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Scrap police commissioners to protect bobbies on the beat: Ed Balls also hints at cuts to free schools and winter fuel cash

- Shadow Chancellor admits his party would make cuts after 2015
- Concession launches a week of announcements for Opposition
- But sparks Labour infighting over end to universal benefits
- Tories say Labour would spend and borrow billions more

By [Matt Chorley](#) and [Tim Shipman](#)

PUBLISHED: 23:22, 2 June 2013 | **UPDATED:** 12:59, 3 June 2013



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Police commissioners, free schools and winter fuel cash for rich pensioners could be scrapped by a Labour government, Ed Balls revealed today.

In a major speech setting out where the axe would fall after the next election, the shadow chancellor admitted for the first time that his party would have to continue cutting Whitehall budgets after 2015.

Mr Balls also suggested scrapping whole government departments and agencies, as he warned the Labour party it had to get used to the idea that there would be no money.



Cuts: Shadow chancellor Ed Balls warned the Labour party that it could not expect increasing public spending after the 2015 election

The Labour party is to launch a major drive this week to address real fears among voters that Mr Balls, and leader Ed Miliband, cannot be trusted with the economy.

Next month Chancellor George Osborne will set out the coalition's spending plans for 2015-16, the financial year after the general election.

Mr Balls signalled that Labour would take the coalition's 2015-16 spending review as a "'starting point' with money 'switched' to Labour's priorities.

He suggested that Labour would ditch plans by Education Secretary Michael Gove to build more free schools, abolish the police commissioners which were elected for the first time last year and scrap the winter fuel allowance for wealthy pensioners.

Mr Balls said the party had to ask 'important' questions when drawing up its manifesto.

'With primary school places in short supply in many parts of the country, and parents struggling to get their children into a local school, can it really be a priority to open more free schools in 2015 and 2016 in areas with excess secondary school places?

'When we are losing thousands of police officers and police staff, how have we ended up spending more on police commissioners than the old police authorities, with more elections currently timetabled for 2016?

'With family budgets under such pressure and living standards falling, surely it makes sense to introduce a mansion tax on properties worth over £2m to pay for a lower 10p starting rate of tax?

'And when our NHS and social care system is under such pressure, can it really remain a priority to pay the Winter Fuel Allowance - a vital support for middle and low income pensioners - to the richest 5 per cent of pensioners, those with incomes high enough to pay the higher or top rates of tax?'



Tough: Mr Balls' speech at Reuters in London today is seen as an attempt to persuade voters to trust Labour with the economy again

More than 600,000 better-off pensioners would lose their winter fuel payments the plan.

In a speech at the City headquarters of news agency Reuters, Mr Balls said the next Labour government would need to show 'iron discipline' and a 'relentless focus'.

His revelation that Labour would take away cold weather payments is a rare declaration of a policy which would follow an election victory.

The benefit is worth between £200 and £300 a year for richer OAPs who pay higher and top rate income tax – about one in 20.

The plans would only raise about £105million a year, less than half of 1 per cent of the welfare budget.

But the move will put David Cameron in an awkward position since the Prime Minister has promised not to cut pensioner benefits.

Polls show the public wants to see wealthy pensioners lose their perks while the Liberal Democrats have repeatedly called for winter fuel allowance to be cut or taxed.

Mr Balls says that richer pensioners should shoulder their share of the cuts.

But Peter Hain, a former Labour Cabinet minister, said the move was a slippery slope which will save peanuts' and raise questions about meansteering other benefits including TV licences, bus passes and senior rail cards.

Mr Hain wrote in an article for [Huffington Post](#): 'If middle Britain ceased to benefit from the welfare state through some of the few universal benefits that are left, how can we convince them to fund the larger part of that budget through their taxes?'



Balls accused Chancellor of the Exchequer George Osborne (pictured) of 'economic failure', he will say that Labour has to prepare for straitened times

Mr Balls added: 'Labour believes the allowance provides vital support for pensioners on middle and low incomes to combat fuel poverty. That's why we introduced it in the first place.

'But, at a time when the public services that pensioners and others rely on are under strain, it can no longer be a priority to continue paying the allowance to the wealthiest pensioners.'

But last night the Tories stressed that Mr Balls' plans would cost millions to implement, slashing the savings to well under £100million a year.

They also pointed to demands in his speech for higher spending on infrastructure projects as proof that Labour would continue to borrow more, driving up Britain's deficit.

The declaration will come in the most significant speech for two years by Mr Balls.

'Ed Balls' promise of discipline on spending isn't remotely credible.'

Treasury minister Sajid Javid

He warned that if his party wins the 2015 election, it will have to be 'a very different kind of Labour government to those which have gone before'.

Accusing Chancellor George Osborne of 'economic failure', he said that Labour has to prepare for straitened times.

He said: 'This is the hard reality. The last Labour government was able to plan its 1997 manifesto on the basis of rising spending in the first years after the election.

'The next Labour government will have to plan on the basis of falling spending. Ed Miliband and I know that, and my Shadow Cabinet colleagues know that too.

'Labour must start planning now for what will be a very tough inheritance in 2015. It will require us to govern in a very different way with much less money around.

'We will need an iron discipline and a relentless focus on our priorities.' Mr Balls pledged to 'set out a clear and balanced plan to support growth, alongside a clear timetable to get the deficit down' before the election.

