

£40 billion in UK local authority cuts by 2020

Margot Miller, Robert Stevens
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The loss and destruction of many local government services in the UK is to escalate over the next six years. Massive cuts resulting in hundreds of thousands of job losses and the elimination of vitally needed services have already been imposed by local councils nationwide

A new report, “Future funding outlook 2014”, by the Local Government Association (LGA) states that, just on the basis of the current level of cuts, by the end of the next parliament (2020), “The savings that will have been made by local government will be in the range of £30-£40 billion.”

By the end of the current parliament (2015), it notes, core funding for councils will have reduced by 40 percent. The LGA adds that “our research shows that 2015-16 will for many be a year in which services have to be scaled back significantly.”

By March 2016, local councils face a funding gap of £5.8 billion. This translates into an overall cut in services of 12.5 percent. The funding gap referred to is the difference between the total money councils will have next year (£46.3 billion) and the amount of money they would need to maintain 2013-14 levels of service.

The total funding gap is predicted to rise at an average rate of £2.1 billion per year until 2019-20, when it will reach £12.4 billion.

The report was introduced by the chairman of the LGA, Sir Merrick Cockell. Cockell is the leader of the Royal Borough of Kensington and Chelsea council and a leading Conservative politician. He wrote, “In the last year we’ve seen encouraging signs that the economy is recovering.” However, he soon departs from that optimistic tone, stating, “Councils are shouldering the biggest spending cuts of any part of the public sector and the Office of Budget Responsibility predicts that the next spending review period will see more of the same.”

Cockell says that in an improving economy, “people

will expect the services which underpin our daily lives like care for the elderly, the upkeep of our roads or the collection of our waste, to improve with it... Instead, we’re on course for the upturn in the nation’s finances to coincide with services teetering on the edge of failure and some councils on the brink of financial collapse.”

“The public’s expectations need, therefore, to be grounded in a new reality.”[emphasis added]

Pointing to growing opposition and anger after years of worsening cuts, Cockell states, “People’s concerns about the impact council cuts will have on their families are starting to increase but most people are not prepared to accept fewer services from their council to help pay off the national debt.”

The ruling elite are well aware of the planned scale of the onslaught being carried out on behalf of the super-rich and the scale of opposition that is brewing. Services for the elderly as set to be pared down even more or wiped out under the new round of cuts. For example, according to the LGA, the share of the funding gap for adult social care to March 16 is estimated to be £1.9 billion. Since 2010, when the Conservative/Liberal Democrat government came to power, local authorities have made total cuts of £1.8 billion in their budgets for adult social care.

Already a third of the elderly (over 65 years) are denied state-funded essential services, and the numbers actually receiving help has fallen over the last successive five years from 1.3 million to 928,000 due to the application of more stringent qualifying criteria. While services are cut, the number of people in the UK over age 85 is set to double in the next 20 years. Similarly, the number of people 65-and-over is set to increase by 23 percent by 2035.

In the UK, there are 800,000 mainly older people who suffer from dementia and require professional support. This number will rise to one million by 2021. Two

thirds of dementia sufferers live in the community, while the remaining third live in care homes. Of people living in care homes, 80 percent suffer from some form of dementia.

Cockell warned, “Council finances are on a knife-edge and the old way of doing things—including the way we care for our elderly population—just won't work anymore”.

He continued, “Next year will be a make-or-break moment for adult social care, for local services provided by councils and the NHS.”

Cockell's answer is to call on councils to end the “vicious cycle of overspending on a broken system” and to implement the Better Care Fund. This is not new money, but a limited pooled amount from both the National Health Service and councils to enable a “joined up approach between councils and the health service that will provide better support for less money.” How less money can improve services he doesn't say.

In response to the LGA's report, Local Government Minister Brandon Lewis said it was “doom laden and alarmist.” Insisting on more cuts, Lewis said “Councils account for a quarter of all public spending so they must continue to play their part reducing the deficit.”

Among his suggestions was that councils should raid the “£19 billion piled-up in reserves.” What he didn't explain is what these reserves are there for in the first place.

In May, the LGA published a report based on the responses of local councils as to how they would deal with further cuts. Almost half of councils who responded said they already planned to use money that was kept in reserve. But these finances are only supposed to be accessed for dealing with emergencies, such as floods or major infrastructure projects.

In his reply to the LGA, Lewis was telling the truth when he said, “All the main political parties now agree that public spending is going to remain constrained well into the future.”

The opposition Labour Party is also fully committed to permanent austerity, as it matches the Tories step-for-step. In January, Labour pledged to introduce laws to enforce tough fiscal rules if it wins the election in 2015. The announcement by Shadow Chancellor Ed Balls replicates the anti-democratic measures imposed on countries such as Greece by the European Union, where massive spending cuts have been made legally binding.

The entire cost of the crisis of capitalism, including the £1.3 trillion bailout of the UK banks in the aftermath of the 2008 global crash, is being entirely borne by working people. It is being clawed back through job losses, the slashing of living standards and the slashing of vital public services, built up over decades by councils.

In contrast, the richest in society have piled up staggering levels of wealth over the same period. In just the last year, the richest 1,000 people in the UK increased their wealth by almost £70 billion, to £518.975 billion from last year's total of £449.654 billion.

The £70 billion would be more than enough to reverse all council cuts set to take place between 2011-2020, as well as all the £20 billion in cuts currently being made in the National Health Service.



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