



Independent Budget Review Report

The Independent Budget Review produced their report on 29th July, 2010, outlining a series of options for delivering public services within a significantly constrained public expenditure environment.

The report warns of uncomfortable reading, and makes it clear that it may take us 15 years to return to 2009 levels of spending, and the financial difficulties we are currently facing are urgent and cannot be addressed by efficiency savings alone. The level of employment in the public sector is expected to fall and there are no quick fixes. It acknowledges that the radical approach that is needed offers scope for increased voluntary sector involvement and collaboration in the delivery of public services.

As with so much that emanates from Scottish government circles these days, the emphasis is all on public services and their delivery. Regulatory, fiscal, legislative and other major tools of government are discussed but as the report is all about cutting costs it is the more costly service provision tool which dominates.

Recommendations are made on a range of areas from pay restraints to pensions to redesign of services, and the report includes the following:

- That politicians and civil society need to engage in a debate about transformation of the organisation and delivery of public services in Scotland.
- A protected areas approach, ring-fencing budgets (eg NHS) against cuts is not recommended, but if this is adopted then we need a broader interpretation of health spending, which includes non-NHS services that support the health and well-being of the community.
- Under these circumstances, we need to have the debate about the universality principle (eg regarding concessionary travel, abolition of prescription charges, free personal care, free eye examinations...).
- Considering efficiencies will be increasingly challenging, and may, in some instances, require radical redesign in the way that services are provided.
- While wholesale restructuring to reduce the number of public service bodies would be counter-productive, we need progressive changes and joint actions/ shared services.
- The panel envisaged mainstream roles for the private and voluntary/ third sectors as collaborative partners in the delivery of public services.

In all of this environmental considerations are virtually invisible – but importantly it emerges at the head of the list in the last Chapter – Shaping the Future.

*7.2 The sections of this report have addressed the timescale within the Review's remit. The conclusions have stressed that immediate action is necessary to contain expenditure growth and that difficult decisions will be required to address and secure the short term budgetary constraints. However, to avoid year-on-year cuts of a random nature – 'salami slicing' – **the developing response needs to be set in a more strategic, longer-term framework and direction of travel.** There is a need to shape the future scope and model of public service provision.*

7.3 Many of the submissions which the Panel received support this view and point towards themes and developments which are relevant to any such consideration including, indicatively, but not comprehensively:



- *planning for future challenges, such as demographic and environmental change;*
- *sustaining the individual in the community;*
- *enabling self-help and close support;*
- *the concept of self-directed support and personal choice;*
- *realising the potential of preventive measures and early intervention in reducing later demand;*
- *early years prioritisation;*
- *integrated service provision focused on the individual;*
- *shaping organisational boundaries to help, not hinder, service delivery;*
- *employee engagement – skilling, developing and motivating the workforce;*
- *realising the resource represented by increasing numbers of older, active and available members of society;*
- *underpinning and realising the vital role of the voluntary/third sector; and*
- *engaging the contribution of the private sector in service delivery and choice.*

7.4 These examples are all issues which are highly relevant to the future shape of public services. This is an agenda for transformation which cannot be taken forward without a clear sense of direction, and the Scottish Government and Parliament must provide the essential leadership in shaping future public services. This is work which needs to start now.

Of the many issues that arise from the Report – and I am fairly certain that it will dominate much of the background to the Holyrood election – I think the most important are as follows.

- (1) How will the conventional budget for environmental spending be affected? How much will it be cut by?
- (2) Will the SG use their powers in the Public Services Reform Act to merge environmental agencies?
- (3) Will the SG try to foist any of its environmental work onto the “voluntary/Third sector” – and does that mean us? Or the quasis?
- (4) Is there even the faintest possibility that environmental spending might be ring-fenced or protected as vital to our future – the goose that will lay the golden eggs of the future?

The Scottish Government has promised wide public debate following the publication of the Independent Budget Review report and before it publishes its budget plans in November. LINK should strongly encourage its members to respond to this critical debate, which will include public meetings, online tools, and Committee evidence sessions. See [Have your say on public spending in Scotland](#)