

# Unions pave way for jobs and services bloodbath in UK councils

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A jobs and wages bloodbath is underway in local councils across the UK.

This month, a joint Audit Commission/Local Government Association report, *Work in Progress: Meeting local needs with lower workforce costs*, declared that councils have no choice but to undergo “major restructuring”. The councils are facing budget cuts of almost 25 percent over the next two years, as a result of the government slashing central support funding.

The report warns that more than a third of all council jobs could disappear over the next two years. For a typical county council, currently employing 7,500 workers, just 2,500 will be left by 2014.

Councils have already reduced overtime and bonuses, cut jobs and pay, fired contractors and consultants, frozen recruitment and increased part-time work to slash 145,000 jobs—nearly 10 percent of the total workforce of 1.6 million people—this year.

Wages will continue to be frozen as they have been for the last two years, and already-undermined national wage agreements are likely to be scrapped.

Private companies, social enterprises and charities are lining up to take over council services worth up to £100 billion.

One winner will undoubtedly be Capita, the UK’s largest outsourcing company controlling nearly a third of the market. Last year, it increased profits by 12 percent, to £364 million, and dividends by 19 percent. It recently hosted a conference, “New Models of Service Delivery—Opening Up Local Government Services to New Providers”.

Labour-controlled councils across the country have cut budgets as badly, if not worse than Conservative or Liberal-Democrat ones, including this month in several

cities where Labour have huge majorities. In Liverpool, £30 million worth of cuts were approved unanimously by the 75 councillors present (the council is made up of 62 Labour, 22 Lib-Dem, 3 Liberal and 2 Green party councillors). *The Liverpool Echo* reported that the measures were seen as “largely politically uncontroversial.”

About 7,000 staff at Labour-controlled Doncaster Council face a 4 percent pay cut, and others will lose their jobs. Chief Executive Rob Vincent said, “We’re losing a lot of jobs, eventually it will be around 1,500 jobs that will go.” He was in “deep discussions with the unions to find the best possible balance.”

Some 1,100 jobs will go in Labour-dominated councils in the Tyneside area. Newcastle Labour leader Nick Forbes warned, “[I]t is clear that councils will never be able to return to the levels of what they were previously able to do, the level of funding we had in the last decade can only be dreamed about.”

In Gateshead, 450 posts will go. Disability day services will be cut and Birtley Day Centre closed, as will day care centres for the elderly at Marigold, Winton and Callender. Library staff will be replaced by volunteers, and around 50 community centres have been told to become self-financing. School music services will be cut and several youth centres closed down.

In Labour-controlled Camden council in London, the equivalent of 441 full-time workers have left since April, out of a projected 970 total job losses by 2014—around 20 percent of the workforce.

The Labour-controlled London Borough of Ealing Council has imposed cuts that prompted Conservative opposition leader David Millican to remark, “Labour needed to find £55 million in savings but they are actually saving £85million.”

This offensive is being mounted with scarcely any opposition from the local government unions. Their role is exemplified by events at Southampton City Council (SCC), with the unions hailing a campaign of rolling strikes as the model for struggles across the country.

SCC is at the forefront of the Conservative/Liberal-Democratic coalition government's attempts to make working people pay for the economic crisis. Its "Change Programme" is aimed at the wholesale privatisation of public services. Council leader Royston Smith said, "The reality is that we have to find savings of more than £76 million and we cannot afford to maintain the status quo."

In the past year, SCC has cut wages by up to 5.5 percent and axed hundreds of jobs. Hundreds more are planned, and redundancy payments are to be capped at £30,000. In contrast, the council's environment director, Lorraine Brown, took voluntary redundancy in the summer and received £338,000, including £204,000 in early pension contributions. Neighbourhood's director, Nick Murphy, got a £93,500 compulsory redundancy payment, then took up a £140,000-a-year job as CEO of Nottingham City Homes.

The council is also selling off as much of its property as possible. Nearly 200 sites, worth a total of about £65 million, have been targeted for sale. Capita is involved in SCC's Change Programme. In 2007, it began a 10-year contract with SCC to provide human resources and payroll, IT, revenue and benefits, customer services, property and procurement services involving the transfer of 650 posts. The cost of the outsourcing doubled from original estimates to £290 million. The company boasts of the "positive union relationships" it has established.

Phil Wood, regional secretary of Unison, responded to SCC's latest proposals with the words, "When you think that it was only 12 months ago that they were saying to people in Southampton 'if you take a reduction in pay it will help save your jobs', I think our members working in the city council are going to wonder what's happening to them."

This is an insult to SCC workers and a cover for the union's demobilising of opposition to the jobs and services cull. The rolling strikes have been designed to prevent a general mobilisation of the working class against the Conservative/Liberal Democrat coalition.

The unions have refused to fight the privatisation of swathes of the public sector, saying it was "political" and forbidden by the anti-union laws. Instead, limited industrial action is used to dissipate the opposition, while putting pressure on management to recognise the unions as a vital industrial police force.

The unions have now told SCC workers to place their faith in legal appeals for unfair dismissal and against the council's failure to properly consult. They have attempted to corral them behind a campaign to get Labour elected in next year's local elections, even though Labour Group leader Richard Williams announced Labour plans to sack 1,500 workers in the local media, adding, "I've been very clear.... There will be redundancies [if Labour comes to power]."

There is no way the offensive at Southampton or any other council can be defeated unless the stranglehold of the unions is broken and the fight to defend jobs, conditions and pay is taken up by the working class.



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