



## Mission impossible Darling!

"**Mission impossible Darling**" was how Paul O'Brien, Chief Executive of the Association for Public Service Excellence (APSE) described Chancellor Alistair Darling's review of finances for Local Government as part of the Comprehensive Spending Review 2007.

Commenting on CSR 2007 Mr O'Brien added "We **recognise the Governments dilemma. Despite the massive resources poured into public services the much needed improvements have not always fully materialised. However we cannot make a sweeping judgement of the public sector as if it were one monolithic organisation. The reality is in local government councils have delivered on reform, achieving over £3 billion in efficiency savings, improving local services and public satisfaction has increased.**" He added "To expect councils to deliver what is likely to be about a 3% cut in local budgets will mean already rationed local services such as, elderly care, leisure, local parks and street cleansing will be stretched to absolute breaking point just when central government is professing to understand the importance of good local neighbourhood services".

However APSE welcomed the planned investment in sport for children with a headline increase in spending of £2.2 billion to help facilitate five hours sport per week per child. Mr O'Brien said "**Councils have long argued they have a key role to play in preventing and tackling obesity levels amongst children and young people. They can only win this battle if they are given the funds to make it a reality. New money for sport will be welcomed at a grass roots level though it is regrettable that this new money will take up to three years to deliver.**"

### Ends

#### Notes to editors;

1. Local councils are caught by CSR 2007 which governs the amount of finances available for the next three years as part of the economic management strategy of central government, dictating levels of spending and investment in public services, as this is the biggest area of government spending.

2. The Efficiency Programme is the biggest current public sector wide "change programme." It was a key part of the UK Government's 2004 Spending Review and has its origins in the 2004 Gershon Review. The programme involves change in all UK public sector organisations and had the following specific targets:

- to produce efficiency gains of £21.5 billion a year by 2008 to be released back into 'front line' public services;
- to reduce the headcount of civil servants (those employed by central government departments) by 84,000 by 2008 and to reallocate a further 13,500 posts to front line services, and
- To relocate 20,000 public sector posts from London and the South East by 2010 (as per the Lyons Review of March 2004.)

3. Local councils have over-achieved the 3% efficiency 'gains' from 2004 - 2007 which were partly 'cashable' savings recycled back into other areas of local government services and which were partly non-cashable or 'hard savings'. Councils achieved over £3 billion of efficiencies in advance of the deadline set by Government.

4. Under CSR 2007 the savings to be required by local councils are likely to be around 3% and it is anticipated that these savings will all be 'hard savings' requiring councils to make savings of around 3% coupled with keeping council tax increases to less than 5%. This will create budget pressures on councils as they strive to contain council tax increases whilst delivering services more efficiently.

5. The Government has increased year on year its capital investment in the public sector even when taking into account depreciation in existing assets as follows:-

<b>Public sector gross investment</b>	02-03 <b>27,660</b>	03-04 <b>30,083</b>	04-05 <b>35,763</b>	05-06 <b>39,651</b>	06 - 07 <b>43,464</b>
less Public sector depreciation	02-03 -13,982	03-04 14,623	04-05 -15,259	05-06 16,236	06-07 -17,178
<b>Public sector net investment</b>	02-03 <b>13,678</b>	03-04 <b>15,460</b>	04-05 <b>20,504</b>	05-06 <b>23,415</b>	06 - 07 <b>26,286</b>

6. Increases in sports, funding for access to free museums and art galleries will be welcomed by councils.

7. Councils will be disappointed by the levels of increased spending in social care as the ageing population puts even greater pressure on local councils.

### **About APSE**

APSE is the Association for Public Service Excellence and works on a not for profit basis with over 300 councils throughout the UK

APSE specialises in assisting councils in the delivery of front lines services such as leisure, sports and parks, highways, housing, street cleansing and refuse collection, social care and all neighbourhood services.

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