

The Budget and Spending Review

Things to watch

Strong track record on spending control

But pressures much greater in 2015 than in 2010

Budget and Spending Review need to:

- Set departmental budgets that eliminate deficit
 - Devise implementable plans to maintain service quality
 - Ensure reforms are politically sustainable
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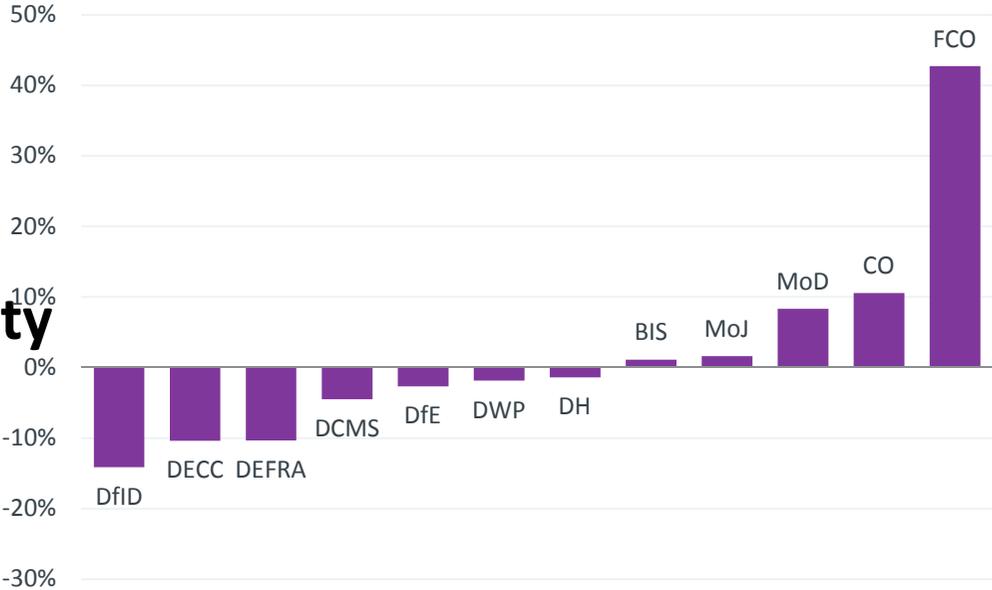
Coalition's spending control record

