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Pocket Watch – Counting the cost

Introduction

With the Chancellor preparing for his Autumn Statement, Ed Miliband making a keynote speech on the economy and Nick Clegg telling business leaders this week that *"the nascent recovery is at a very delicate stage,"* the economy is back in the news at present. It comes as a Populus poll published this week revealed that the public is getting fed up with austerity and remains to be convinced that further cuts will be needed after the next general election. Certainly there's been some good economic news recently on growth, employment and wages but the bad news is we're only halfway through the planned programme of austerity and more cuts are needed.

What size of cuts are we talking about?

Given that this depends on a mix of forecasts, tax returns, timings and political hopes, let alone external factors like the EU contribution, an exact figure is hard to pin down but £40bn ish doesn't seem far off the mark. The IFS had suggested £37bn, the OBR £43bn and the FT this week, £48bn and we may well get a more precise figure in the Autumn Statement. But the worry for education, particularly for non-protected post-16 education, is that it would be in the front line for further cuts running at least up to 2017/18, the end of the next spending review. As far as it's possible to discern and with an eye on education, the current picture looks like this

Conservatives

- *"We'll finish the job we have started"* (George Osborne. Conference speech 2014)
- Aiming for an overall budget surplus by 2018/19
- Good news: increase in personal tax allowance and higher rate threshold
- Bad news: reduction in welfare cap, more dept budget cuts
- On education: 3m more apprenticeships, investment in youth training
- The challenge: ensuring the benefits of recovery are shared by all

Labour

- *"We will not flinch from tough decisions"* (Ed Balls. Conference speech 2014)
- Aiming for surplus on current spending over lifetime of next Parliament
- Good news: additional protected funding for the NHS, raising of nat min wage
- Bad news: 2 yr cap on increase in child benefit, support for raising retirement age
- On education: limiting any increase in the number of free schools, more apprenticeships, Jobs Guarantee and Youth Allowance
- The challenge: regaining public trust and confidence, zero-based review

Lib-Dems

- *"We'll finish the job but we'll finish it in a way that is fair"* (Nick Clegg. Conf speech 2014)
- Aiming for surplus on current spending by 2017/18
- Good news: increase in personal tax allowance, support for mental health
- Bad news: property tax, unspecified cuts
- On education: 16-19 funding protection, discounted bus passes for 16+, pupil premium
- The challenge: being firm but fair between the other two Parties



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