
All Together for Public Services
Tuesday 19 October 2010
Rally and Lobby of Parliament

Briefing for lobbyists

Before you meet your MP, think carefully about what you will say to them as you may not have a great deal of time. This note takes you through the points to press, and provides the briefing that can help you prepare.

It is equally important to make sure that you find out the views of your MP in a way that you can report back to the campaign and your fellow constituents. *Either* you should get your MP to justify the cuts in your constituency *or* express their opposition and say what they are going to do about it.

Making our case

Once you've thanked your MP for meeting you, you should first talk about what you know best. Explain the service area in which you work and what impact the cuts will have on you, the people you serve and the wider constituency.

Explain that you want not just to put your case, but to make sure that you properly understand the MP's views about the cuts in their constituency. Say that you will want to report back to your colleagues and fellow constituents and you want to take care to make sure that they get their views right.

Here are some suggested questions to ask:

- Ask whether they think the cuts that have been announced already, or are likely to be in the Comprehensive Spending Review, will be fair. You may need to spell out that by fair you mean will they bear down most on those who can afford to lose, rather than on poor and middle income people? You might like to ask about whether they will be distributed fairly across the country, especially if you are from a region that is set to lose heavily from the cuts.
- Ask if they think that it is right to try and eliminate the deficit in four years.
- Ask if they think 80 per cent cuts and 20 per cent tax rises is the right balance.
- Ask if they support action to increase the government's tax income including action to crack down on tax avoidance and evasion, and whether they think there should be a Robin Hood transactions tax on banks and finance.
- Ask them if they think the cuts should be permanent or whether they should they be restored once the deficit is closed (not necessarily in exactly the same form.)

A step in the campaign

Not everyone will feel confident in a detailed discussion about the economics of the deficit, and it is unlikely that a single meeting with your MP is going to change their minds.

But you should see your meeting as part of a continuing wide campaign. If your MP clearly supports the cuts then you need to take this information back to your constituency and use it to help build a wider campaign so that they can see that they are failing to represent the views of voters.

The day after the lobby Chancellor George Osborne will announce the detailed cuts in the Comprehensive Spending Review (CSR). They will inevitably have a big effect in every constituency.

Our core arguments in a nutshell

The government want to close the deficit in four years.

We say this is too fast. It does not give enough time for economic growth to make a proper contribution and will slow the economy down.

The government wants 80 per cent cuts and 20 per cent tax rises

We say that cuts will inevitably hit the poor, the vulnerable and the services that ordinary people rely on. Cracking down on tax avoidance and a Robin Hood tax on the banks can make those who caused the crash make a fair contribution.

The government says the cuts will be fair, and that the vulnerable and the poor will be protected.

We say that is not possible with such big deep cuts – even the first round of cuts have been deeply unfair. Cuts will hurt the poorest thirteen times more than the richest

The government says the cuts are needed to secure the economic recovery.

We say that the cuts will depress the economy and may even cause a double-dip recession.

The rest of this briefing provides background briefing on these issues.

The cuts will damage public services

Cuts are already damaging the quality of public services. In the 1980s and early 1990s children were taught in crumbling schools and hospital waiting lists soared as the cuts took effect. Investment since then has dramatically improved the quality of public services but the cuts risk turning back the clock. One of the coalition Government's early moves was to withdraw much of the funding for repairing dilapidated school buildings and building new schools in areas of greatest need.

Redundancies, pay freezes and large scale reorganisations will damage morale among public service workers. And as the Audit Commission has reported¹, redundancies will lead to a loss of skills, knowledge and capacity that will damage service delivery. Increased workloads, stress and reduced resources will all impact on the quality of services that people receive.

Politicians have said that they will cut “backroom” jobs that will not affect services. In reality, the staff who book appointments, process medical test results and ensure that wages and bills are paid on time are essential to the effective running of public services, allowing teachers, nurses and others on the “frontline” to do their work.

