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UNISON – BUDGET RESPONSE 23/24

UNISON have for many years sought to get the Local Government Association to join with us in campaigning for better/fairer funding for local government. To date despite having the same aim most of these endeavours have been done separately (and unsuccessfully).

As you know, Local Authority funding has been in crisis since 2010. The Government reduced core funding by £15 billion since 2010 and Councils face a combined funding gap of £3.4 billion in 2023/4 and £4.5 billion in 2024/5 according to the Chair of the LGA. In many Local Authorities central funding has reduced by 50%. The number of job losses as a result has been substantial – some councils report losses of 50% of their posts in this time.

The Guardian reported in October 21 that at least 25 local authorities were on the verge of receiving S114 notices because they could not balance their budgets after 3 had gone through this process, Slough, Northamptonshire, and Croydon. A number had narrowly avoided this by making massive cuts to services such as Somerset Council. It is likely that post-COVID the number has increased.

It is now anticipated that the Tories will embark on Austerity V2.0 as inflation strips away at this year's funding settlement. On top of this various estimates state that the Government is looking to balance the public sector 'books' by making up to £50 billion of cuts. Having met very little resistance from Councillors to cuts over the last 12 years it is highly likely they will look to make major savings to Local Authority budgets again.

We understand that councils across the country are having to make difficult decisions daily, trying to balance budgets during a time when funding has been slashed. We recognise that local government has endured central government funding cuts of nearly 50% since 2010. Between 2010 and 2020, councils have lost 60p out of every £1 they have received from central government

It is our firm belief that responsibility must lie with the Tory government over their failure to provide adequate funding for councils and the communities that they provide for and that this failure to date has created significant pressures in arriving at a balanced budget

Successive reductions in the settlement received from central government coupled with pressures particularly in social care has led to cuts to departmental budgets which whilst not resulting in

wholesale service cuts or large numbers of compulsory redundancies (to date) have had their impact.

Over the years UNISON has warned against believing that cuts however 'small' have no impact. Leaving vacancies unfilled creates additional work for those who are left behind. Staff become demoralised and burnt out and in the current climate are likely to seek work elsewhere. With unemployment at a record low and local government pay stagnating, even some traditionally low-paid high street/retail jobs have caught up and overtaken local government pay

We fear that we are approaching a time in which the Council will be feeling the pressure to make even greater cuts to jobs and services, and it is this course of action that we believe we need to warn against.

We must stop congratulating ourselves on managing on ever decreasing revenue; now must be the time for a Labour controlled authority to do all in its power to resist making damaging cuts which can/will never be reversed (the reality is once a service is gone the chances of its restoration is negligible). The Authority must do all that it can to stop implementing Tory cuts.

UNISON don't believe this is an impossible task. As you may recall in 2017 the Council stated that whilst they'd managed to increase their managed reserves account to £40.9 million (as of April 2016) they predicted that the reserves would be completely exhausted by April 2019 and yet this did not happen. Instead from April 2018 the managed reserves account increased until it reached a high of £83.3 million as at April 2022 despite the use of these reserves to plug gaps in income in those intervening years.

It is UNISON's view that the managed reserves account isn't the sole resource for the Authority to rely on. The Authority hold just over £49 million in departmental earmarked reserves and close to £135 million in corporate reserves (not including the amount set aside for the managed reserves strategy). Now is the time to be using these resources with a view to preventing cuts to jobs and services.

We have looked at the categories of reserves reported to full Council over the past 6 years and carried out a brief comparison/analysis of the various subheadings within the categories of ringfenced, departmental earmarked and corporate reserves. The undeniable conclusion is that they can be used and indeed must be used at this time of crisis.

With a general election likely next year and in any event no later than January 2025 this is a one-off proposal but now is the time to stand firm – to explore all available avenues available to the Council to resist cuts.

UNISON along with our sister trades union in the city will be stepping up our anti-cuts campaigning and would urge the Council to join with us

Janet McKenna on behalf of UNISON
7 February 2023

Useful links

[Councils face cash crisis of more than £3bn, says UNISON](#) | [News, Press release](#) | [News](#) | [UNISON National](#)

<https://www.unison.org.uk/news/2022/09/union-leaders-call-on-pm-to-rule-out-crippling-cuts-to-public-services/>