Lack of growth and tax revenue

Kept to spending budgets

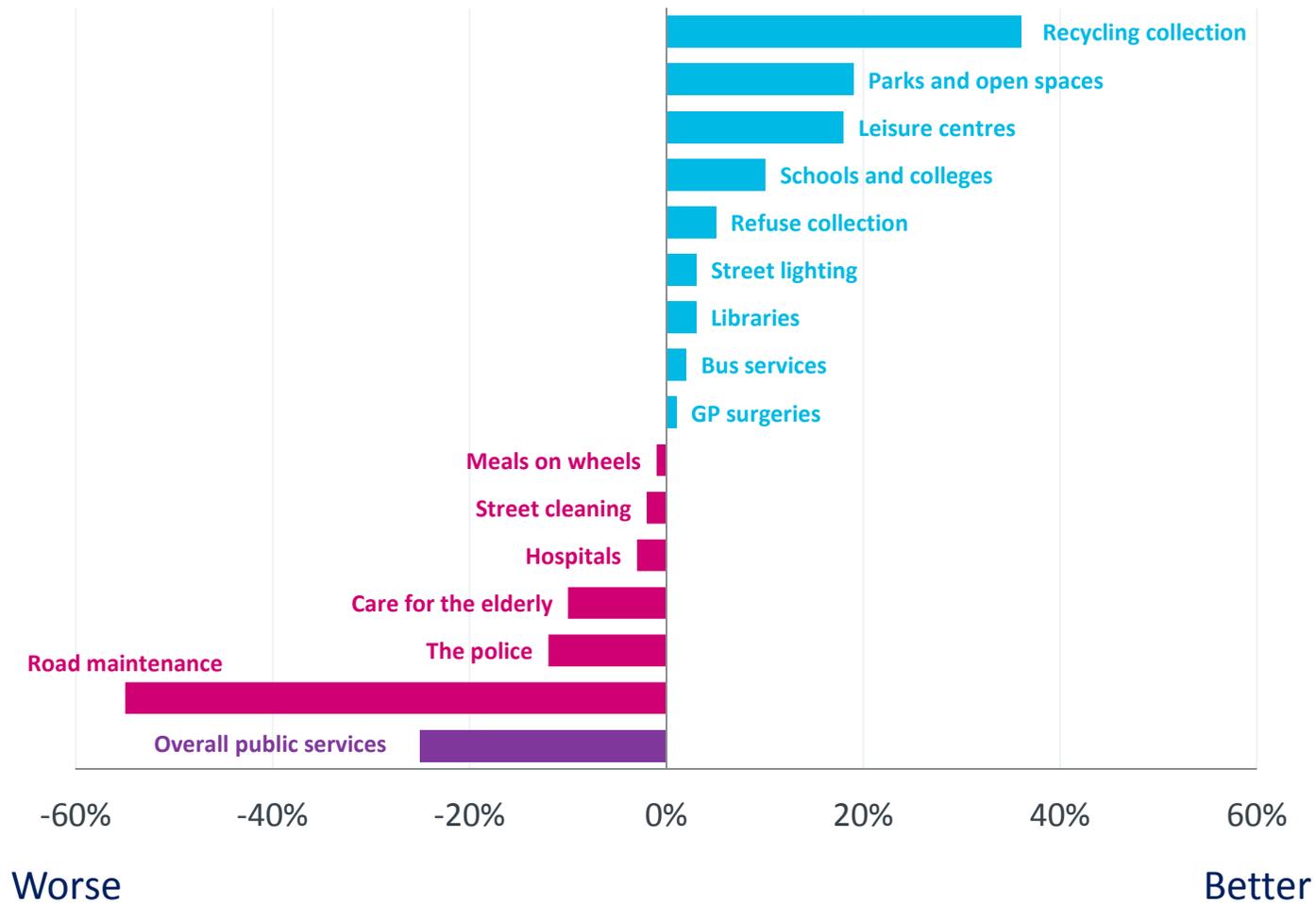
Perceptions of service quality

Departmental Resource DEL, latest outturn as % of Spending Review 2010 plans: 2013/14



Coalition's spending control record

Perceptions of changes in service quality in last five years, asked in 2013



Coalition's spending control record

INSTITUTE
FOR
GOVERNMENT

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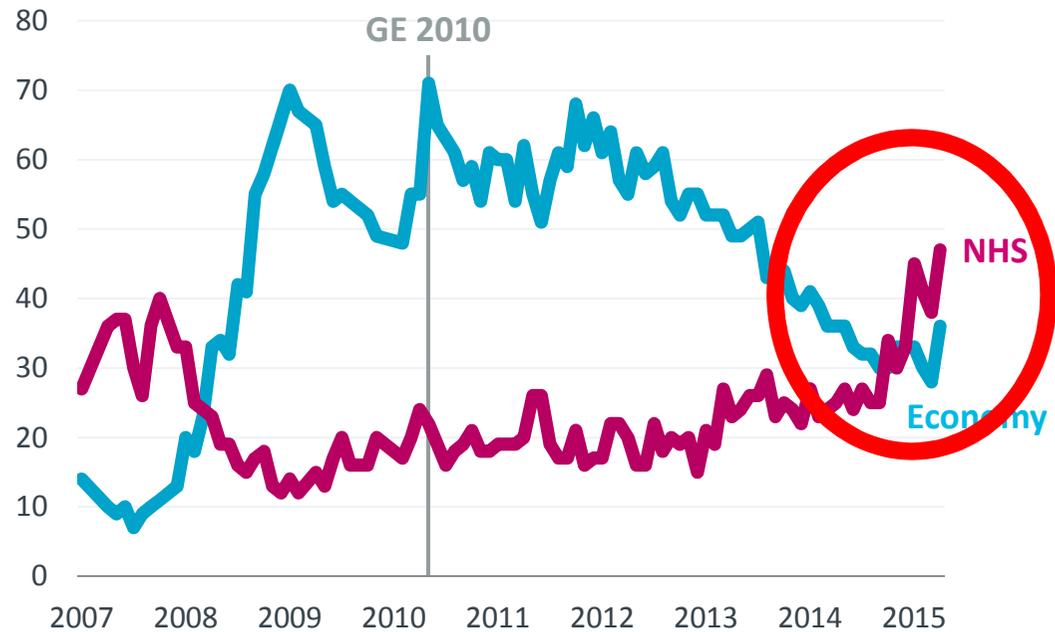
Perceptions of service quality

