

UK faces further round of austerity measures

Robert Stevens
19 November 2014

Tens of billions in additional austerity cuts are to be made by the central government in the UK over the next five years.

Going into next year's May general election, the Conservative-Liberal Democrat coalition had claimed that its cuts programme was almost complete, with a final £25 billion reduction in public spending required over the next parliament to bring it to a conclusion.

These claims have been exposed as lies by data from the Office for Budget Responsibility (OBR) on spending up to 2018-19. An analysis of the figures by the *Financial Times* revealed that an extra £48.7 billion in public spending reductions is needed. During that period, total public spending is projected to fall from £312 billion in 2014-15 to £264 billion in 2018-19.

Cuts already imposed nationally and carried out by local authorities have led to the loss of hundreds of thousands of jobs and the reduction and closure of many vitally needed social services. The raft of new cuts to be inflicted by whichever government emerges from the next election will be even deeper and more widespread.

Meeting the public deficit reduction target will mean that departments not officially "ringfenced" will face cuts of 33 percent over the next five years, compared to 21 percent since 2009-10. The FT's research found that total public spending in "unprotected" areas will fall from £144 billion to £96 billion.

On November 10 the *Guardian* revealed that the Treasury were already demanding government departments draw up plans for billions more in spending cuts for the two years after the current spending review up to April 2016 expires. Between £25 billion and £30 billion in cuts are being planned for the financial years 2016-17 and 2017-18.

Speaking to the annual conference of the Confederation of British Industry (CBI) in October, Prime Minister David Cameron said the government

had "inherited a situation where Britain had the biggest budget deficit of almost any country in the world."

The government had "cut around £100 billion of public spending," as well as another "£14.5 billion of efficiencies within government," he said, and "managed to reduce the size of the Civil Service to its lowest level since the Second World War."

Cameron was referring to the latest official figures showing that in the years between 2010 and 2013, half a million public sector jobs were cut (about a sixth of the total) with the number employed falling from 2.9 million to 2.4 million.

The rich would only continue to get richer Cameron reassured the CBI: "We've been looking at your agenda: we cut corporation tax, now coming down to 20 percent, the most competitive rate of any advanced country, and we've said we're going to keep it the most competitive rate."

Mass austerity would continue, he warned, adding that "we've made good progress but there's a huge amount left to do." Throwing the gauntlet down to the opposition Labour Party, he claimed the next election would be "a competition about who can make savings most efficiently."

The figures cited from the FT come from a series, "Britain and the cuts". Its purpose is to insist that there is no alternative to far deeper cuts. The FT's efforts are summed up in one of the articles, "Election winner faces unfinished business", which notes, "whoever wins the next election will have to grapple with Mr. Osborne's half-finished programme and the prospect that some of the toughest cuts are yet to come."

One of its articles, headlined "Britain and the cuts: Business wish list" states, "Part 3 of FT series finds bosses wanting deeper welfare cuts and end of NHS ringfence."

Of a sample poll of 172 members of the CBI, the majority wanted to end the official ringfencing of

National Health Service (NHS) spending and more than a third (39 percent) wanted the deficit reduction to be achieved entirely through spending cuts rather than tax rises. That the NHS is ringfenced from cuts is a transparent fraud, as a five-year programme of £20 billion in NHS “efficiency savings” is ongoing, scheduled to be completed by 2015.

More than four out of five of the polled CBI members wanted more of the public sector opened to the private sector, as well as access to social housing management. Massive areas of the public sector are already in private hands. According to the Information Services Group consultancy, the amount spent on outsourcing services to the private sector has doubled to £88 billion since 2010, as the privatisation of health care and welfare and justice has accelerated. The process was begun by the previous Labour government, with £45 billion spent on outsourcing in their last four years in office.

The *Daily Mail* responded to the FT’s findings with an article by columnist Simon Heffer, headlined “‘Savage cuts’? You ain’t seen nothing yet.”

Citing Conservative Health Secretary Jeremy Hunt’s insistence that an additional £10 billion in NHS spending cuts are required, Heffer wrote, “But the NHS will have to go further: that means charging for some GP visits, ending many elective operations—such as for some cosmetic surgery—and privatising hospital management.”

The majority of the UK’s councils in the major urban areas are run by the Labour Party and have carried out every cut demanded of them.

Tony Travers, a professor of government at the London School of Economics, told the FT, “The Treasury is amazed by councils’ abilities to implement the cuts, I’m amazed as well.”

Labour is pledged to maintaining whatever Tory spending cuts are in place if it wins the 2015 election. But as the election draws closer, the party is recalibrating its austerity programme in order to enlist the support of the financial aristocracy.

To this end, councils throughout the UK have begun announcing massive cuts programmes to be finalised and passed in their 2015 budgets. Birmingham City Council, the largest in the UK, plans to carry out around £150 million of cuts. It is to force through a further £300 million of cuts over four years, including shedding another 6,000 jobs. This is on top of £460

million in cuts since 2010.

Manchester City Council, also Labour run, has outlined nearly £60 million in cuts for the upcoming year, including plans for 600 redundancies. Cuts could rise to around £90 million in 2016-17. These are to follow £250 million in cuts inflicted between 2011 and 2015, equating to Manchester’s residents being hit with a spending reduction of £311.94 per head in an area that has the fourth highest level of deprivation in the country.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact