

**CARMARTHENSHIRE COUNTY
UNISON BRANCH**

**“NO CUTS” BUDGET
PROPOSAL**



Carmarthenshire County Unison Branch
Committee

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Carmarthenshire County UNISON Branch

“No Cuts” Budget Proposal

Carmarthenshire County Plaid/Independent led Council have announced that they intend to make an estimated £24.6 million of cuts during the next three years. The Tory cuts passed on by the Labour Welsh Assembly Government to Local Government are not as draconian as originally anticipated-no doubt the forthcoming Council elections in May 2017 was a major factor in this decision. Mark Drakeford Labour Welsh Assembly Government Cabinet Secretary for Finance and Local Government has indicated worse cuts are to come. However due to the efficiencies (cuts) that have already been imposed by the previous Carmarthenshire County Council Labour/Independent administration the cuts above will have a major negative impact on services, jobs and quality of life for those working for Carmarthenshire County Council (CCC) and people living in Carmarthenshire. In a few years the workforce of CCC has been reduced from around 10,000 to around 8,000 and is set to reduce further if these cuts are imposed.

We should call things by their right names and the council should be honest, open and transparent about the serious consequences for jobs and services if the cuts they are proposing are implemented or about the alternative to not making the cuts they propose. The public consultation document they have released mentions savings at least 31 times! But what they are proposing is cuts, cuts and more cuts- the money ‘saved’ does not go to pay for other services. They also claim if the savings (cuts) are not made your council tax bill will go up by a corresponding amount. This is a choice between the devil and the deep blue sea and is encouraging you to support cuts. What the council don’t offer you and what our branch is advocating is that the council implements a No Cuts budget.

We accept that most Councillors and most managers have attempted to avoid cuts to services and to jobs. However our branch has consistently stated that due to the scale of the cuts to come it was inevitable that if the council implemented the Tory cuts compulsory redundancies and or services would be threatened. Due to the fear of Unison in particular and the other unions

organising action against compulsory redundancies the council have thus far avoided this in most cases with exceptions in some schools. But if these cuts are forced through they will impact on services and jobs particularly in schools (see budget proposals). If Carmarthenshire County Plaid/Independent led Council implement £24.6 million cuts during the next three years this will seriously erode services to a point where they will no longer be viable or they will be lost, privatised or outsourced or given to the voluntary/third sector. who are not able to provide the quality of service that the Local Authority currently provides. If these cuts are implemented and continue at the current rate Carmarthenshire will become more a purchaser of services from the private/third sector or will have outsourced services rather than a provider of services in-house that are accountable to the public through the ballot box.

How long can a smaller workforce (currently reduced by 20% from a few years ago and set to be reduced even further) continue to do the work carried out by many more in the past. Already stress is the biggest single cause of sickness absence.

The rich get richer

Despite Tory Prime Minister Theresa May's claim to the contrary the Tories act on behalf of the rich 1% they want to reduce the tax burden on the rich and to increase the profits of Big Business at the expense of working class people in Wales and the UK as a whole. Hence the attack on the welfare state, the public sector and Local Government in particular-the reality is the rich no longer wish to pay for decent public services for the majority of the population and they want to make profits out of the public care sector etc. Many big companies and rich individuals engage in tax avoidance and tax evasion and big business has around £800 billion in their coffers which they refuse to invest. Meanwhile for the rest of us our living standards are declining and our public services are being decimated.

Effects of cuts – making a bad situation worse

Cuts have not worked. National debt has increased under the Tories due to their imposed austerity. West Wales is currently the poorest region in Northern Europe. Further cuts can only worsen poverty and deprivation for

thousands in Carmarthenshire. Implementing further cuts would in our opinion mean the Local Authority is failing to adhere to the requirements of the Wellbeing of Future Generations (Wales) Act 2015. How can cuts help develop a prosperous, healthier more equal Wales. The cuts proposed would create a more unequal and more poverty stricken Carmarthenshire.

While we accept that many Councillors stood for office and became Councillors in order to provide services and most of them do not want to be in the position they are now in they now have a stark choice to make – either implement more Tory cuts or stand alongside us and fight the cuts!

