

London councils make some of UK's largest budget cuts

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London's 32 borough councils are currently voting through cuts to their budgets in the wake of a fall in the formula grant received from central government. This is the main grant from central government and the cuts will have a devastating impact.

The projected decline in revenue spending power over the next year as a result of this cut reaches nearly 9 percent in several boroughs. The smallest decline (0.61 percent) is projected for the affluent Conservative-led Richmond. Boroughs in the east and centre of the city with a higher population of workers on low or no incomes, like Labour-controlled Hackney, Tower Hamlets, and Newham, face a decline of 8.9 percent.

The poorest populations of every borough depend on this funding, so the range of decline hides the impact at a citywide level. The last three named boroughs are among the ten local authority areas with the highest estimated levels of severe child poverty, according to Save the Children. The charity estimates over a quarter of the children in Tower Hamlets and Newham live in severe poverty.

London already shows the widest local gaps in equality, often within the same borough. Research in the Tory-controlled Royal Borough of Kensington and Chelsea revealed a 12-year difference in life expectancy between its richest and poorest wards.

The gap in inequality in earnings and incomes has risen faster in London over the last decade than anywhere else in the country. According to the Hills report, commissioned by the previous Labour government, the richest ten percent of Londoners in 2008 had a total wealth 273 times that of the city's poorest ten percent. The total wealth of the poorest ten percent of the city's population was the lowest nationally, less than half the mean figure for the same bracket of population across the country as a whole. This is the layer that will be hit hardest by these cuts.

Not all councils have yet agreed the cuts they will be imposing, and some have been vague about the concrete details of the cuts in service provision, jobs, pay and conditions. From the budget decisions announced so far the

capital is to lose more than 8,000 jobs. But this is a conservative estimate.

Some councils have avoided quantifying the impact on jobs. Labour-led Greenwich voted to cut its budget by £48.6 million, but did not specify how many jobs would be lost—only admitting an £11 million cut from salaries. Labour-led Brent has announced the axing of 400 jobs, but this follows 350 jobs already lost. Newham is freezing recruitment, and estimates losing around 200 jobs, but Mayor Robin Wales also spoke of “working with staff to identify possible changes to their terms and conditions of employment.”

Ealing announced 300 job losses, with the likelihood of more being lost over the next three years. Tory Bromley, announcing cuts of £33 million over two years, said it would lose 109 posts with a consultation underway on a further 67 jobs.

Newham is to lose £100 million over three years. Labour-run Lewisham has agreed to cut £33 million from its budget in the next year alone. Kensington and Chelsea will cut £40 million in three years, of which £23 million will be imposed over the next year.

Westminster is to cut its budget by £60 million over two years, with half the cuts coming this year. Around 450 jobs will be lost over two years, from a current staffing level of 2,679. The Tory council will slash voluntary sector grants, including £630,000 from adult and community services, and £425,000 from children's services. According to Save the Children, 24 percent of Westminster's children are living in severe poverty, the fifth highest figure nationally.

All councils are claiming they will defend front-line services by making cuts to back-office functions. This is hardly credible. Children's centres and youth services are being targeted across the capital. Kingston is to reduce funding to children's and Sure Start centres by £1.75 million. Southwark will cut £5.7 million from its budget for children's social care and safeguarding in the three years from 2011. Kensington and Chelsea will cut £447,000 from environment and leisure services, £380,000 from family and

children's services, and £190,000 from adult social care services, and axe 150 jobs. Camden is to lose 1,000 jobs over three years and is looking to save £3.2 million from children's services. This could mean the closure of two children's centres, a reduction from 25 to 15 free weekly nursery hours, and a reduction in grants to nurseries and drop-in centres.

The Liberal Democrat/Conservative Redbridge council is to cut £25 million from its budget over three years, with the loss of 330 jobs from their 3,100 strong workforce. Of the jobs lost, 40 will be in adult care services and 38 in children's services. The council is aiming to save £700,000 in care for people with learning disabilities.

Cuts to transport and highways budgets will affect the most vulnerable. Redbridge will reduce by £250,000 the cost of transport to residential schools outside the borough. Over three years from 2011-12 Southwark is cutting £8.4 million from its Supporting People programme, which assists with independent living. Southwark's mental health and learning disability day services face a further review next year.

Eric Pickles, Secretary of State for Communities and Local Government, urged such back-office savings and consolidation of services with adjacent boroughs. Many councils are using this to disguise their assaults on service provision. Newham has insisted there will be no reduction in the level of library services, although consolidation of building use may see libraries close. Sutton, which is to lose 500 jobs, has spoken only of keeping its "main libraries" open. Other councils have been more forthright. Lewisham is to close five libraries, while Enfield is to cut £1.5 million from its library budget over four years.

Newham's Chief Executive Kim Bromley-Derry, whose salary is around £190,000, has admitted that the council is conducting a consultation on "introducing charges for some care services provided by the council." If these proposals are agreed, he says, "around one third" of service-users will be affected. Kingston is to increase charges for people who use home care services.

Such cost-cutting by privatisation was heavily promoted by Pickles when in opposition. The flagship Tory councils for this programme of privately-funded service provision are cutting even further. Barnet is to cut £29.1 million over the next year. Around 350 jobs, one tenth of its workforce, will be lost, and libraries, nursing homes and day centres will be hit. Hammersmith and Fulham will cut 700 jobs over three years, nearly half in the coming year. It says it will save £3.2 million from a "reorganisation" of family and children's centres.

These policies are being implemented by all the major parties in the face of growing popular opposition. Camden's Sarah Hayward claimed that Labour is "on the side of the

people who are protesting" but said "the power councils have to refuse to make cuts is limited."

Lewisham held their budget meeting early in the day to deter protesters, saying this was on the advice of the police. Police were on standby in Richmond in the event of protests.

In the face of hostility, councillors have paid lip-service to the protection of the most vulnerable. Southwark's Cabinet member for health and adult social care, Dora Dixon-Fyle, said the council had been urged to "make the cuts less severe where they impact on children, the elderly and the most vulnerable." This did not imply any defence of services, however, as "there are some things we simply can no longer do in the same way as the past."

Opposition to the cuts has mostly been organised at a local borough level, without a broader political perspective. Much of the opposition has been subordinated by the ex-left groups to support for the upcoming Trades Union Congress (TUC) demonstration on March 26. Labour councils are in fact dependent on the support of the trade unions in their implementation of these cuts. It speaks volumes that the TUC has welcomed the decision of Labour leader Ed Miliband—the political representative of many of those implementing these cuts—to address the demonstration. Lutfur Rahman, Mayor of Tower Hamlets, announced he would be attending while he was explaining to residents how he will implement £72 million of cuts over the next three years.

Fighting the cuts requires a break from the Labour Party and the trade unions, and the building of independent democratic organisations of struggle. The Socialist Equality Party is calling for the formation of popular committees of action, uniting all sections of the working class—the employed and unemployed, students, those trapped in unions and those who are not union members.



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