UK local government spending will have fallen by a third by 2015

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Local government spending in England (excluding police, school and housing benefits) will have fallen by nearly 30 percent in real terms between 2008 and 2015. Spending in Scotland will have declined by 24 percent.

These are the findings of a Joseph Rowntree Foundation (JRF) report examining the impact of government austerity measures.

The research carried out by Glasgow University is part of a series of reports commissioned by JRF "to track, understand and highlight the effects of policy changes, tighter public spending and the state of the economy on poor people and places."

The impact of the cuts, unsurprisingly, falls heaviest on poorer areas and deprived local authorities, "with a difference of around £100 per head in both England and Scotland."

The report notes that "local government is one of the foremost causalities of austerity in the UK." The impact is worsened because "Public services play a much more important role in the lives of people on low incomes."

Three local authorities were used as case studies, two classed as deprived areas, Newcastle and Coventry, and the third considered to be a non-deprived area, Milton Keynes.

The report points out: "Taking nearly 30 percent out of local authority budgets, while still expecting them to deliver the same statutory services and respond to increased demand for some services, represents a massive challenge."

Government cuts mean the demand for some local government services, such as looking after children, increases at the same time as incomes (apart from government grants) fall. Changes in local government finance such as getting rid of the Area-Based Grant, which targeted deprived areas, also adds to the disproportionate effect of cuts.

The case studies show how the three authorities attempted to deal with cuts in finance by applying "efficiency" measures through organisational change projects. The report notes: "These [organisational changes] have been underway since at least the 2008 recession, which led to the incremental reductions to local government budgets in the last years of the Labour Administration. However the budget contraction announced in the 2010 Grant Settlement (money from central government) provoked a step change in the nature and scale of these programmes."

The report continues: "One of the main ways in which efficiencies have been generated is via a substantial programme of staff reductions, managed in large part via voluntary severance…many senior posts have been deleted through 'management delayering.' "

For Newcastle, an area heavily dependent on the public sector for jobs, by 2015-2016, 2,300 full-time equivalent posts will have been eliminated. This represents more than a third of the number of posts that existed in 2010.

The job cuts are affecting staff morale and performance. The report quotes a senior council officer: "You work harder…much harder. Sometimes the quality's being compromised…. We can't do as much as we want to do, and I find that hugely frustrating."

Councils claim to have attempted to protect frontline services by concentrating cuts via "back office" measures, but the report notes: "As austerity unfolds, however, front-line services are likely to be increasingly subjected to changes beyond efficiency measures…efficiency savings were becoming harder to find.… As the number of people providing key services is cut down, there is a growing risk that the services will not have the resilience or capacity to respond to

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additional pressures. There is…concern about the impact and cost of service failures."

The report comments: "Retrenchment in respect of direct service provision has been ongoing since the 1980s and the advent of the 'enabling local authority', which focussed on commissioning rather than delivering services. However, the evidence of this research is that a steep change is on the horizon in relation to the role of local councils in both the direct and indirect provision of a broad range of services."

Retrenchment will mean "A narrowing of the range and level of services provided" and "More targeting of services on social groups with higher need and vulnerability." Council assets face being transferred to the private sector.

The JRF report is backed up by a separate report produced for the Special Interest Group of Metropolitan Authorities (SIGOMA). SIGOMA represents 45 local government authorities covering a quarter of the English population, comprising more deprived areas and based mainly in the North and Midlands.

The SIGOMA report notes that "there is a clear and unambiguous relationship between a more deprived local authority area and the level of impact of welfare reforms."

It estimates that since the election of the Conservative-Liberal Democrat coalition government in 2010, the per capita loss of funding by 2017-2018, including welfare reform for the SIGOMA areas, will be £685 compared to an overall average for all English authorities of £487.

These figures are staggering in their implications for the fate of vital services on which millions rely. But both reports also serve as an indictment of the Labour Party. The most savage attacks on local government in history began as a result of the bailout of the banks in 2008 by the then-Labour government. Hundreds of billions of pounds were given to the banks, and the bill had to be paid for by the working class in terms of cuts in pay, benefits and public services, including local government services.

This only began "incrementally" because initially it was necessary to reflate the economy to avert a complete meltdown. But the more devastating cuts imposed by the Tory-Liberal Democrat coalition have been faithfully implemented by Labour councils such as Newcastle and Coventry—even while they mouth platitudes about "protecting frontline services."

As a result, according to a recent Office for Budget Responsibility pronouncement, by 2018 government spending will be proportional to that of 1948.

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