The Shadow Chancellor also backed calls by the International Monetary Fund for the Coalition to 'act to boost capital spending over the next two years'.

This would be 'financed by a temporary rise in borrowing as Labour has also urged – to build our way to a stronger recovery'.

But Tories claim that Labour pledges made this year alone would raise borrowing by £35billion a year.

Treasury minister Sajid Javid said: 'Ed Balls' promise of discipline on spending isn't remotely credible.

'Ed Balls is incapable of admitting that Labour spent and borrowed too much in government, he has opposed every single tough decision we've taken to cut the deficit and he's still saying Labour would borrow billions more.

'The same old Labour plan for more borrowing and more debt would mean soaring interest rates with hardworking people paying the price.'

Last month Labour's deputy leader Harriet Harman said party chiefs will 'review' whether to cut pensioner benefits such as free bus passes and TV licences.

But that admission sparked confusion after a week of U-turns over whether universal benefits were under threat. Labour leader Ed Miliband had said he would 'look at' pensioner benefits before aides raced to say that he supports universal handouts.

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So Balls has a policy (of some sort). Now wouldn't it be nice if things were true the other way round?

- [DrMallard](#) , West Palm Beach FL USA, 05/6/2013 04:16

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Ed Balls like George Osborne will be attending Bilderberg this year. A summary of what the Bilderbergers intend for the people would be nice. Perhaps the Bilderbergers could also tell us who has been chosen by them as the next Prime Minister of the UK?

- [Student](#) , Leeds, United Kingdom, 05/6/2013 01:39

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With Ball's idea it will save hardly anything when you factor in monitor cost, but then you gradually add mission creep, and you eventually only give benefits to people who leech off the givers; well then you start to save money. It is called communism in Russian and Socialism in Britain.

- [Alec](#) , Leicester, 04/6/2013 22:00

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Would they not raise more revenue by imposing a "windfall tax" on Tony Blair?.

- [BobW](#) , Bracknell, 04/6/2013 12:46

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Hasn't this suggestion been mooted previously by the Tories? Quite apart from that, one publicity grabbing 'idea' is hardly a manifesto for government. Back to the drawing board boys, and next time - be a little more original. The UK does not need two Conservative Parties. Trying to emulate Tory ideology has cost the Labour Party the respect of its core voters, who have deserted them in droves - and they STILL haven't learned their lesson. Labour are hell bent on portraying themselves as 'Neo-Tories' in order to grab votes. It won't work this time, voters have finally sussed them out.

- [cat47](#) , Yorkshire, United Kingdom, 04/6/2013 10:19

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Tell you what, I've got an even better idea. Why not re-nationalise the energy companies so that they can no longer jack up bills with double digit percentage increases every winter.

- [Doug](#) , Edinburgh, 04/6/2013 00:17

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When this politician first surfaced, I was surprised that he retained his surname, for obvious reasons of ridicule. No I realise why.

- [denisherring](#) , christchurch nz, New Zealand, 04/6/2013 00:12

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IF YOU HAVE PAID IN THEN YOU SHOULD GET PAID OUT. £6500000 IS WHAT YOU HAVE FOUND TO FUND YOUR MP'S PAY RISE, AND YOU WANT TO ROB THE ELDERLY THIS IS DISGUSTING. YOU WONT BE GETTING MY VOTE, I DON'T VOTE FOR GREEDY PARASITES THAT WANT TO PENALIZE THE ELDERLY. YOU SAY IT WILL BE WEALTHY PENSIONERS THAT'S ONLY THE START FOLKS, IT WILL BE GRADUALLY FRASED OUT. YOU GIVE NO ONE ANY INCENTIVE TO HELP THEIR SELF AND PUT BY FOR ONE'S RETIREMENT WHEN ALL YOU DO IS PENALIZE THEM FOR IT. I AM SORRY BUT THIS IS WRONG YOU LOT GOT US INTO THIS FINANCIAL MESS ALONG WITH THE BANKERS AND ALL YOU DO IS AWARD YOUR SELF. YOU ARE GOING TO HAVE CONFLICT ON YOUR HANDS IF YOU IMPLEMENT YOUR GRUBBY PLANS. I WOULD NEVER ENCOURAGE PEOPLE TO HELP THEIR SELF MIGHT JUST AS WELL SPEND SPEND SPEND WHILE YOU CAN AND LEAVE LATER LIFE TO CHANCE.

- [Micky Mouse](#) , Unfair Britain, United Kingdom, 04/6/2013 00:04

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I'm no Labour supporter, but Balls is right with the narrow issue here. The proposal affects only those pensioners who pay higher rate tax who likely as not have no mortgage or dependant children and in the main will thus have a higher disposable income than many people in work. I don't expect this to be a popular view, but welfare spending needs to be drastically cut across the board (something which the government has not gone nearly far enough with) and what remains should be spent on the alleviation of the worst cases of poverty. Spend less, tax less and everybody (including retired folk) becomes better off.

- [Poshbloke](#) , Cheshire, United Kingdom, 03/6/2013 23:46

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If thats the best you've got Balls, you better prepare your party for a long spell in the desert.

- [NextCoves](#) , London, United Kingdom, 03/6/2013 23:28

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Part of the Daily Mail, The Mail on Sunday & Metro Media Group

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