

SIGOMA

*The Special Interest Group
of Municipal Authorities (Outside London)
Within The LGA*

New Inquiry on the Comprehensive Spending Review: Emerging Issues

In July 2006 the Treasury published an interim report “Releasing the Resources to Meet Challenges Ahead: value for money in the 2007 Comprehensive Spending Review”, setting out progress on the current efficiency programme and the Government’s strategy for driving further value for money improvements over the CSR07 period.

The document sets out the context for CSR07, with key points from the report noted as:

- Efficiency savings of at least 2.5 per cent per year over the CSR07 period.
- A 1.9 per cent increase in public spending as opposed to 5 per cent in previous years.

Based on the emerging issues of this report the Treasury Committee has decided to undertake a short inquiry into the Comprehensive Spending Review, which sets out the Government’s priorities and funding plans for the three year period.

BACKGROUND

Over the last year, Government has been laying the ground work for the CSR by taking a detailed programme of analytical working involving an examination of the key long-term trends and challenges that will shape the next decade. These trends and challenges relate to:

- Demographic and socio-economic change
- The intensification of cross border economic competition
- The acceleration in innovation and technological diffusion
- Continued global uncertainty and global conflict
- Increasing pressure on national resources
- The global climate

As part of its preparations, and with a tight settlement in mind, the government is carrying out a fundamental assessment of its spending and exploring where efficiency gains can be made.

In addition the interim report also sets out the terms of reference for a series of cross cutting reviews, which will inform the CSR07 – these relate to children and young people, the third sector, economic development and supporting growth in housing and will enable the government to maintain its investment in frontline public services and release the resources needed to meet new priorities and challenges ahead.

KEY ANNOUNCEMENTS FROM THE INTERIM REPORT

- Deepening the government-wide efficiency programme in the operational areas established by the Gershon Review
- Conducting a series of zero-based reviews of departments baseline expenditure
- Reviewing the opportunities for transforming service delivery across government
- Requiring all departments to prepare pay and workforce plans
- Promoting improvement in the management of the public sector asset base, taking forward the recommendations of the Lyons Review of Asset Management.

THE INQUIRY INTO CSR:

The emerging issues of “Releasing the resources to meet the challenges ahead” has prompted the Treasury Committee’s decision to undertake a short inquiry into CSR07 and to ask for evidence to be submitted relating to:

- Issue arising from the Treasury document published on 13 July 2006.
- Issues relating to the conduct of the Comprehensive Spending Review, including the National Debate foreshadowed in the 2006 Budget
- The role of Public Service Agreements (PSAs) and PSA targets in the Comprehensive Spending Review.

The newly announced Treasury Committee Inquiry provides SIGOMA with the opportunity to reiterate our key demands and ensure they are taken into consideration in CSR07.

Through the use of work already undertaken by SIGOMA, such as the SIGOMA Profile and Children’s Services lobbying work, we will be able to promote the importance of increased public spending to frontline services and also better targeted public spending to areas of greatest need.

Written evidence should be submitted to the inquiry by 3pm on **11 October 2006** at 3pm to focus on any or all of the three areas identified above. SIGOMA will be preparing a draft document for approval at the next Executive Committee meeting on 8th September 2006.

If members would like to contribute to our response please contact the SIGOMA office with your evidence before 27th September 2006.