

Austerity cuts 'twice as deep' in England than rest of Britain, study finds

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The first "fine-grained" analysis of local authority budgets across Britain since 2010 has found that the average reduction in service spending by councils was almost 24% in England compared to just 12% in Wales and 11.5% in Scotland.

While some areas—Glasgow, for example—experienced significant service loss, the new study suggests that devolved powers have allowed Scottish and Welsh governments to mitigate the harshest local cuts experienced in parts of England.

University of Cambridge researchers found that, across Britain, the most severe cuts to local service spending between 2010 and 2017 were generally associated with areas of "multiple deprivation".

This pattern is clearest in England, where all 46 councils that cut spending by 30% or more are located. These local authorities tend to be more reliant on central government, with lower property values and fewer additional funding sources, as well as less ability to generate revenue through taxes.

The north was hit with the deepest cuts to local spending, closely followed by parts of London. The ten worst affected councils include Salford, South Tyneside, Wigan, Oldham and Gateshead, as well as the London boroughs of Camden, Hammersmith and Fulham, and Kensington and Chelsea. Westminster council had a drop in service spending of 46% - the most significant in the UK.

The research also shows a large swathe of southern England, primarily around the 'home counties', with low levels of reliance on central government and only relatively minor local service cuts. Northern Ireland was excluded from the study due to limited data.

The authors of the new paper, published in the *Cambridge Journal of Regions, Economy and Society*, say the findings demonstrate how austerity has been pushed down to a local level, "intensifying territorial injustice" between areas.

They argue that initiatives claimed by government to ameliorate austerity, such as local retention of business taxes, will only fuel unfair competition and inequality between regions—as local authorities turn to "beggar thy neighbor" policies in efforts to boost tax bases and buffer against austerity.

"The idea that austerity has hit all areas equally is nonsense," said geographer Dr. Mia Gray, who conducted the research with her Cambridge colleague Dr. Anna Barford.

"Local councils rely to varying degrees on the central government, and we have found a clear relationship between grant dependence and cuts in service spending.

"The average cuts to local services have been twice as deep in England compared to Scotland and Wales. Cities have suffered the most, particularly in the old industrial centres of the north but also much of London," said Gray.

"Wealthier areas can generate revenues from business tax, while others sell off buildings such as former back offices to plug gaping holes in council budgets.

"The councils in greatest need have the weakest local economies. Many areas with populations that are ageing or struggling to find employment have very little in the way of a public safety net.

"The government needs to decide whether it is content for more local authorities to essentially go bust, in the way we have already seen in Northamptonshire this year," she said.

The latest study, which comes as England's county councils predict at least £1 billion in further cutbacks by 2020, used data from the Institute of Fiscal Studies to conduct a spatial analysis of Britain's local authority funding system.

Gray and Barford mapped the levels of central grant dependence across England's councils, and the percentage fall of [service](#) spend by [local authorities](#) across Scotland, Wales and England between financial years 2009/2010 and 2016/2017.

Some of the local services hit hardest across the country include highways and transport, culture, adult social care, children and young people's services, and environmental services.

The part of central government formerly known as the Department of Communities and Local Government experienced a dramatic overall budget cut of 53% between 2010 and 2016.

As budget decisions were hit at a local level, "mandatory" council services—those considered vital—were funded at the expense of "discretionary" services. However, the researchers found these boundaries to be blurry.

"Taking care of 'at risk' children is a mandatory concern. However, youth centres and outreach services are considered unessential and have

been cut to the bone. Yet these are services that help prevent children becoming 'at risk' in the first place," said Gray.

"There is a narrative at national and local levels that the hands of politicians are tied, but many of these funding decisions are highly political. Public finance is politics hidden in accounting columns."

Gray points out that once local councils "go bust" and Section 114 notices are issued, as with Northamptonshire Council, administrators are sent in who then take financial decisions that supersede any democratic process.

In an unusual collaboration, the research has also contributed to [the development of a new play](#) by the Menagerie Theatre Company that explores the effects of austerity.

In a forum-theatre performance, audience members help guide characters through situations taken from the lives of those in austerity-hit Britain. The play will be performed in community venues across the country during October and November.

Gray added: "Ever since vast sums of public money were used to bail out the banks a decade ago, the British people have been told that there is no other choice but austerity imposed at a fierce and relentless rate."

"We are now seeing austerity policies turn into a downward spiral of disinvestment in certain people and places. Local councils in some communities are shrunk to the most basic of services. This could affect the life chances of entire generations born in the wrong part of the country."

More information: *Cambridge Journal Of Regions, Economy And Society* (2018). [DOI: 10.1093/cjres/rsy019](https://doi.org/10.1093/cjres/rsy019)

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