Pressures much greater in 2015

Keeping to budget harder

Growing public concern

Proportion of people naming issue as one of top three facing Britain



Pressures much greater in 2015

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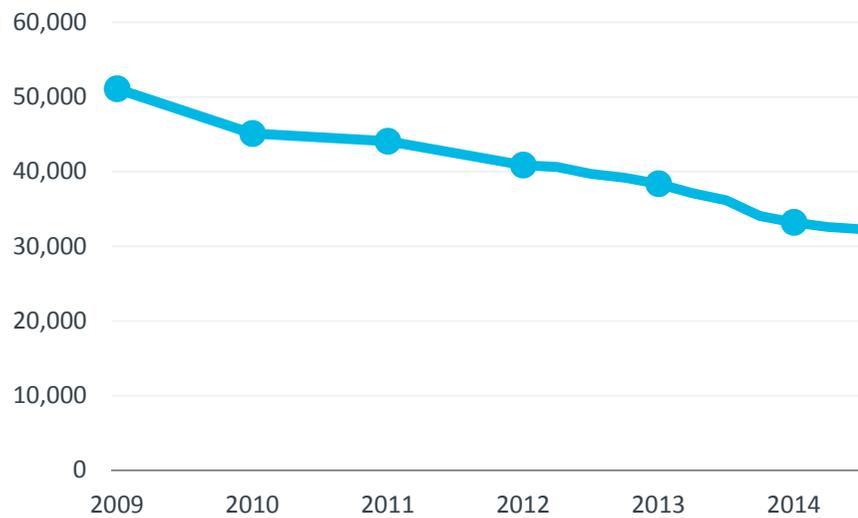
Pressure on service quality

Accident & Emergency: 4 hour waiting time target



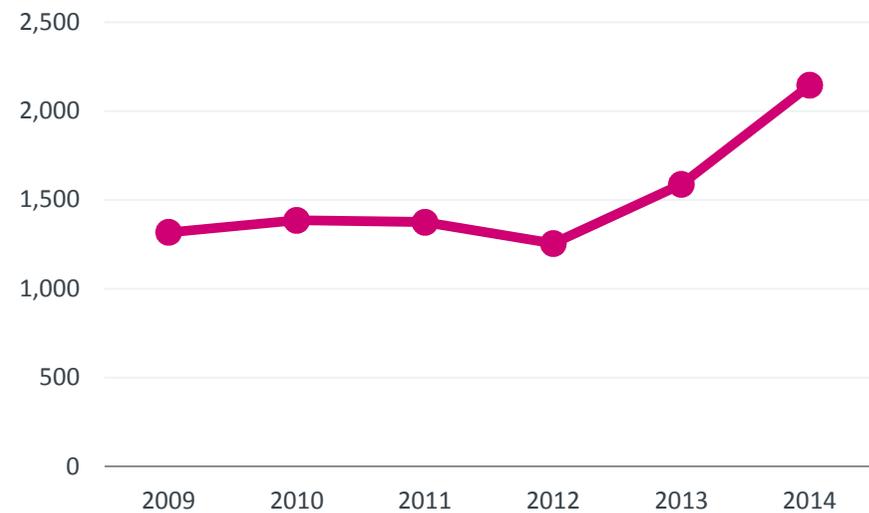
Pressures much greater in 2015

Falling prison staff numbers



Efficiency or pressure?

Rising serious assaults in prisons



Pressure

Pressures much greater in 2015

Keeping to budget harder

Growing public concern

Pressure on service quality

Set departmental budgets

Likely final announcements

Budget (8 Jul)

Tax revenue decisions

In-year departmental
cuts

Benefit cuts

Departmental
spending envelope

Party Conference (5-8 Oct)

Something
eye-catching

Something else
eye-catching?

