

# **"Cash strapped Councils struggle to cope as Osborne's austerity cuts bite"**

Research by the Financial Times shows the extent to which local authorities are struggling to cope with the cuts in funding associated with the coalition government's 'austerity' measures. The FT reported that vital services to 150,000 pensioners have been withdrawn whilst child protection spending has been cut by 8% since 2010. The FT says that local authority services are "creaking" under the weight of growing demand at the same time as their resources are being cut. Council budgets have been cut by £18 billion 'in real terms' (i.e. taking inflation into account) since 2010. The next round of cuts will mean at least the loss of another £9.5 billion by the end of the decade.

Garry Potter, Conservative Chair of the Local Government Association, warns that if future funding cuts "were anything like the level that people are predicting" then in some council areas they would only be able to provide statutory services. But the FT analysis shows that statutory services "are already under pressure". For instance, children's social work departments faced with higher levels of referrals, as a result of public awareness being raised through abuse scandals, have seen funds cut by more than £600 for each referred child.

In 2010 Councils arranged or paid for support for 534,590 residents 65 or over. Four years later this had fallen by more than 100,000.

The FT comments that

"A 20% cut in care recipients in just four years would be stark enough. But the statistics flatter the true extent of the fall because it overlooks the fact that over this period the number of people aged 65 and over grew by 11% as Britain's population aged."

As a result the number of people per 1,000 that Councils provided or arranged care for, fell from 65 to 46, meaning that 150,000 people less were in receipt of the service than would have received if no tightening of the criteria had taken place. During the period 2011 to 2014 alone there was an 18% fall in the staff count of adult social care services. Councils have tried to stem the flow of new recipients by tightening criteria and reviewing services to reduce or remove it from current recipients.

Given their statutory responsibilities this option isn't available to children's social care departments. Despite a real terms 4% increase in gross spending over the 4 years to 2013/14, to £5.7 billion, spending was outstripped by a 13% increase in the number of referrals to Councils by police, doctors, schools, or members of the public, as potentially at risk.

Between 2009/10 and 2013/14 there was a 24% increase in the number of people subject to a child protection plan. Spending per child fell by 16% in real terms over this period. This big increase in workload has had to be managed by the same numbers of staff that remained static at 24,600. Unsurprisingly, reflecting the increased pressure on staff, the annual turnover rate increased from 9.1% to 17%. This is reflected in Swindon where there

is an expected overspend of more than £2 million this year in the Children's and Families Service, of which £1.4 million is the cost of agency staff to cover unfilled vacancies.

The pressures on these areas pre-dated the coalition government. In the last 4 years of the Labour government efforts to contain social care budgets in the face of rising demand had already seen the number of adults attending day care centres cut by one fifth and meals on wheels cut by 40%. By 2013/14 meals on wheels has almost disappeared, with the loss of 81% of services compared with 2005/06 whilst the number of people attending day care centres has halved.

Other areas affected include food inspections and health and safety checks. In 2009/10 council inspectors in England made 56,157 visits concerning H&S rules. By 2013/14 the number had been decimated, falling by 91%, to 4,901. 53 Councils had opted to abandon proactive inspections altogether.

The loss of services which are fundamental to people being able to remain in their homes drastically impact on the quality of their lives. If the Council does not provide a service to somebody because their needs are not determined to be 'severe' enough then the burden falls on their family, if available.

### **The impact in Swindon...**

The latest financial projections for Swindon, shown in the Cabinet documents for July, show the scale of the cuts being faced over the next parliamentary period. The budget (excluding education which is directly funded by government) is expected to fall from £142.667 million in 2014-15 to £119.3 million in 2019-20. This results in part from an expected cut in government grant of £36.2 million over the four years from 2016-17. The predicted 'funding gap' over this period – combining the grant loss with expected increase in demand – is estimated at £79 million. This is a massive cut when you factor in inflation and the increased levels of demand. It is unsustainable. There is no way that this (and other councils) can carry out their statutory duties.

We await the detail of the level of cuts on local authorities, which will result from the Chancellor's new review. He has asked all 'non-protected' departments to draw up plans for 'two scenarios' of 25% and 40% savings within their resource budgets by 2019-20, 'in real terms'. According to the LGA a 25% cut would mean £4 billion by 2020, a 40% cut would mean £7 billion.

### **Some of the detail from Swindon in the Financial Times Research:**

137 elderly people lost access to home care between 2009/10 and 2013/14

Spending on children's centres per child fell from £504 to £156

Spending on housing and homelessness support fell from £5.98 million to £4.23 million

Spending on road maintenance fell from £5.67 million to £2.25 million

Number of children living in temporary accommodation declined slightly from 247 to 229

The Swindon Cabinet document for July states that:

“In-year reductions to Public Health grants have already been signalled and are likely to be

significant for Swindon.”

You can check the impact of cuts in your locality by going to the interactive FT site at [ft.com/ukausterity](http://ft.com/ukausterity)

Martin Wicks

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