Councillors have a choice they can seriously erode the quality of life for many in Carmarthenshire and put jobs and services at risk. They can increase school meals charges; increase charges to schools; cut school budgets and cause the possible loss of hundreds of school support staff jobs; cut street cleansing services and library services; close leisure centres and increase or impose charges and fees for everything. They can privatise services or outsource services that will inevitably erode the quality of the service and reduce accountability and democracy. By implementing the Tory austerity programme through agreeing and voting for a cuts budget they will make a bad economic situation much worse in Carmarthenshire. If they implement these cuts they will be making people redundant that may never work again-throwing our members and their families into destitution and poverty. This will inevitably increase the demand on Local Authority services at the very time they propose cutting the services that could help you. In the past you may have sought help from the Citizens Advice Bureau about debt advice etc. but the council are proposing ending their contribution to this service putting this important and often vital service at risk. The impact on local small and medium sized businesses in Carmarthenshire that to some degree rely on the Local Authority for contracts or on Carmarthenshire County Council employees buying their services will be also be significant. Businesses could fold as demand drops for their products. People will have less money to spend in local shops etc. causing local shops to close. This is already all too evident in towns such as Llanelli and Ammanford where town centres are dominated by charity shops, pay day loans and pawn shops. It seems that food banks are the only growth sector.

Impact of cuts thus far on employees

The cuts made to date by Carmarthenshire County Council were as our branch material predicted never going to be enough to avoid compulsory redundancies or protect services. In some instances council officers have conceded this. Already there are great strains on the workforce as most are working harder trying to keep up with a workload that has increased due to those leaving and vacancies not being filled. This inevitably has resulted in work related stress going through the roof as we stated earlier. This will inevitably increase and have a debilitating impact on our members and other employees who will then face a more draconian sickness policy who increasingly face the application of this and the capability process. There is only so much pressure employees can take before chronic stress has an impact on their health and performance.

So while the Local Authority has avoided to date significant compulsory redundancies, even the voluntary redundancies and severance have been to the detriment of our members and other employees' health and wellbeing who remain in work. Our members and other council employees are working harder for less. On top of this our members and other employees have the real fear of losing their jobs if councillors vote for cuts.

Time to make a stand and fight the cuts

Implement a No Cuts Budget

To date many of our members and the public have been disappointed by the lack of fight displayed by the elected Council leadership in speaking out and organising resistance to the cuts. It is the policy of Unison Local Government Service Group Committee, Unite Local Government, GMB and Wales TUC that councils in Wales should implement legal No Cuts Budgets. We cannot recall that any councillor or any party manifesto that stated they wanted to cut jobs and services and wanted to be elected to carry out Tory cuts. We are calling on all councillors to stop doing the Tories dirty work for them. The people of Carmarthenshire who elect councillors are rightly asking why vote Plaid/Independent/Labour to get Tory cuts.

Councillors should stop hiding behind council officers and stop repeating the mantra that a No Cuts budget is illegal –this is not the case. They should be telling council officers what to do and instruct them to implement a No Cuts budget that would protect jobs and services for one or three years. Our members and the public are fed up with excuses about why they can't fight cuts- councillors fiddle while Rome burns!

We call on councillors to invoke the best fighting traditions of the Labour movement of Liverpool, Poplar and Clay Cross and fight the cuts. Join with us in mobilising mass opposition. Councillors should call on the other Local Authority's in Wales to join with them in refusing to vote for cuts and build an opposition along with the trade unions, anti-cuts groups and community organisations that can defeat the cuts. This is entirely possible but it would take effort to build. We would support any councillor all the way if they adopted this fighting stance of taking the side of employees, trade union members and the people of Carmarthenshire against the cuts.

The future of Local Government is at stake

The view 'there is nothing else we can do' is wrong. Councillors have a choice or whether to fight and vote against cuts or vote for them. The scale of cuts to come if implemented means the devastation of Local Government services in Carmarthenshire and across Wales. Implementing cuts will undermine the ability of councils to defend and promote the well-being of current and future generations. The Institute for Fiscal Studies Scenarios for the Welsh Government budget to 2025-2026 published in 2013 acknowledges that cuts to public services has been back loaded in Wales with over two thirds of the cuts still to come at the time. Their projection even in the most optimistic scenario where there is high productivity growth and cuts to other parts of public services the future is seen as 'very challenging'. The most optimistic scenario is extremely unlikely and therefore it is more likely that major cuts to Local Government will still be occurring in 2025-2026 but by then very little will be left of Local Government services as we know them now. We hear much about how councillors have difficult choices to make but we hear nothing about what the consequences of implementing the cuts will be for the population of Carmarthenshire now and in the future. The reality is that the

Plaid/Independent led council could not even give an honest explanation of the consequences of their proposed cuts in what amounts to another sham public consultation.

Carmarthenshire County UNISON's "No Cuts" Alternative Budget Proposal

In advocating this budget for 2017/18 to 2019/20 or failing that a one off budget for 2017 we are confident that a no cuts budget can be set. We call on the Executive Board and Councillors to instruct Council Officers to provide the figures to enable a "No Cuts" Budget to be set. In developing this no cuts budget we have had limited access to council accounts.

