

Public sector expenditure

ATL is keen that the debate on public expenditure does not deteriorate into an argument about who can promise the biggest cuts in public services. We will try to bring some clarity to the situation.

The crisis in the finance sector during 2009, and the subsequent huge injection of funds into the banks and some industries in order to keep the economy afloat, has undoubtedly had an effect on the government's financial position. The recession has also meant that tax receipts have fallen and this has exacerbated the deficit in public finances.

While it is legitimate to examine spending priorities, some people are using the current economic situation to call for immediate and large-scale cuts in public expenditure, which would have a detrimental impact on teachers, lecturers and other workers in the public sector. It is disappointing that the debate has moved from a necessary discussion of public finances to demands for swingeing cuts, without any political party making the case for the protection of public services.

In particular, both the Conservatives and the Liberal Democrats have branded public sector pensions as unaffordable. Furthermore, the government has indicated a need for 'more realistic public sector pay rises' including a proposed freeze on top salaries. The shadow Chancellor has called for a total freeze on all public sector pay for 2011 and the CBI has published a report stating that future students should not only pay higher fees but also have their loans and grants cut.

ATL believes that education plays a crucial role in equipping young people with the knowledge and skills they need to enable them to contribute to the UK economy, particularly as it emerges from recession. ATL is convinced that it would be folly to cut expenditure on education at this time and is pleased to see that the Prime Minister has committed his government to increased investment in schools over the next five years.

The salient points of the current position on public finances are:

- ATL believes that a high-level debate on public finances is necessary but that this should include all aspects of public income and expenditure, not just a list of public services that can be cut.
- The proposal to protect so-called 'front line services' is spurious. Schools, for example, cannot operate without vital back-up from education support staff and local authority administrative staff.
- Public sector pensions were revised very recently to take account of changing circumstances. The normal retirement age in teaching is now age-65 and the average annual pension paid to teachers is approximately £9,500. This is neither unaffordable nor unsustainable.
- Teachers in England and Wales accepted a three-year pay deal that runs until September 2011. There should be no question that this deal is honoured, whichever party is in power next year.
- To assist the high-level debate, there must be increased transparency in the allocation of pay and bonuses to leadership staff in schools, in particular, the Freedom of Information Act should be extended to include the salaries paid in academies.

If you would like further information or to comment on this briefing paper please do so by contacting ATL on policybriefings@atl.org.uk

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