Despite a ‘spectacular’ tax credit u-turn, the working people need more on industry, jobs and public services.

A small victory last week as we witnessed a spectacular climb-down on tax credits from the Chancellor.  They have largely been defeated by a broad coalition of campaigners against tax credits including trade unions and Labour politicians from the North East. However his planned cuts to Universal Credit will hit many people when it is fully introduced alongside other cuts to social security.

George Osborne’s reference to an industrial policy will come as something of a surprise to the workers in key industries like steel and solar who have lost thousands of jobs in recent months. The Chancellor should come to our region to explain what his plan is and explain how it has failed manufacturing so badly. Unemployment in the North East has increased by 13,000 in the last six months and there was little we heard from the Chancellor to suggest things will turn around in our region anytime soon.

The big story from the Comprehensive Spending Review is the continued cuts with our local councils again feeling a lot of pain and many other services being starved of the resources they need. Local government did not get the protection that it needs . As funding cuts continue, Sure Start centres, local care homes, leisure centres and libraries are all in the firing line, particularly in poorer areas where the impact of phasing out central government grants will hit hardest and the new social care precept will have less benefit.

The increased localisation of business rates certainly won’t help because it punishes less affluent areas and rewards more prosperous communities. This policy is Robin Hood in reverse and could widen the North-South divide even further. Meanwhile the banks who caused this financial crash and the big corporations who don’t pay their full share of taxes carry on while the rest of us pay the price.

If the Chancellor really wants to battle for blue-collar Britain, he needs to recognise the importance of investment in public services, genuinely affordable housing, and a fairly shared recovery.

Beth Farhat

Regional Secretary Northern TUC