

13 September 2010

**Item 5**

**The Spending Review and in-year savings impact on Community Safety Partnerships**

**Purpose of report**

For noting.

**Summary**

The outcome of the Government's Spending Review for 2011/12 to 2014/15 will be published on the 20 October. This paper sets out the LG Association's work on the Spending Review to date around policing and community safety, and outlines the in-year savings announced in May which relate to community safety and policing activity.

**Recommendation**

Members are asked to note the LG Association's work around policing and community safety for the Spending Review and the in-year policing and community safety savings announced in May.

**Action**

Officers to action as required.

**Contact officer:**

Mark Norris

**Position:**

Senior Policy Consultant, LG Association

**Phone no:**

020 7664 3241

**E-mail:**

[mark.norris@local.gov.uk](mailto:mark.norris@local.gov.uk)

13 September 2010

**Item 5**

**The Spending Review and in-year savings impact on Community Safety Partnerships**

**Background**

1. In May, the Chancellor of the Exchequer announced steps to tackle the national deficit through savings of over £6 billion from spending in 2010/11, with over £1 billion of this coming from local government. He also announced in the June budget that the autumn Spending Review for 2011/12 to 2014/15 would be published on 20 October, with the bulk of the budget deficit being reduced by cuts in spending rather than increases in taxes.
2. With the commitment to increase health spending in real terms every year and meet the overseas aid target, other departments, including the Home Office and CLG, face spending reductions of between 25 and 40 per cent. Home Office civil servants at the Association of Police Authorities (APA) and Association of Chief Police Officers Conference (ACPO) in June said they were working on a 25 per cent reduction in police funding, with this working out as a net 17 per cent reduction in grant by the end of the spending review period.
3. Localism and radical devolution have been set out as key themes of the Government's spending review. We have been working with the Secretary of State for CLG and the Chief Secretary to the Treasury to ensure that this commitment is threaded into departments' spending plans. The Chief Secretary has encouraged departments to engage with the LGA on exploring place-based budgets, which is a welcome endorsement of our approach.
4. The coalition agreement also committed to a review of local government finance and our spending review submission will provide an early opportunity to argue the case for local government finance reform.

**Reductions in local authority grant allocations for 2010/11**

5. Following the Chancellor's May announcement about in-year budget reductions, the Minister of State for Policing and Criminal Justice announced that the Home Office would be reducing government funding to the police by £135 million, with £20 million coming from capital and counter-terrorism funding, and £115 million from grant to police authorities. The police authority reductions were specifically applied to Additional Rule 2 Grant which merges the rural policing fund, forensic grant, special priority payments grant and London/South East allowances grant.
6. The main reduction in community safety spending in the 2010/11 in-year savings was a £6 million reduction in the Home Office's funding streams within

13 September 2010

**Item 5**

Area Based Grant. There was also a £7 million reduction in Communities and Local Government's Area Based Grant for Prevent work alongside a £4 million reduction in funding for cohesion work.

7. While the overall reduction in Home Office Area Based Grant of £6 million was a relatively small sum compared with other reductions in Area Based Grant, it has already had an impact on councils' community safety activity as it is often one of the main sources of funding to support community safety activity, such as tackling anti-social behaviour and domestic violence, and data analysis work.

**Spending Review 2011/12 to 2014/15**

8. Local government has positioned itself well through our comprehensive offer as a mature partner in the endeavour to restore public finances to sounder footing while mitigating impacts on frontline services. Therefore, our strategy for the 2010 spending review is to position local government as being key to reshaping the public sector in more efficient, effective and accountable form by highlighting the sector's record on efficiency and improvement.
9. The submission will have three building blocks:
  - to quantify spending pressures through to 2014-15, so that the true cost of providing services as we now do is fully understood – only with that information can rational and responsible decisions about reducing public spending be taken;
  - to identify where savings can be achieved by eliminating waste or redesigning services across the public sector; and
  - to identify and lobby for the changes to local authorities' powers, freedoms and flexibilities that would enable public services to be delivered more cheaply – in other words, to press for councils and police authorities to be given the tools to do the job, including options to raise income.
10. Within the Board's remit there will be a service specific submission for the police prepared by the APA and ACPO, led by Bill Wilkinson the Chief Executive and Treasurer of South Yorkshire Police Authority. There will also be a submission on councils' environmental, protective and cultural services. These will both address the three building blocks outlined in the preceding paragraph.
11. The police submission has an overview and nine annexes setting out:
  - The role of policing nationally and within local communities;
  - The social and economic developments that have shaped policing in the last decade;

13 September 2010

**Item 5**

- How police forces have responded effectively to the changing environment;
  - Current and future developments that will determine the demands and expectations placed on the police;
  - Implications from how the police are funded;
  - Managing police services in a reduced financial framework;
  - The risks associated with a substantial reduction in policing resources;
  - How police authorities and the police have reduced crime; and
  - Chief Constables' view of the scale of the challenge.
12. In order to inform the community safety section of the environmental, protective and cultural services submission, community safety managers were asked to send in comments and details on the impact that 25 per cent budget reductions would have on councils' ability to deliver community safety activity. The information from this has been passed to the LG Association finance team for use in the LG Association's submission. Key points included:
- the continuing high level of public concern about crime, with crime and law and order issues still seen as the fourth most important issue facing the country;
  - the vital role that councils play in reducing crime and disorder from operating CCTV systems, to installing alley gates, funding wardens and PCSOs, and providing diversionary activities for youngsters;
  - the importance of funding through the Safer and Stronger element of Area Based Grant, but also the impact that cuts in other funding such as the Basic Command Unit Fund and for drugs and alcohol treatment could have on community safety activity;
  - the long term impact on the costs facing councils and the criminal justice system from cutting activity now and resulting increases in crime later; and
  - the importance of moving to place-based budgets to bring together community safety spending and thereby make greater efficiencies and savings.

**Conclusion and next steps**

13. The final Group submission will be presented for agreement at the LG Group Executive meeting on 16 September. It will be followed by a publicity campaign and formal launch shortly afterwards. A further update on the LG Association's submission to government around the Spending Review can be provided if needed at the Board meeting.

13 September 2010

**Item 5**

**Implications for Wales**

14. Local government spending review submissions are prepared and submitted independently in England and Wales. However, we will continue to liaise with colleagues in Wales to update them on strategy and progress.

**Financial Implications**

15. This is core work for the LG Group and all work is contained within existing budgets.