

Local authority funding cuts worsen poverty and social inequality in Scotland

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The £11.1 billion budget settlement for Scottish local government, passed earlier this year by the Scottish National Party (SNP) administration in alliance with the Scottish Green Party, is being portrayed as a means of fortifying local finances against austerity measures imposed by successive British Labour and Conservative governments.

It is nothing of the sort.

The funding package ostensibly includes a real-terms spending rise, if £187 million of new revenue raising powers handed to local government this year are included. Councils can now increase council tax by 4.79 percent annually, while the Greens secured additional revenue raising powers via a workplace parking charge and local tourism taxes.

But, contrary to the claims of the SNP and the Greens, recent figures published by Audit Scotland, the official public finance watchdog, estimate that core spending on services across Scotland's 32 local authorities will decline by 1.5 percent as a result of the 2019/20 budget. This follows a funding cut of 7 percent over the past five years.

Many services are also facing yearly cost increases many times the overall rate of inflation. These include burial plots (20 percent), meals in care homes (5 percent), youth swimming lessons (11 percent), as well as home care (8 percent) and home nursing (8 percent).

Since 2013/14, funding has fallen by more than 10 percent for eight councils, with over half of all local authorities experiencing a budget cut of more than 8 percent, according to Audit Scotland.

Both urban and rural areas are affected.

The remote, rural and island council areas of Eilean Siar (the Outer Hebrides), Shetland, and Argyll and Bute have lost 15.4 percent, 14.1 percent and 13.2 percent, respectively. These areas already suffer high

service delivery costs because they are geographically dispersed, with isolated communities. Public finances are also impacted by depopulation.

Edinburgh and Glasgow, Scotland's most populous cities, followed closely behind with cuts of 11.4 percent and 10.5 percent.

The cuts are being imposed by councils that are controlled by the SNP, Labour and Conservatives. SNP-Labour controlled Edinburgh City Council has tabled £47 million in spending cuts and tax rises this year, including 200 job cuts. Glasgow's minority SNP administration is pursuing similar policies to cover a budgetary black hole of £42.2 million.

Part of Glasgow's budget deficit arose from the council's recent £500 million settlement of an equal pay dispute, which saw 12,000 workers in predominantly female jobs in care, catering and education support underpaid for more than decade. The council leadership re-mortgaged £548 million in public assets, including museums, concert halls and sports venues, ensuring that the settlement will be clawed back through protracted annual spending cuts to pay off private financiers.

Neighbouring council areas in the Greater Glasgow conurbation have been hit by massive cuts. Inverclyde has lost 10.3 percent of its budget over the past five years, followed by North Lanarkshire (10 percent), West Dunbartonshire (9.8 percent), South Lanarkshire (9.5 percent), Renfrewshire (9 percent), Clackmannanshire (8.4 percent), South Ayrshire (8.4 percent) and East Ayrshire (8.3 percent).

Once the heartland of Scottish industry, the region has borne the brunt of decades of de-industrialisation imposed with cross-party support at both local and national levels of government. It now suffers some of most severe and highly concentrated levels of social

deprivation in the UK and across Europe.

In the northeast, Aberdeen City Council, run by the Conservatives in coalition with suspended Labour councillors and various “independents,” has seen its funding fall by nearly 10 percent over the past five years. It intends 200 job cuts as part of £45 million in budget cuts for 2019/20. This follows the elimination of 329 full-time equivalent positions last year.

Council areas in Scotland’s north, including Aberdeen, Highland, Moray, and Argyll and Bute, now have 4,905 fewer full-time jobs than in 2008/9, Aberdeen’s daily the *Press and Journal* reports. This amounts to a fifth of the workforce at both Aberdeen and Highland councils.

Having cut frontline services to the bone, councils have begun to defund some services entirely. Others are conditional on user fees.

Cultural services have been among the hardest hit in recent years, with £90 million slashed from their budgets. This includes £22 million from libraries, £5 million from museums and galleries, £20 million from sports, and £30 million from public parks and leisure attractions.

Dozens of libraries are now threatened with closure, with as many as 40 percent to be shut in East Dunbartonshire. The impact on literacy levels, social isolation and mental health will be devastating and long lasting, particularly in the poorest areas, where they are often the only means for accessing the Internet and educational resources.

As a recent Audit Scotland report explains:

“Libraries now help people apply for benefits using their computers but a survey by Citizen’s Advice found that people from the most deprived areas were less likely to be able to use a computer than those from the least deprived areas. It also found that of people seeking benefits advice, 25 percent would need help and 27 percent would not be able to manage at all.”

Primary and secondary education, which accounts for approximately 40 percent of local budgets, is now effectively being rationed in state schools.

Subject options for fourth year secondary school pupils have fallen to five or six, whereas students in private schools and a select number of state schools have access to as many as nine. Teachers and parents have warned that many students are dropping art, music and drama, as well as some languages, to focus on core

subjects prioritized by employers.

Families also face a growing number of tuition charges, which are already widespread for music lessons and instrument hire. A number of councils are now rolling out fees for revision classes, with East Renfrewshire Council, for instance, charging some families £13.50 per day or £62 a week for exam revision classes over the Easter break.

Scottish councils increased their income from sales, fees and charges by £241 million to £1.3 billion last year. Fees are expected to rise exponentially this year, with just eight councils in the north and northeast expecting revenues of £1 billion for 2018-19. These include exorbitant hikes to daily parking and annual permits, as well as entrance fees for leisure, culture and sports facilities, and inflating childcare costs.

Where user fees are difficult to collect or otherwise impracticable, services are being eliminated entirely. Meals on wheels deliveries for the elderly and disabled, for example, have been discontinued by many councils. But a staggering 50 percent of elderly admissions to hospital exhibit symptoms of undernourishment, according to the Scottish Human Rights Commission.

The growing dependence of councils on local taxes and charges will compound social inequality, leaving services in the poorest areas underfunded and subject to vastly higher charges. The brunt of the new levies will fall disproportionately on the working class, contributing to growing numbers of working poor.

One in five Scots, 1.03 million people, now live in relative poverty, which is calculated at 60 percent less than median income. These government figures include 240,000 children, two-thirds of which are from working households.

At current trends, the proportion of Scottish children trapped in relative poverty will increase from 23 percent in 2018 to a 20-year high of 29 percent by 2023/24, according to the Resolution Foundation think tank.



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