

Comprehensive Spending Review 2010

Overview

The spending review sets out the government's plans for the public finances for the duration of the current Parliament and has created anticipation and concern in equal measure.

Introducing it to the Commons, chancellor George Osborne stated that he had structured the review around three principles: reform; fairness; and growth.

The reform aspect concentrates on cutting waste and increasing efficiency – vital if the government is to meet its aims of reducing the deficit without making heavy cuts to frontline services.

Fairness, the government state, reflects the principle that cuts should affect those who can best afford them. 'We are all in this together and all must make a contribution', was Osborne's way of introducing this theme. The chancellor also made mention of the controversial child benefit reforms and highlighted plans to change the benefit regime to ensure that it paid to be in work.

Finally, the chancellor spoke of the need to encourage growth by investing in transport, green energy infrastructure, science and skills to reposition the UK economy to make the most of the recovery.

The Texts

Statement

Full text of the chancellor's statement to the House of Commons can be downloaded here: http://www.hm-treasury.gov.uk/spend_sr2010_speech.htm

The spending review can be downloaded here, annex A covers the statistical annex and B the distributional impact analysis:

http://cdn.hm-treasury.gov.uk/csr2010_complereport.pdf

Press releases

National

Spending review press notices can be downloaded here: http://cdn.hm-treasury.gov.uk/sr2010_pressnotices.pdf

Regional

East Midlands regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_eastmidlands.pdf

East of England regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_eastengland.pdf

London regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_london.pdf

North East regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_northeast.pdf

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North West regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_northwest.pdf

South East regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_southeast.pdf

South West regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_southwest.pdf

West Midlands regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_westmidlands.pdf

Yorkshire & the Humber regional press notice here: http://cdn.hm-treasury.gov.uk/sr2010_regionalpn_yorkshumbs.pdf

Department for Education and Business and Skills

ACTION: Department for Education budget – Total Department for Education budget to rise from £60.6 billion in 2010/11 to £61.4 billion in 2014/15. (Spending review, chapter 2, p 41, Table 2.1)

ACTION: Pupil Premium – the government will increase funding to education by 0.1 per cent in each year of the spending review for the 5 to 16s school budget, including a £2.5 billion pupil premium. (Spending review, chapter 2, p.41, 2.1)

ACTION: Extension of early years education – the government is extending early years education and care to 15 hours a week to all disadvantaged two year olds from 2012-13. (Spending review, chapter 2, p.41, 2.1)

ACTION: Sure Start health visitors - new investment in Sure Start health visitors, and Sure Start will be refocused on its original purpose of improving the life chances of disadvantaged children. (Spending review, chapter 2, p.41, 2.1)

ACTION: Capital funding – the government will invest £15.8 billion of capital funding over the spending review period and will rebuild or refurbish over 600 schools from the Building Schools for the Future (BSF) and Academies programme. (Spending review, chapter 2, p.41, 2.1)

ACTION: Education Maintenance Allowance – the government will replace EMA with a more focussed system to benefit the most disadvantaged children in the context of raising participation age to 18. (Spending review, chapter 2, p. 41, 2.1)

ACTION: National campaign to support families – the government will launch a new campaign to support families with multiple problems and supported by local Community Budgets. (Spending review, chapter 2, p.42, 2.2)

REVIEW: Independent review of the Early Years Foundation Stage – the review will help ensure that unnecessary bureaucracy and overregulation of early years providers are identified and removed. (Spending review, Chapter 2, p.42, 2.6)

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ACTION: Savings – Resource savings of 25 per cent, comprising 40 per cent savings from reform of higher education and an average 16 per cent savings from the other areas of the BIS budget, with relative protection for science and key elements of adult skills funding. (Spending review, chapter 2, page 51, 2.47)

ACTION: Science budget – Increase the efficiency of the science budget, saving £324 million a year by 2014-15. (Spending review, chapter 2, page 52, 2.47)

ACTION: Higher Education Innovation Fund – Reform the HEIF to incentivise universities to increase commercial interaction between the research base and business. (Spending review, chapter 2, page 52, 2.48)

ACTION: Medical research – Diamond Synchrotron facility in Oxfordshire will receive £69 million over the period, in partnership with the Wellcomes Trust. (Spending review, chapter 2, page 52, 2.49)

ACTION: Medical Research Council – MRC expenditure is maintained in real terms. £220 million of capital funding from the Department of Health has been allocated for the UK Centre for Medical Research and Innovation, subject to approval of the final business case. (Spending review, chapter 2, page 52, 2.50)

ACTION: Adult learning – Spending on Adult Community Learning will be protected and reformed. (Spending review, chapter 2, page 52, 2.54)

ACTION: Colleges – Development of an all-age careers service. (Spending review, chapter 2, page 53, 2.57)

ACTION: Train to Gain – Abolishing Train to Gain and reducing spending on budgets which do not directly support learners. (Spending review, chapter 2, page 53, 2.58)

ACTION: Wakeham Review – Adopting the recommendations, and applying them across research council, institutes and universities, to deliver efficiencies worth £162 million a year by 2014-15. (Spending review, chapter 2, page 53, 2.59)

ACTION: Scholarships – New National Scholarship fund to support students from disadvantaged backgrounds, reaching £150 million a year by 2014-15. (Spending review, chapter 2, page 53, Box 2.3)

LEGISLATION: Higher education funding – Legislation to be detailed as soon as Parliamentary time allows, with a White Paper to be published during the winter. (Spending review, chapter 2, page 53, Box 2.3)

Stakeholder Reaction

GUILDHE – Cuts announced in today's spending review combined with the recommendations from Lord Browne's higher education review that the tuition fee cap be lifted could bring about crippling instability in the higher education sector if introduced too quickly. <http://bit.ly/ckqAjj>

NASUWT – Chris Keates, general secretary of the NASUWT, comments ahead of the spending review. <http://bit.ly/9cvxxY>

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UCU – The University and College Union today warned that massive funding cuts to colleges and universities could lead to institutions across the country being forced to close. <http://bit.ly/bYLUuM>

UNIVERSITIES UK – Professor Steve Smith, president of Universities UK welcomed the government's commitment to science and research through protection of the research budget in cash terms. However he called the overall cuts to the higher education budget anything but "good news for our economy or society".

NUT – Christine Blower, general secretary of the National Union of Teachers, called the announced cuts in government spending 'retrograde' and highlighted the pay freeze and pension cuts teachers are now face with.

ASSOCIATION OF LEARNING PROVIDERS – Training providers have given a cautious welcome to many of the employment and skills measures in today's spending review. <http://bit.ly/aiUYDn>

VOICE – Voice: the union for education professionals has commented on today's spending review. <http://bit.ly/9JsGU7>

NASUWT - Where is the missing Billion? The union ask where additional fund are in the current budget. <http://www.nasuwt.org.uk/index.htm>

AOC - Assistant Chief Executive of the Association of Colleges, Julian Gravatt, said: "While Further Education has not emerged unscathed in the Comprehensive Spending Review, things are not as dire as we had expected. However, Colleges, which have already seen a 14% cut to adult learner responsive budgets this year, are facing further cuts of around 25%. There is no escaping the fact that the next few years will be extremely difficult and there are some real challenges ahead, but Colleges are resilient and will find ways of making the best possible use of the funding available".

http://www.aoc.co.uk/en/newsroom/aoc_news_releases.cfm/id/F6B99798-2266-489F-93A2E94E001E0AF4/AoC%20comments%20on%20CSR%20October%202010