

Labour Party-run councils escalate austerity in UK

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Councils in England are facing the biggest cuts to local government funding since 2010.

Figures from the Local Government Association (LGA) indicate that the revenue support grant, which is the main source of government funding for local authorities, will be cut by 36 percent next year—the largest annual reduction in nearly 10 years. This equals a loss of £1.3 billion of central government funding for local services in the 2019/20 financial year.

In total, councils across England will see the funding they receive from central government slashed by as much as 77 percent by 2020. Almost half of local authorities (168) will no longer receive any central government funding by this year, with councils facing a funding gap of £5.8 billion.

The decades-long onslaught on the public provision of services by the British ruling elite, exacerbated since the 2008 global financial crash, has led to a crisis within local councils across the country. Reports appear on a daily basis detailing the savage effects of budget cuts on local communities, with virtually every municipality witnessing an increase in food-bank usage, homelessness and poverty, and seeing the closure of valuable public resources such as libraries and leisure centres.

According to Labour councillor Richard Watts, Chair of the LGA's Resources Board, the loss of £1.3 billion of central government funding "is going to tip many councils over the edge. Many local authorities will reach the point where they only have the funds to provide statutory responsibilities and it will be our local communities and economies who will suffer the consequences."

Against this backdrop, Labour councillors from across the UK wrote an open letter to the Conservative government criticising the cuts to councils. The letter, which announced a campaign launched by Councils Against Austerity at the Labour Party Annual Conference,

was signed by 24 Labour council leaders and 12 local Labour group leaders. It called on the Tory government to "recognise the catastrophic impact which eight years of uninterrupted austerity has had on local government."

Appealing to the government to reverse the "disastrous policy of austerity that has dominated thinking in the Treasury since 2010 and has been disproportionately weighted against local authorities," the open letter called for a "needs-led approach" to funding and for more local control over council tax rates.

Labour council leaders who signed the open letter include Joseph Ejiofor from Haringey, Susan Hinchcliffe of Bradford, and Barking and Dagenham leader Darren Rodwell.

In fact, one of the focuses of last month's Labour Party annual conference was ostensibly the party's opposition to, and fight against austerity measures and their impact on local councils.

Labour leader Jeremy Corbyn delivered a speech in which a significant section was dedicated to criticising Tory austerity measures and praising Labour councils for standing up against them:

"Eight years of destructive austerity and obsessive outsourcing have left... councils teetering on the precipice....," he proclaimed, "[A]nd this Government must be held to account for their social vandalism. It is Labour councils and only Labour councils that are taking every step to protect people and services and we must thank them for it."

This could not be further from the truth.

Claims that the knock-on effects of these austerity measures are merely the result of central government Tory malignancy, and that Labour is the defender of working people against cuts to vital public services, are utterly disingenuous.

Far from standing up to Tory-led austerity measures, Labour councils have loyally imposed every cutback

demanded of them, and in many cases are blazing the trail when it comes to attacks on public services and facilities. Local authorities have in effect become property speculators, in moves pioneered by Labour councils. Selling off social assets to private developers, they have earned themselves windfalls in the process.

According to property market data, local authorities in England and Wales spent £758 million buying up commercial property in the first eight months of 2017.

Labour-run Haringey for example, whose new council leader, Joseph Ejiofor, signed the open letter to the government, planned a £2 billion transfer of local authority assets to private developer Lendlease through a 50:50 partnership—the Haringey Development Vehicle (HDV). This would have seen huge swathes of public housing demolished to make way for 6,500 expensive private homes, forcing thousands of working-class families out of London.

Massive public opposition put a halt to the HDV. Haringey Labour members successfully fought for the deselection of Blairite councillors who had given HDV their backing. Having built up intimate connections with property developers, Blairite Claire Kober departed as council leader to take up a lucrative position as director of housing at the housing management group, Pinnacle. The council, however, is still pursuing a social cleansing agenda, with working class areas remaining under the threat of demolition.

In Bradford, whose leader Susan Hinchcliffe was another signatory to the open letter, £30 million of cuts were agreed by the Labour-council earlier this year, primarily targeting adult social care and school nursing and health visiting.

Liverpool, the city which hosted Labour's conference, has seen some of the worst cuts to public services in the country. Last year the Labour-dominated council slashed £90.3 million from local spending, to be enacted before 2020. In total, between 2010 and 2020, the council will have cut a staggering £600 million from its budget. When adjusted for inflation, the spending reduction equates to a cut of at least 64 percent of the council's overall budget over the last decade.

A report from the Centre for Regional Economic and Social Research at Sheffield Hallam University showed that in Liverpool, cuts to social welfare programmes will reach £920 a year per working-age person, well above the national average of £690 a year.

Over a quarter of Liverpool's population of roughly half a million residents are officially poor, making the

impact of these cuts doubly painful.

Another flagship Labour council, Birmingham, will have imposed more than £650 million worth of cuts by 2020. As part of its savings programme in preparation for the 2022 Commonwealth Games to be held in the city, the council plans to cut £5 million for Birmingham Children's Trust, an organisation which supports disadvantaged children. Another organisation, which assists adults who have suffered life-changing events, will lose £2.4 million and 21 children's centres will also be shut.

Following the example of Conservative-run Northamptonshire County Council, which was declared effectively bankrupt in February this year, there are fears that Birmingham City Council may also become insolvent before 2022.

Despite the claims by Councils Against Austerity that they are waging a struggle against austerity, its signatories do little more than issue toothless criticisms from the sidelines while reliably imposing every spending cut demanded, at a massive human cost.

The duplicity of Corbyn's claims to be standing up to Tory austerity was clear from the moment he became party leader. He and shadow chancellor John McDonnell issued a letter instructing local Labour councils to abide by the law and set legal budgets, i.e., impose austerity cuts demanded by the Conservative government.

Ever since, Labour councils have continued to enforce the spending cuts first demanded by the 2007-2010 Brown Labour government, and then by the Tory/Liberal Democrat coalition, at the cost of hundreds of thousands of jobs and the decimation of vital services.



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