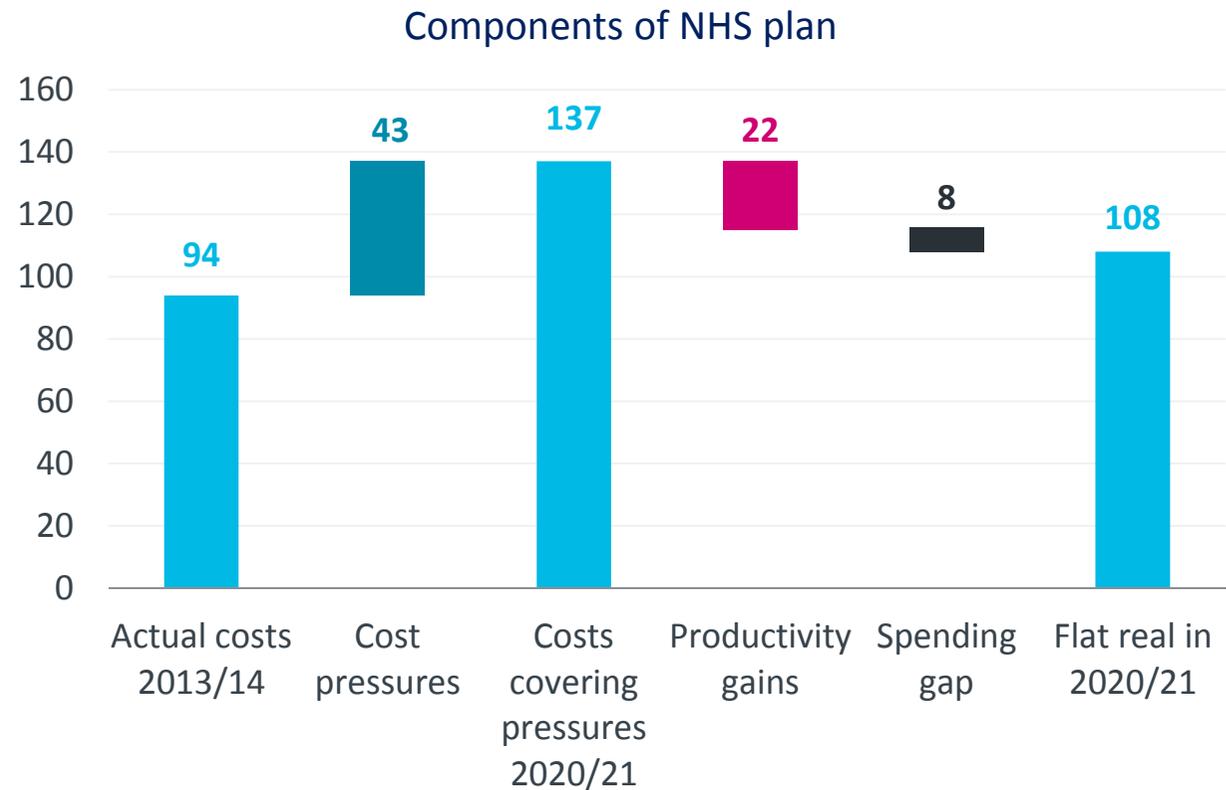
Spending review (Autumn)

Further benefit cuts?

Departmental budgets

Devise implementable plans

Generate efficiencies



Devise implementable plans

Blockages to decentralisation

Generate efficiencies

Central government

Departments won't give up powers

Resists decentralisation to wrong geographical scale

Join up services locally

Decentralisation reversible at a whim

No trust in competence of decentralised government

Local government

Local politicians lose power to new layer

Minority-controlled sub-areas threatened

The public

Will only support if makes a difference

Not interested and opt for status quo

Sceptical of value of 'more politicians'

Concerns over identity can dictate geographies

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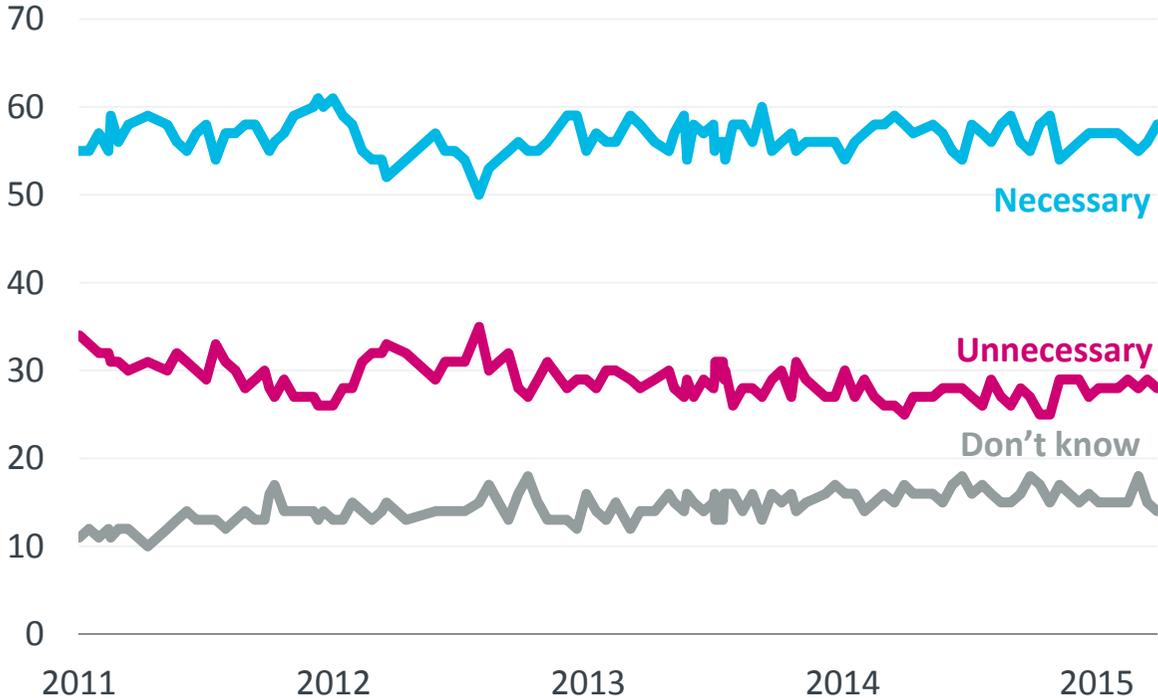
Generate efficiencies

