

Department for Communities and Local Government and Government Offices spending data January 2011: Background note

In this tough economic climate all department spending is being closely scrutinised to ensure it delivers the best possible value for money for the taxpayer.

The Department is implementing a programme to reduce this year's running costs by £50 million, as part of an overall budget reduction of £780 million for the Department announced in May last year.

Specialist Contractors and Agency Staff

As part of a commitment to drive down costs and focus on the front line, the Department is significantly reducing its spending on specialist contractors and agency staff.

Two department wide reviews have taken place during which all business units that utilise specialist contractors and agency staff were challenged to reduce the headcount where possible and if not to fully justify any continued use. To date, these reviews have been very successful, with the total number of specialist contractors and agency staff having been reduced by 65 percent from 90 at 1 June 2010 to 27 at 31 January 2011. This equates to a reduction in monthly spend from circa. £763k to £185k.

While the Department will always need a degree of external specialist resource that it cannot hold in-house to assist with delivery of programmes or projects, any new business cases are evaluated on their merits and challenged through Human Resources to Board Executive level.

We expect spending to continue to fall over the coming months as time limited projects, including the terminated FiReControl project come to an end.

Research

We intend to ensure that research delivers the best possible value for money for the taxpayer and that sums expended are reasonable in relation to the public policy benefits obtained.

In line with Ministers priorities, we are in the process of winding down some research programme activities. The Department will continue to commission new research, evidence and analysis going forward. These will be in line with Ministerial priorities and support the delivery of the Department's business plan.

Through our processes and governance arrangements we will ensure that we commission research and analytical projects that offer the best public policy benefits relative to their overall cost and we will be seeking where possible to undertake as much of this new work in collaboration with external research organisations and think tanks. Going forward, our new research governance systems will be responsible for scrutinising and quality assuring all new projects against commercial, methodological and value for money challenge criteria.

Any money saved through the cancellation of research projects will go towards the Department's in-year savings or be redeployed to priority policy areas.

The last administration spent £25.6m on research projects that were commissioned but not published before May 2010. These will be published over the next few months.