

Mass austerity to be outlined in UK government spending review

Robert Stevens
24 June 2013

The budgets of local authorities in England are to be further slashed in the Conservative Party/Liberal Democrat government's spending review, to be announced this week.

A BBC report suggests councils face a 10 percent cut in the finances they receive from central government (equivalent to £30 million per council). By the time of the next election, due in 2015, councils will have suffered an unprecedented one-third reduction in their budgets.

The spending review will cover a single financial year, 2015/2016, but is intended to make austerity last beyond a 2015 general election. Other government departments are facing cuts averaging 8 percent.

The BBC cited an unnamed minister who said of the upcoming spending cuts announcement, 'The wire-cutters are well and truly out'. It reported, 'Communities and Local Government Secretary Eric Pickles has accepted in principle that the £21bn budget could be reduced by this amount.' As a result of horse-trading, Pickles will gain greater control over some other budgets and 'make savings in areas where spending currently overlaps between departments.' The BBC notes that the new agreement with Pickles 'could mean that some health spending would be removed from the so-called ring fence and no longer protected from cuts.'

When the coalition government launched its austerity programme in 2010, it claimed that National Health Service (NHS) spending was to be exempted. This was a lie, as a £20 billion programme of 'efficiency' savings, previously agreed to between the previous Labour government and NHS chief David Nicholson was immediately implemented.

However, the new formula would officially end the policy of 'ringfencing' health spending from overall

austerity.

The Local Government Association (LGA) said that in order to achieve a 10 percent cut, they 'would have to reduce spending on a broad combination of non-statutory services which might include children's centres, museums and sports centres, as well as reduce road maintenance budgets, increase bus fares and switch off street lights between midnight and dawn'.

Proportionately greater cuts are expected to be made in Wales as Welsh Local Government (WLGA) minister Lesley Griffiths said Welsh councils will no longer receive 'relative protection'. Until now, they have had their budgets cut by around half the amount of those in England—around 8.4 percent since 2009/2010.

WLGA director Steve Thomas commented last week, 'We know that in England, in the first year of the cuts process in 2010-11, libraries were closed en masse, we saw leisure centres closed, we saw huge staff reductions across English local government—in total I think there's been around 230,000 job losses. That carnage continues.'

Describing future cuts as 'nightmarish', he added, 'The impact on those smaller services, like environmental health, leisure, trading standards, transport, things people really care about, could be carnage.'

Whilst the cuts have been on a smaller scale than in England, they have had a devastating impact on the working class population of one of the poorest regions of the UK. This will now significantly worsen.

Labour Party-controlled Swansea council is faced with a £7.7 million deficit in its 2013-2014 budget and plans job losses as well as early retirement and voluntary redundancy. Council Tax is also increasing by 3.8 percent.

Cardiff Council, also Labour-run, passed cuts of £22 million in February, as part of an overall £110 million in cuts being made. Around 300 jobs are to go as well as the cutting of funding to services including libraries and an outdoor education service. Fees will increase for the usage of sports pitches, school music lessons and city centre on-street parking.

In April, Torfaen Council increased Council Tax by 3.35 percent. Rhondda Cynon Taf Council has a £9.6 million deficit and said it was considering cutting weekly refuse collection and 'tougher decisions in other areas'. Already planning to make £4 million in efficiency savings, a further £5.6 million reduction is being sought for the forthcoming year.

Powys Council, employing 5,000 full-time staff, has received a £30 million cut in its base budget. As a result, 100 jobs could be lost. The Vale of Glamorgan Council is to cut £4.4 million in services and Carmarthenshire Council £3.9 million.

In the last three years, billions of pounds in cuts have been made throughout the UK. Vitally needed services have been terminated and slashed to the bone, with hundreds of thousands of council workers losing their jobs. That such devastation has taken place is entirely the responsibility of the Labour Party, which runs the councils in virtually every major urban area. They have carried it out in alliance with their accomplices in the trade unions, who have ensured that all struggles in opposition to the cuts have been isolated and sabotaged. Councillors who have opposed the cuts have been suspended.

On June 16, a letter published in the *Observer*, signed by LGA chairman Sir Merrick Cockell and leaders of Labour Party-run councils, raised concerns that further huge cuts would have 'serious' consequences.

Noting by the 'end of this parliament, councils' funding from central government will have been cut by 33 percent', it states, 'This pattern cannot be repeated without it having a serious impact on local services and people.'

'Councils have so far taken £3.1bn from the annual pay bill, reduced management costs by more than 12.5 percent and saved hundreds of millions of pounds by teaming up to provide both back office and frontline services.'

The signatories warn, 'The resilience of local

government cannot be stretched much further. For many councils, new funding cuts in 2015/16 will lead to a significant reduction in, and in some cases even loss of, important local services.'

The letter proposes no opposition to the cuts. Instead it demands the government embark on 'a rewiring of public services'. This would entail 'devolving budgets away from Whitehall to increase co-operation between public agencies, save money and improve services.' In other words, the proposal is that central government give local authorities more of a say in where cuts are made.

Over the last weeks, the Labour Party has made a series of policy statements in which it has pledged to maintain key elements of the coalition's austerity programme. On Saturday, Labour Party leader Ed Miliband went even further and stated that the entire austerity agenda of the coalition will be maintained.

Speaking to the party's National Policy Forum in Birmingham, he said, 'Nobody here should be under any illusions: the next Labour government will have to plan in 2015 for falling departmental spending.'

Miliband warned, 'And our starting point for 2015/16 is that we won't be able to reverse the cuts in day to day, current spending unless it is fully funded from savings elsewhere or extra revenue, not from more borrowing.'

'So when George Osborne stands up next week and announces his cuts in day-to-day spending, we won't be able to promise now to reverse them because we've got to be absolutely crystal clear about where the money is coming from. We will show the discipline the challenge of our times demand. It is the only way we can credibly change our country. It's a hard reality.'



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact