

6 March 2024

PCS reaction to chancellor's budget statement

PCS has reacted to today's budget statement, saying that no amount of pre-election tax gimmickry will make up for not delivering on the investment that our public services and those that deliver them so desperately need.

PCS has called on the government to invest more in the vital public services that our members work hard to deliver. It is disappointing therefore that the chancellor of the Exchequer, Jeremy Hunt, appears to have resigned the country to another period of austerity with real-term spending cuts being forecast. However, there is still no clarity for our members as the budget confirms that the next spending review will not come until after the general election.

There is concern that the tax cuts introduced will mainly benefit the wealthy rather than the lowest paid workers. According to the Institute for Public Policy Research, the much-heralded further 2p cut in National Insurance will cost the government £10.4bn, and almost half of that would end up benefiting the richest 20% of households, while a meagre 3% would benefit the poorest 20% of families.

During the course of this parliament, workers who earn less than £25,000 a year still lose more from the frozen income tax thresholds than they will gain from the NI cuts.

During his speech, Mr Hunt promised to ensure HMRC is given the resources it needs to make sure everyone pays the tax that they owe. Staffing levels at HMRC are only marginally above pre-pandemic levels. [HMRC has recently been criticised](#) for insufficiently resourcing its customer services. Therefore, we believe that any additional compliance roles should not come from shifting resources from elsewhere.

Mr Hunt said he wanted to 'make work pay', but yet again he is failing to make this a reality for the government's own workforce. PCS believes that it should be a matter of shame for a government employer that the civil service has become a

minimum wage employer. Departments are forced by statute to raise the wages of thousands of the lowest paid civil servants year on year as the statutory minimum wage rises.

When the largest government department, the DWP admits that it is understaffed, by as much as 10% in its jobcentre network, but is falling well short of its recruitment targets; when the Cabinet Office Permanent Secretary says that pay is a common factor in failed recruitment campaigns and that low pay is a chronic problem; these should have been wake up calls for the government to take urgent action, but once again they have failed to deliver.

PCS believes that a return to austerity would be a disaster. No amount of pre-election tax gimmickry can make up for 14 years of underinvestment in our public services and the public servants that increasingly struggle to deliver them. Our members and the wider public deserve better.