The Government is also keen to increase the involvement of private providers in delivering public services. They say that this will cut costs and increase efficiency, but in fact there is little evidence that this is the case. Private Finance Initiative (PFI) projects often go over budget and are inflexible, leaving public bodies with debts far in excess of the initial cost.²

At the same time as the cuts a series of reforms are being planned that will undermine the quality and accountability of public services. Unions are not opposed to reform of public services in principle. But the aim of reform should be to make the services people use better quality and better value for money. The reforms planned in education and the NHS are liable to have the opposite effect by making service provision unequal, driving down quality and bringing in private providers.

The NHS white paper proposes reform on a massive scale, which was not signalled in the Conservative or Liberal Democrat manifestos. It will give private providers a much greater role despite a proven track record of poor performance, and is likely to lead to a postcode lottery and to NHS patients being pushed to the back of the queue in favour of those who are willing and able to pay for care. The process of restructuring will be costly and disruptive.

Education reforms are also being rapidly pushed through in an attempt to expand the academies programme and introduce ‘free schools’, with funding being diverted to the unaccountable organisations promoting this agenda. Encouraging high-performing schools to break away from the local community of schools and the support of the local authority will widen inequalities and damage the quality of education for the majority of children.

The cuts are unfair

Before the election we were told that the cuts would be fair. In fact, it is already clear that the cuts will hit the poorest and most vulnerable people in society far

¹ Audit Commission (2010) *Surviving the Crunch: Local Finances in the Recession and Beyond* London: Audit Commission

² <http://www.tuc.org.uk/extras/speakupprivatisation.pdf>

harder than the wealthiest. Anyone earning around £20,000 or below is likely to face a significant blow to their incomes and to the services they use as a result of the cuts. They will also hit certain regions of the UK harder than others, with a danger of a widening north-south divide.

The Institute for Fiscal Studies (IFS) looked at the impact of changes to benefits and tax credits and found that the impact of the government's plans is regressive. Their analysis of the Coalition's June 2010 Budget³ found that the changes announced by the new government were **regressive**, with low income households of working age set to lose out the most. And recent TUC analysis shows that the cuts to housing benefit are predicted to make 82,000 households homeless in London alone⁴.

Research⁵ conducted for the TUC and UNISON looked at the ways that households with different incomes use public services, and quantified the impact that cuts to services will have. The research found that the cuts will hit the poorest **thirteen times more** than the richest. The bottom 10 per cent of the population will suffer reductions in services equivalent to 20 per cent of their household income, while the richest 10 per cent will lose the equivalent of just 1.5 per cent from cuts that the Government plans to implement by 2013.

Cuts will hurt the private sector

Far from providing the jobs to make up for those lost in the public sector, the private sector will be hard hit by public sector cuts. Of every £1 spent by the public sector, 38p goes on procuring goods and services from the private sector.⁶ Health (£71 billion), defence (£26 billion) and economic affairs (BiS and transport) (£23 billion) are the biggest customers of the private sector and will all be affected.

At the same time as firms are losing public sector contracts, people working in the public sector are likely to cut back on their household spending as they face a pay freeze in a time of rising prices and are living in fear of redundancy. This will hit local businesses and tax receipts.

The cuts won't work

The government tells us that the cuts are essential to put the economy back on an even keel. But in reality there is a significant danger they will have the opposite

³ <http://www.ifs.org.uk/publications/5246>

⁴ <http://www.touchstoneblog.org.uk/2010/09/housing-benefit-changes-will-make-thousands-homeless-in-london-alone/>

⁵ <http://www.tuc.org.uk/economy/tuc-18463-f0.cfm>

⁶ <http://www.tuc.org.uk/economy/tuc-18425-f0.cfm>

effect. Withdrawing spending from the economy while it is still fragile and unemployment is still high will hurt the entire economy.

In Ireland, the government started cutting earlier than other countries and has been praised in some quarters for its hard line approach to the deficit. But in fact a series of cuts to benefits, education, transport and public sector pay and pensions over the past two years have failed to address the deficit. On the contrary, the Irish economy is now in a double dip recession, with figures for the second quarter of 2010 showing that it shrunk by 1.2 per cent. Public services have suffered, with bus and train fares rising above inflation and plans to reduce class sizes dropped.

