

Report Number: TSP/4/11

## **TSP Impact on the Bay of Public Sector Reductions**

**Torbay Strategic Partnership – 27 January 2011**

### **1. What are we trying to achieve for our communities?**

- 1.1 In the October Comprehensive Spending Review (CSR) the Coalition Government revealed the overall extent of cuts to public service funding over the next four years. This was followed up in December detailed funding settlements for 2011/12 for individual agencies.
- 1.2 This report outlines the extent of cuts for agencies operating in Torbay, the impact on joint working and pooled budgets and makes recommendations for future actions.
- 1.3 In response to the CSR announcement a Torbay Strategic Partnership Executive task group has been formed comprising of policy and finance representatives from key partners organisations. The role of the group is to:
- Share information on the potential impact of cuts and changes in government policy for Torbay.
  - Co-ordinate our approach across organisations to reduce the impact of cuts to;
    - Communities in the Bay
    - Individual agencies through cost shunting
    - Develop more effective joint working arrangements
- 1.4 The table below summarises the current position budget position for 2011 – 12

<b>Organisation</b>	<b>Overall</b>	<b>Examples of Detail</b>
Torbay Council	<ul style="list-style-type: none"> <li>• Savings of £9m</li> <li>• = 6.8% reduction</li> <li>• No increase in Council Tax for 2011/12</li> </ul>	<ul style="list-style-type: none"> <li>• Children's Services - £2.1m</li> <li>• TCT - £3m</li> <li>• Spatial Planning - £0.61m</li> <li>• Residents &amp; Visitors - £1.3m</li> <li>• TDA - £0.12m</li> <li>• Community Safety - £0.112m</li> <li>• Customer Contact - £0.22m</li> <li>• Business Planning - £0.2m</li> <li>• Governance - £0.1m</li> <li>• Human Resources - £0.106m</li> <li>• Legal &amp; Procurement - £0.1m</li> <li>• ICT - £0.2m</li> <li>• Finance - £0.1m</li> <li>• Restructuring etc - £0.35m</li> </ul>

Organisation		Overall	Examples of Detail
Police		<ul style="list-style-type: none"> <li>• Savings of £17.4m</li> <li>• 6.1 % reduction (savings and inflation pressures.</li> <li>• No increase in Council Tax for 2011/12 to be recommended.</li> <li>• These figures are for the whole of Devon and Cornwall not just the Torbay area.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in Police Officers</li> <li>• Reduction in police staff</li> <li>• Reduction in non-staff costs of £4.5m</li> <li>• Rationalisation of estate / buildings</li> <li>• Partnership contributions tbc</li> <li>• Reduction in Enquiry Offices</li> <li>• Review of IT, Administration, fleet</li> <li>• 'Blueprint' activities to be finalised</li> </ul>
Torbay Trust	Care	<b>Social Services</b> <ul style="list-style-type: none"> <li>• Savings of £3m</li> <li>• 6.9% reduction</li> <li>• Torbay Care Trust has received £2.3m as part of their grant allocation to be spent on Adult Social Care</li> <li>• NHS</li> <li>• NHS savings £6m (4%)</li> </ul>	<ul style="list-style-type: none"> <li>• Management savings and workforce productivity</li> <li>• Redesign of service delivery i.e. Day Services.</li> <li>• Increased charges i.e. domiciliary and day care services</li> <li>• Transformation programme to reduce residential and nursing placements.</li> <li>• Move towards "critical" determinant for assessing needs of new clients.</li> <li>• QIPP redesign pathways of care projects</li> </ul>
Fire & Rescue		<ul style="list-style-type: none"> <li>• 1% saving in 2011/12</li> <li>• 2% growth in 2012/13</li> <li>• Significant savings in years 3 &amp; 4</li> <li>• No increase in Council Tax for 2011/12 to be recommended.</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency improvements</li> <li>• Costs reductions</li> <li>• Income generation</li> </ul>
Probation Trust (South Devon)		<ul style="list-style-type: none"> <li>• Savings of £0.183m</li> <li>• = 6.9% reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Possible additional cuts of 2-3%</li> <li>• 3<sup>rd</sup> successive year of cuts, totally 20% reduction over that period</li> </ul>
South College	Devon	<ul style="list-style-type: none"> <li>• Further Education (Adults) funding rates reduced by 4.3% per learner in 2011/12</li> <li>• Further Education (16-18) – expecting cuts of up to 3% pa</li> </ul>	<ul style="list-style-type: none"> <li>• 'Train to Gain' funding is ending</li> <li>• 2.5% monies within adult funding allocation now conditional on successful job outcomes</li> <li>• Private providers not funded directly if below £500k minimum threshold.</li> <li>• Further cuts and 'conditions' in 2012/13</li> <li>• Adult &amp; Community Learning is safeguarded</li> <li>• Withdrawal of EMAs and transport funding has potential impact on NEET</li> </ul>

1.5 The overall impact of cuts on public sector spend in Torbay for the next four years is considerable. Although some areas of spend are protected in part, particularly NHS spending and funding for schools, it is estimated that cuts for Torbay by 2013/14 will in the region of £97m equating to £745 per head. Further detail can be found at Appendix 1.

