

## **First cuts will not be the deepest**

In May 2010, the Chancellor George Osborne announced an immediate cut of £6.2bn in government spending – the first step in the coalition government's attempt to eliminate the bulk of the UK's budget deficit over the next five years. The biggest impact on Prospect members will be felt in October when the results of the comprehensive spending review are announced.

The list below covers the state of play as of July 22, 2010.

### **Department for Business, Innovation and Skills**

Is about to run a voluntary exit scheme on voluntary terms (FES, VER (FER if not enough volunteers). 33 BIS partner organisations to merge or close.

Expecting £6.3m gap which will result in job losses.

### **Care Quality Commission**

At least 300 jobs lost so far, with another possible 40 job losses (this was on the cards before the general election).

### **Department for Communities and Local Government**

Reduction of £50m in running costs through recruitment freeze and internal redeployment.

### **Central Office of Information**

Expected to deliver savings of £160m by stopping all marketing and advertising work. One third of staff could potentially lose their jobs.

### **Department for Culture, Media and Sport**

Budget to be cut by £66m in 2010/11.

### **Department of Energy and Climate Change**

Looking to save £85m without service cuts.

### **Department for the Environment, Food and Rural Affairs, its agencies and non-departmental public bodies**

Up to and including the end of the CSR period there is a potential for a reduction of 30% of the workforce across the core-department its agencies and NDPBs.

£68m will be taken out of programme budgets - £49 million from reductions in the administrative budget, with specific savings from IT projects and estates. A direct reduction of £19 million on programme spend will have an impact on our members in agencies as contracts are cancelled, but the full implications are not yet known.

### **Department for Education**

Must cut £611m. No specifics yet, but the announcements that have been made are:

£311m – reducing non ring-fenced funds;

£200m – halting some central programmes to support front line services;

£80m – from various Arms Length Bodies. The British Educational Communications and Technology Agency and the Qualifications and Curriculum Development Agency will be abolished. But change in legislation required to abolish QCDA.

£12m – communications.

400 DfE staff in Government Offices will have to go back to DfE. Voluntary redundancy

scheme for up to 150 staff to leave the main department by September 15, 2010.

Priority for policy directorates, communications and GOL returning staff.

### **Department for Transport**

Highways Agency road schemes and work on new search and rescue helicopter (jointly with MOD) deferred (£2.3bn)

A14 road widening (£1.1bn).

2010-11 budget reduced by £683 million, and part of this saving must come from 'discretionary spend' – in-house expenditure which is not committed and over which the department can exercise some choice. Shared Service Centre in Swansea (HR & finance) now regarded as too small and "not a core activity" for DFT and so they will be looking to bring in the private sector.

### **Department for Work and Pensions**

£535 million of savings announced.

### **Environment Agency**

Extensive cuts in HR, finance, senior management and Evidence Directorate affecting 4,000 jobs by 2015.

### **Foreign and Commonwealth Office**

Cuts announced so far are £55 million (2.5% of FCO's total budget) including money allocated to the British Council and BBC World Service.

### **Food Standards Agency (about £30m)**

Believe they can cut their budget by 25% through recruitment and marketing freeze, scaling back research, extra income from charges and letting floors of Aviation House. 50 staff have left since 2009. About 70 staff in the nutrition division will transfer to the Department of Health.

### **Government Offices in the regions**

GO London to close, some staff will transfer to Greater London Authority. Awaiting decision on GO regions

### **Insolvency Service**

Believes it can achieve savings of 5.7% (£10.7 million), without affecting front line services. About 40 non-permanent staff will be affected. Short-term appointments will be terminated and permanent staff will move to these functions.

The Insolvency Service raises 72% of its income through the fees that it receives through debtor petitions, so there is no saving to the taxpayer by reducing the budget of the Official Receivers offices. On that basis the OR offices will largely be left untouched but an 11% spending cut will be imposed on the remaining businesses which largely affect company investigations and enforcement.

### **Intellectual Property Office**

£6.3 million (11%) savings in year. Over half from deferring, or reducing spend on, planned major projects in IT restructuring, work on accommodation and a "Transformation programme". Remainder from miscellaneous "efficiency savings" eg pay freeze, not filling vacancies etc.

### **Imperial War Museum**

IWM is expecting a 25% cut (6.25% each year for four years) in the grant-in-aid it receives from DCMS in the Comprehensive Spending Review.

### **Joint Nature Conservation Committee**

looking at how to deal with 30% cuts. A small number of redundancies are expected in the short term, with the possibility of more to come.

### **Ministry of Justice**

685 posts, mainly admin, lost nationally  
Potential cuts in magistrates court service.

### **Natural History Museum**

30 posts in science and public engagement at risk.

### **National Museum of Science and Industry**

NMSI has managed to absorb the 3% cut in its grant-in-aid from DCMS for 2010/11. It is expecting the CSR to result in a 25% cut in its grant-in-aid (6.25% each year for four years).

### **National Offender Management Service**

Each prison is currently considering how it will make its contribution to running cost cuts of approximately £46m in 2010/11. Changes in NOMS HQ and delays/cuts to capital spending will save another £65m in 2010/11. These reductions are the NOMS contribution to total cuts of £325m for MoJ announced before the budget.

### **Royal Household**

Grant-in-aid funding for travel and building maintenance reduced for 2010/11.

### **Rural Payments Agency**

Restructuring of Horticultural Marketing Inspectorate is underway.

### **Transport for London**

Stringent expenditure control measures, including a recruitment freeze.

### **Veterinary Laboratories Agency**

VLA to merge with Animal Health

### **Yorkshire Forward**

Six posts lost so far. Cuts to non-pay benefits and travel that will reduce service to organisations outside the centre of Leeds.

All departments have been instructed to stop all marketing and advertising work.