UNISON's proposals would we believe fill the £24m shortfall in funding and therefore abrogate the need for any cuts or the need to increase the council tax over the rate of inflation or the need for any increased charges etc. In proposing this "No Cuts" Budget we acknowledge that this would be a one off budget that could not be repeated in three years (or one year) as the monies will not be available to use then. We advocate this budget as an emergency measure for an emergency situation. **To defend all jobs and services.** The budget we are proposing will give the councillors time to build and mobilise a mass campaign to stop the cuts. We call on all present councillors and those elected in May 2017 to **Vote against cuts and implement a "No Cuts" Budget.** For how can this be achieved see below.

GENERAL FUND BORROWING

We call on Carmarthenshire County Council to implement the following "No Cuts" budget based on increasing the General Fund Unsupported Borrowing. It seems that the council can always find money for high profile or pet projects but they refuse to find (borrow) the money to maintain vital services and avoid increased charges. CCC has quite an ambitious Five Year Capital Programme we say their priority should be to ensure all current services and jobs are maintained. We fully accept that the following budget is lacking in some detail and that is for the reasons above and that is why we ask that the Executive Board to call on Council Officers to review all General Fund expenditure and

assets which could be properly supported by the capital programme or a capitalisation direction applied for - with the revenue funding to support such borrowing to be drawn from the council's reserves.

We believe this measure along with the measures recommended below would generate sufficient resources to assist in avoiding cuts for the next three years or 2017/2018 alone. While we appreciate that this proposal does not specify the items of current and projected General Fund expenditure which involve a capital element which could be properly supported by the Capital programme through prudential borrowing (without needing government permission). Or alternatively, any other elements of General Fund expenditure for which a 'capitalisation direction' (government permission to capitalise revenue expenditure) could be sought. But that is why we are calling for an officers' review of General Fund expenditure as our branch are not in a position to carry out this thorough examination ourselves.

ASSETS

Carmarthenshire County Council holds cash assets in the form of deposits or investments and there is scope for the council to 'prudently' agree to reduce its cash holdings for 2017/18 thereby providing a one-off boost to the 2017/18 2019/20 budget. The council owns considerable assets in land and buildings, some of which we are given to understand is surplus to requirements. We advocate that where selling these assets would not adversely impact on services and jobs then considerable sums could be raised by selling these assets of land and buildings contributing significantly to meeting the funding gap.

RESERVES

There is significant scope to use these substantial funds the council holds – these reserves could be transferred to revenue again significantly contributing towards the shortfall of £24m.

SEVERANCE SCHEME

While our branch is opposed to Severance as a scheme because it results in the loss of jobs and as a consequence those left are working harder we understand

that many employees are seeking severance due to their personal or family situation and have had enough of working under such stressful working conditions. Significant savings have been projected through this scheme through employees taking early retirement.

CWM ENVIRONMENTAL LTD

CWM Environmental Ltd. should be immediately taken back in-house. Profits or part thereof that CWM has accrued could be taken as a dividend by the Council who are the sole shareholder of this Arms-length company that the council set up to recycle refuse.

OUTCOME AGREEMENT GRANT FROM WELSH GOVERNMENT

The Local Authority gets significant sums annually for hitting Welsh Government targets the amount that has been accumulated this money could be put into revenue spending to support and protect services.

Procurement

For many years Unison has been calling on CCC to adopt a Procurement policy- to date the Local Authority has dragged its feet on this issue. A TIC programme board review in 2015 identified that £9m spent on procurement services was classified as 'uncategorised' or 'unidentified' and the document stated 'off contract spend needs to be looked at as a matter of priority'. We think that such large amounts of spending that have not gone through proper procedures has resulted in extra cost to the Local Authority and increases the risks of corruption. We call on the council to be open with the trade unions and the public and ensure all spending goes through agreed procedures that open, transparent and that all spending is scrutinised and accountable. We think there is considerable scope to make real savings by ensuring spending is not wasted or used inefficiently.

The above is not an exhaustive list but gives a clear indication of how cuts could be avoided and how cuts can be fought and defeated.

The way forward

We call on Councillors to vote no to cuts and to collaborate with other Councils in Wales to fight the cuts and to build mass opposition with the trade unions, anti-cuts campaigners and the public that will force or encourage a future Government to provide relief funding to Carmarthenshire and other Local Authorities that have had to deplete their reserves and adopt the temporary one off budget-balancing measures above to maintain vital public services.