1.6 Public sector spend may also be influenced by funding decisions of key partners. This could result in additional spend or a reductions based on current

spend for example through;

- Decisions taken on the location that a commissioned service will be delivered from, for example health services where treatment could be provided in Torbay or elsewhere e.g. Plymouth or Exeter.
- The impact of different levels of cuts across the region by agencies such as Fire and Police through a rebalancing of resources.

1.7 The financial position of residents in receipt of benefits will be further adversely affected by, cuts or freezes to benefit rates (DWP). Areas affected include;

- Cuts to mortgage interest rate payments through reduction in rate payable
- Tax credit freezes start from April 2011 for child and working tax credits
- Moving long term sick and incapacity benefits to Employment and Support Allowance starts from Spring 2011 - High numbers for Torbay, many of these will see a substantial drop in their income
- Changes to Housing benefits

1.8 Taking these issues into account, the task group has undertaken an initial analysis under 3 themes where partnership working could be impacted by the financial settlement;

- Community Safety
- Young people
- Adults

1.9 Actions identified - Community Safety

- The Task Group identifies Community Safety issues that it would expect the Devon and Cornwall Constabulary to take account of in the development of their 'blue print' for Devon and Cornwall', particularly those relating to the night time economy where effective partnership working across agencies has delivered real benefits. The Task Group Recommendation is for the TSP Board to write to the Chief Constable to address highlight prioritisation issues in Torbay compared with other parts of Devon.
- Partnership working in this area depends on partner contributions. Currently a number of partner contributions have yet to be confirmed along with government grants. It is recommended that the TSP recognise the importance of partnership contributions to community safety and the potential knock on impact to other partners if funding is lost.
- Increased demand on probation services as less people are in prison.
- Further work for partners required to understand these issues and support the Probation Trust.

1.10 Actions identified – Young People

- Children's Trust and New Economy Board to be tasked with understanding and monitoring ;
  - Impact of the 90% reduction in Education Maintenance Allowance (EMA's).
  - Potential impact of changes through Connexions Service on areas such as 16 – 19 year olds not in Education, Employment or Training (NEETs)

1.11 Actions identified – Adults

- That Task group identified a need carries out further work to understand the impact of government policy changes in this area, including changes to Public Health and the introduction of GP Consortia.
- That further work is required to understand and monitor the impact of partners cuts that may result in a greater demand for acute services.

**2. Relationship to Community Plan**

- 2.1 Effective use of partner resources are key to successful delivery of the Community Plan. This report outlines Torbay's approach to resource management in the light of funding reductions.

**3. Recommendation for decision**

- 3.1 That the Task Group continues to work together to co-ordinate our approach to government policy changes and cuts with regular reports to TSP.
- 3.2 That a letter from the TSP to the Chief Constable be sent highlighting issues of importance to Torbay.
- 3.3 That the Children's Trust and New Economy Board to be tasked with understanding and monitoring the impact of Education Maintenance Allowance (EMA) reductions and the Connexions service on NEETS (not in Education, Employment or Training).

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## Appendix 1 – Projection of public sector spend in Torbay

Public Sector Body	Spend 08/09 per Total Place  £m	Central Government Funding  £m	4 year change per SR  %	Impact in Year Four  £m	Impact in real terms  £m	Notes
Torbay “Local” Bodies						
Torbay Council	277	62	33%	20	24	
Devon and Cornwall Police	25	25	20%	5	6	
Devon and Somerset Fire and Rescue	6	6	13%	1	1	
South West Strategic Health Authority	8	8	0%	0	0	
South West Ambulance Service NHS Trust	3	3	0%	0	0	
Torbay Care Trust	231	231	-2%	-5	-5	One year increase only
<b>Sub Total – “Torbay Local Bodies”</b>	<b>550</b>	335	6%	22	25	
Torbay share of “National” bodies						
Dept for Business, Enterprise & Reg’y Reform	7	7	25%	2	2	
Dept for Children, Schools and Families	12	12	0%	0	0	
Dept for Communities and Local Government	12	12	33%	4	5	
Dept for Culture, Media and Sport	13	13	24%	3	4	
Dept for Environment, Food and Rural Affairs	24	24	29%	7	8	
Dept for Innovation, Universities and Skills	38	38	25%	10	11	
Dept for Transport (incl. Highways Agency)	23	23	21%	5	6	
Dept for Work and Pensions	355	355	7%	25	29	7% on Dept AME
Dept of Health	47	47	0%	0	0	
Home Office	6	6	23%	1	2	
Ministry of Justice	27	27	23%	6	7	
<b>Sub Total – “Torbay Share - National Bodies”</b>	<b>564</b>	564	11%	63	72	
<b>Total All “Torbay” Public Sector Spend</b>	<b>1,114</b>	899	9%	84	97	
<b>Spend per Torbay “population”</b>	<b>£</b>				745	

