, generic services and online services replacing face to face work. Leadership from larger organisations needed without dominance).
- **Survival agenda** (little evidence of longer term planning as organisations struggle to manage on a day to day level, short-termism).



## Recommendations from this...

- 1. HIV funding must be a protected area from any cuts under austerity.**
- 2. Local authorities must develop more user-friendly funding systems for smaller organisations with less infrastructure and skill bases.**
- 3. Local authorities who scale back HIV funding are not being accountable to their communities. The Third Sector should not be a replacement for local authority work.**
- 4. Need for medium and smaller organisations to survive with mentorship and leadership from larger organisations, rather than working individually.**
- 5. Central Government to provide volunteer training costs to organisations in the Third Sector under the Big Society agenda.**