Join up services locally

Strengthen Whitehall

Cuts seen as necessary

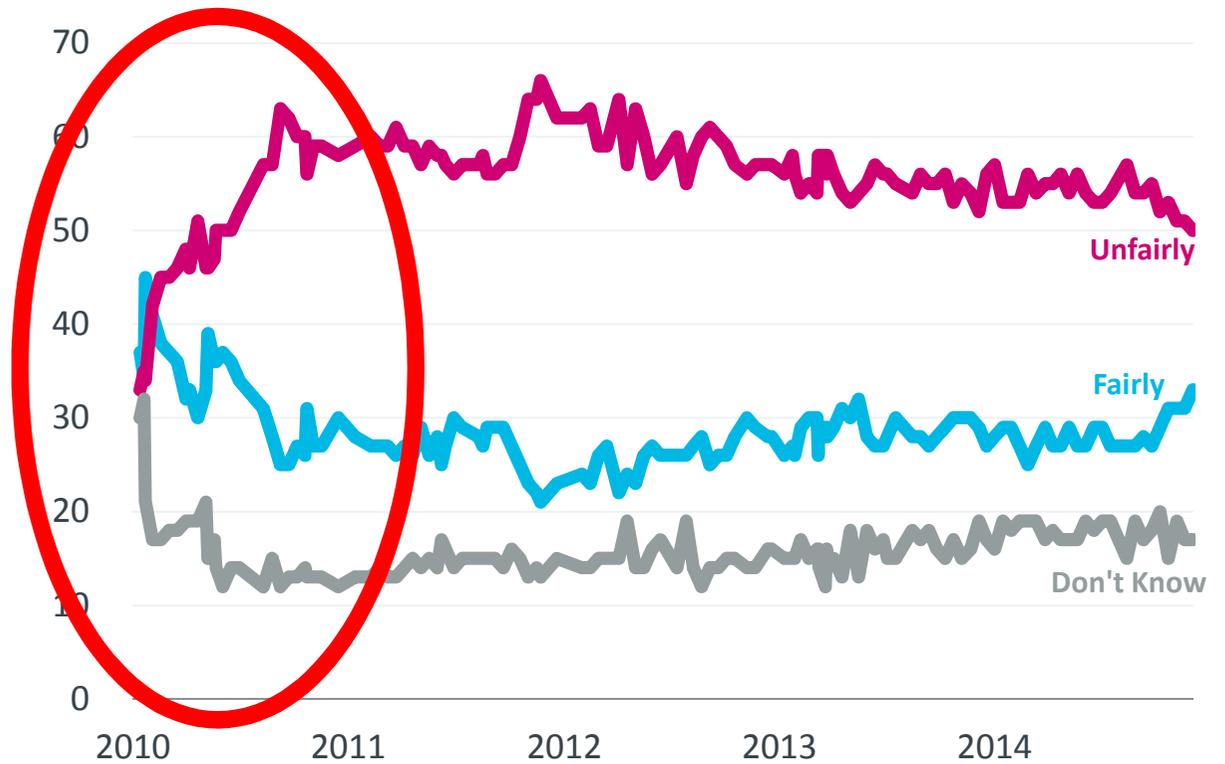
Proportion saying cuts necessary or unnecessary



Cuts seen as necessary

Cuts seen as fair

Proportion saying cuts being done fairly or unfairly



Political sustainability

Cuts seen as necessary

Cuts seen as fair

Missing markets?

Conclusion

Major tasks ahead

Setting the departmental budgets is comparatively easy

Implementing changes will be much more difficult

Success second time around?