There is therefore a real danger that instead of addressing the deficit the cuts could tip the UK back into a double dip recession or at best a sluggish, jobless recovery. Many eminent economists agree: in February 2010 sixty senior economists wrote to the Financial Times⁷ to argue that the focus must be on growth, not on cuts that could weaken the fragile economy.

Our alternatives

The Government says that there is no alternative to cuts and that reducing the deficit must be the top priority. Our response is that there *is* an alternative: a sensible, flexible long term approach to reducing the deficit with a longer timescale and far more emphasis on fair taxation and the proceeds of growth.

A different timescale

The government is pressing ahead with a punishing timescale to reduce the deficit, despite the continuing weakness of the economy. We are calling for a far more flexible timescale which allows the economy to recover from the recession, and for economic growth to form the backbone of any deficit reduction strategy.

Fair taxation

The government has chosen an 80-20 split to address the deficit, with 80 per cent coming from spending cuts and just 20 per cent from taxation. Most of this will come from a rise in VAT, the most regressive tax. This is a political decision.

Unions are arguing instead for a much stronger emphasis on fair taxation in addressing the deficit. Taxes can be raised and lowered relatively quickly and so are more effective in addressing the deficit than long-term spending cuts. They can be used to ensure that the burden does not fall disproportionately on low and middle earners and they can play a positive role in reducing the rampant financial

⁷ <http://www.ft.com/cms/s/0/75b2481e-1cb5-11df-8d8e-00144feab49a.html>

speculation that triggered the crash. For instance, a tiny “Robin Hood tax” on big financial transactions by banks could raise £3bn per year⁸.

Far more taxes could also be collected now without actually changing any tax rates. The TUC has estimated that £25 billion is lost to tax avoidance by wealthy individuals and companies each year and that a further £8 billion is used up in tax allowances and reliefs used by the well-off⁹.

It has also been shown that recruiting an extra 20,000 staff to work on tax collection could bring in an extra £20 billion a year¹⁰. Each pound spent on tax collection brings in at least 30 times as much in income for the Treasury.¹¹ Despite this, the government is actually planning to make cuts to HMRC, damaging their ability to collect the tax that is due and uncover fraud and scams.

Investing in growth

Above all, long-term growth is the sustainable way to reduce the deficit. This means working closely with the European Union and countries outside Europe to take co-ordinated action to support the economic recovery. Public spending must be maintained across the world to prevent the risk of another global recession. And the government must make good its pledge to be the greenest government ever by investing in green technologies, home insulation that will provide skilled jobs and exports as well as tackling climate change.

Next steps

Lobby your MP: if you can’t make it to London on the 19th October, can you lobby your MP in their constituency surgery on the Friday or Saturday after the CSR? Our aim is to ensure that every MP on our target list is lobbied by public service workers and users in the days surrounding the CSR. See the TUC’s “How to lobby” briefing for tips on how to contact your MP and make the most of your meeting.

Report back: the TUC will be collecting reports back from all the meetings with MPs so that we can compare what they have said and hold them to account on

⁸ Robin Hood Tax Campaign website, FAQ, <http://robinhoodtax.org.uk/debate/don%E2%80%99t-all-countries-have-to-implement-a-robin-hood-tax-at-once-for-it-to-work/2/>

⁹ *The Missing Billions*, TUC, 2008, <http://www.tuc.org.uk/touchstone/Missingbillions/1missingbillions.pdf>

¹⁰ *The Great Tax Parachute*, Green New Deal Group, 2010, http://www.neweconomics.org/sites/neweconomics.org/files/The_Great_Tax_Parachute.pdf

¹¹ <http://www.fda.org.uk/Media/HMRC-needs-more-resources-if-deficit-is-to-be-seriously-reduced-says-union-leader.aspx>

their promises. We will give out forms at the event or you can do it on-line at www.tuc.org.uk/lobbyfeedback