

## It's not just Northamptonshire that's bus...

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The [Guardian has](#) reported:

*A Conservative-run county council has signalled it is close to effective bankruptcy after admitting that "severe financial challenges" mean it is unable to meet its financial obligations in the current year.*

I forecast that local authorities might face this situation not long ago, but remain surprised that the government has let it happen in a shire county with so little time to elapse before deeply sensitive council elections. Whilst I am not pretending to know all the details of this case, the fact is that if a council can do this (and it is the first for twenty years, apparently, to do so) then what it suggests are three things.

The first, very obvious, fact is that the squeeze from austerity is not only bringing down the companies delivering public services; it's bringing down the public sector suppliers of public services as well. I think it very likely that the issues are related: pressure on cost reduction has reached the point where there is nothing left to give in either case and the system just breaks. Of course there are detail differences but the similarities are apparent: you cannot do something for next to nothing forever and get away with it. The austerity model is simply out of road.

Second, the perennial Westminster politician excuse that the problem is in everyone else's inefficiency is also life expired. The excuse always has the same tone, suggesting that 'if only local authorities / schools / the NHS / the police / unions / etc, got their act together then the problems in service supply could be solved and the government's best intentions would be fulfilled'. But that's also not seen to be true now. No amount of supply side reform will ever overcome the fact that real people have to live and work in systems sufficiently flexible to cope with the unpredictable (which requires that there be margins for error that have now usually long since disappeared) and still have enough to take home as pay at the end of the day to repeat that trick in their domestic lives.

Third, this says local democracy has been allowed to wither to the point that it simply

is no longer credible. Northamptonshire has no choices left. People will suffer as a result. And such is the structure of local authority financing that central government will now no doubt impose that hardship as a deliberate penal regime to punish the profligacy of the council and those Tory shire voters who had the temerity to elect it. This though is wholly unjust. Councils have little control over their revenues, have been made more vulnerable in many cases on that issue by the removal of central funding and have been subject to increasing statutory demands that have removed choice in what must be supplied. The results are Haringey's appalling housing schemes and the imposition of hardship in Northamptonshire whilst choice is denied as a result of central government imposition.

So what have we got? An unholy mess created by the deliberate choice of George Osborne and perpetuated by his willing and foolish Tory colleagues in parliament, with the LibDems also taking some blame.

And what do the electors of Northamptonshire do now? That's the hard one to answer. Will they realise it's time for change? Let's see.