Austerity Uncovered

The government’s sledgehammer approach to public services has resulted in a growing social crisis for many of our communities, according to new analysis published by the TUC and the Centre for Local Economic Strategies (CLES).

The cuts in the North East have been worse than many feared because the Coalition has chosen to make its deepest cuts to council services in areas of greatest deprivation. Not only are people losing their livelihoods but services are stretched to breaking point and the most vulnerable are paying the greatest price.  The findings from this report show the urgent need for action to properly fund public services, otherwise divisions in society will continue to widen at pace.

The report shows that the government’s austerity plans have considerably increased in scale, with cuts extending well into the next parliament. It highlights that changes to the government’s deficit reduction programme since it was first announced in June 2010 mean that we are now only half way through a nine year programme of austerity, when we should have been three quarters of the way through a six year programme.

By 2015–16 the government will have reduced its funding to local authorities by an estimated 37 per cent. A significant funding gap is emerging within local government as a result of this. The situation is particularly dire for those areas with higher levels of deprivation. For example, 11 out of our 12 councils in the North East will have higher than average reductions in spending power for 2014/15 and 2015/16.

The Association of North East Councils forecast that spending on services other than children’s services, adult social care and waste management could fall by almost 50 per cent by 2019/20.

However, even statutory services such as adult social care have not escaped the axe, with cuts of £49m in 2012–13 across the North East, with more expected through the next parliament.

In its case study of one local authority in the region, the report found that Redcar and Cleveland has had to find £32m in cuts since 2010 and is anticipating further spending cuts of over £33m through to 2020.

The council must find savings of £3m from its budget for children’s services between 2013/14 and 2016/17, representing nearly a 10 per cent cut. Between 2013/14 and 2016/17 Adult and Social Care is expected to experience a decrease in budget of £4.4m, representing an 11.2 per cent fall.

Between 2011 and the end of the 2013, approximately 600 posts had been cut from the Council, with a further 150 projected by 2020.

The report makes a number of recommendations on how to mitigate the impacts of austerity. These include: a needs-based approach to funding settlements that take into account places with higher levels of social and economic deprivation; further devolution of resources and decision-making powers at local level; develop a long-term plan for increasing funding for adult social care; a high-level commitment to improve child wellbeing and reduce inequalities; more intelligent commissioning of services that promote the living wage and reduce the use of zero-hours contracts; and more collaboration with public service unions and community groups to encourage local strategies and solutions.

So, whilst the recommendations call for collective action, this isn’t just a trade union remit, or even a national and local government one – it’s every bit a regional one.

Beth Farhat

Regional Secretary – Northern TUC