

UK Chancellor “negotiates” decimation of public services ahead of spending review

Simon Whelan
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British Chancellor George Osborne has negotiated cuts with 11 governmental departments, ahead of next week’s spending review. The result will decimate already hard-pressed public services and lead to further job losses.

The government began the so-called negotiations by demanding cuts of between 25 percent and 40 percent to department budgets. Osborne has boasted that he had secured an average of 30 percent cuts to the first four departments to complete negotiations—the Treasury, Transport, Local Government and the Department of Environment.

The full results of the spending review are revealed in Wednesday’s Autumn Statement. Towards the government policy of turning Britain’s deficit into a surplus by 2020, departments will be expected to cut day-to-day spending by 8 percent year on year over the next four years through “efficiency savings and closing low value programs.”

Osborne has made clear defence is not only protected, but will see an increase in spending of 0.5 percent above inflation during the parliament, not including the £80 billion expected cost of replacing the Trident nuclear programme. And, despite cuts to the Justice Department, the Chancellor found enough funding to announce the building of nine new prisons as well as a “substantial increase” in funding for the intelligence services.

The Environment, Transport, Treasury and Local Government departments have already had cuts of 30 percent, 13.4 percent and 30 percent respectively, rising to 51 percent in the latter. Now they have all agreed to reduce their budgets by a third.

The Home Office, Justice Department and Culture, Media and Sport departments are still in negotiations. They have seen cuts of 25 percent, 34 percent and 31

percent.

Work and Pensions has reached agreement, although the details have not been announced. Some £21 billion has been cut from the welfare budget, a reduction of 35.8 percent. Osborne had already said that he wanted a further £12 billion reduction by 2018/19.

Overall, the 11 departments have agreed an average cut in real terms funding of 24 percent over the next four years.

The cuts made by the previous Conservative-Liberal Democrat coalition have already brought about hundreds of thousands of redundancies with social services either slashed or abolished. According to a survey published by the *Financial Times* in July, local authorities have scrapped access to vital services for 150,000 pensioners and cut child protection spending by 8 percent since 2010. Local authority budgets have been cut by a staggering £18 billion in real terms since 2010.

Research conducted on behalf of the Joseph Rowntree Foundation concluded that because of the cuts already enacted in the poorest local authorities, provision has shrunk to not much more than providing basic social care, child protection and other absolute core services. Funding for children’s centres has been cut by 28 percent in the last three years.

At least another £9.5 billion in local authority spending cuts is planned by 2020. The new round of cuts will inflict even more job losses on working class communities at the very moment vitally needed public services are destroyed.

The Conservative government seeks to legitimise the decimation of public services with claims that public finance must be placed firmly in permanent surplus. Osborne justified the latest round of cuts by stating, “I know some ask: why do we need this surplus? I’ll tell

you why: to protect working people.” Claims to be “repairing public finance” by slashing and burning public services is the same type of rationale as “destroying the village in order to save it.”

The right-wing media never challenged Osborne to explain how having the best interests of the workers at heart squares with the fact that visits to workplaces by health and safety inspectors have fallen by 91 percent in the last four years.

The chancellor admitted that public services must go and public coffers be emptied in preparation for bailing out the banks when the next economic crisis hits, when he said, “A surplus will make our country more resilient, safe and secure. It means that next time we have the money to help us through the tough times when the storms come. Let me put it another way: if our country doesn’t bring the deficit down, the deficit could bring our country down.”

Prime Minister David Cameron exposed himself to ridicule when it was revealed that he had written in September to his local Conservative council, complaining about the very cuts his own government policies have brought about to libraries, day care centres and museums.

As an MP, the prime minister represents the local constituency of Witney and will only have raised such an issue based on concerns within ruling circles about the political and social consequences of ever-deepening austerity, now taking their toll even in Tory strongholds.

In communications leaked to the local *Oxford Mail*, Cameron wrote to the Oxfordshire County Council Tory leader Ian Hudspeth offering him “further dialogue” with his aides and policy unit on how exactly they should make enormous cuts without anyone apparently noticing. He suggests the council should be “making back-office savings” and must “sell surplus property”.

Hudspeth had to spell it out to his party leader that his council had already drastically cut back office functions, laid off 2,800 council employees including 40 percent of senior posts and had sold off all the property they could spare. He pointed out the shortsighted nature of such measures, the one-off financial accumulation and even questioned its legality. He pointed out that local authorities had to take on board legal responsibility for public health and social

care.

Hudspeth’s written response to Cameron was quoted in the *Oxford Mail*: “Excluding schools, our total government grants have fallen from £194 million in 2009/10 to £122 million in 2015/16, and are projected to keep falling at a similar rate. I cannot accept your description of a drop of funding of £72 million or 37% as a ‘slight fall’.”

Cameron’s assertion that “only” £204 million in cuts had been made in the local area was challenged by Hudspeth, who stated that £626 million had been slashed.

Oxfordshire is one of the more affluent areas in the UK. Cuts made in the more working class and poorer regions of the UK dwarf those carried out in wealthier areas. According to a survey published in September, councils in the poorest areas were hit with spending cuts 18 times higher than in more affluent areas. Funding for the 10 most deprived local councils fell on average by £681.04 per household. Of the 10 wealthiest councils in the UK, four actually received an increase in their funding.



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