

2007 Pre-Budget Report and Comprehensive Spending Review

DEPARTMENTAL SETTLEMENTS

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Department for Children, Schools and Families

More resources for children and young people

Building on the early settlement for education announced at Budget 2007, the CSR announces:

- an additional £250m in total over the CSR period to help ensure that all children at school are ready to learn and able to benefit from truly personalised services and support
- an additional £200m of investment to accelerate the primary capital programme and newly build or entirely refurbish an additional 75 schools by 2010-11. Together with further funding of £550m available within the existing DCSF settlement, this will allow at least one extra school to be built in every authority by 2010-11

These resources, together with the settlement for the Department for Innovation, Universities and Skills, see education spending in England rising on average by 2.8 per cent a year in real terms over the CSR07 period. UK education spending as a proportion of GDP is projected to increase from 4.7 per cent in 1996-97 to 5.6 per cent by 2010-11.

Overall, the settlement will provide for:

- 3,500 Sure Start Centres, one in every community by 2010;
- an extension of the weekly entitlement for 3 to 4 year olds to free early years education from 12½ to 15 hours by 2010-11; and
- an additional £400 million a year by 2010-11 to enable a step-change in teacher-led one-to-one support for pupils that are falling behind in English and Maths.

The Secretary of State for Children, Schools and Families, Ed Balls, said:

“This is a very good settlement for children, schools and families. It continues the record levels of investment of the last decade and provides the resources to ensure we continue to deliver the very best for all of our young people.”

NOTES FOR EDITORS

1. This additional investment will be accompanied by ambitious value for money reforms realising annual net cash-releasing savings of £4.5 billion by 2010/11.

2. The DCSF settlement will also deliver:

- £217 million a year by 2010-11 to support access to two hours of free extended activities for pupils in care or eligible for Free School Meals (FSM), with two weeks of free part-time provision during the holidays;
- money from dormant bank accounts, along with £60 million of Government investment in total over the CSR07 period, will be used to improve youth facilities, with a new or improved place for young people to go in every constituency by 2018;
- expansion in the provision of positive activities for young people, particularly those who are at risk of poor outcomes; and
- funding to make further progress towards ensuring all young people can learn in ways that motivate and engage them, including from 2008, introducing new lines of diplomas.

Table

Children, Schools and Families baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	44,501	2,410	4,718	7,403
of which near-cash	44,512	2,426	4,741	7,414
of which administration	195	-5	-10	-14
Capital DEL	5,648	363	728	1,983
Total DEL¹	50,135	2,775	5,449	9,389
	£ billion			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total education (England) ²	63.9	67.0	70.4	75.0
¹ Full resource budgeting basis, net of depreciation.				
² Total education (England) comprises spending on education by DCSF, DIUS and local authorities, and is measured consistently with international definitions from the UN classifications of the functions of government (COFOG). Actual outcomes are subject to spending decisions by local authorities.				
UK education¹ spending				
	£ billion			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK education	77.7	81.8	86.1	92.0
UK education as a proportion of GDP	5.5%	5.6%	5.6%	5.6%
¹ UK education and training measured consistently with international definitions from the UN classifications of the functions of government (COFOG). Actual outcomes are subject to spending decisions by local authorities and devolved administrations. These figures reflect HM Treasury's latest indicative assumptions on the expenditure of local authorities and devolved administrations.				

2007 Pre-Budget Report and Comprehensive Spending Review

Department of Health

Achieving fair and responsive health and social care services

The 2007 Comprehensive Spending Review continues a decade of unprecedented investment with a three-year settlement for the Department of Health, increasing the NHS budget by 4 per cent per year in real terms, taking total NHS funding from £35 billion in 1997-98 to £110 billion in 2010-11.

This settlement provides the funding to deliver the measures set out in Lord Darzi's *Our NHS, Our Future* interim report which was published on 4th October. The settlement sets out measures to deliver the Government's vision of an NHS that is:

- Fair – with a new comprehensive strategy to reduce health inequalities in life expectancy and infant mortality and additional resources to tackle child obesity;
- Personalised – with a maximum of 18 weeks from referral to treatment by next year, new services for people with long term conditions and new measures to increase GP access, including additional resources for over 100 new GP practices in areas with low provision and 150 new health centres open 7 days a week;
- Effective – with up to £100m for a new Health Innovation Council to drive a more innovative NHS, expansion of the single fund for health research to £1.7bn, £75 million over the CSR period to deliver further reductions in cancer waiting times and a named midwife for all pregnant women;
- Safe – with £130m for the introduction of MRSA screening for all patients increased powers for matrons, tougher regulation on infection control and a further £140m by 2010-11 to reduce *c. difficile* infections; and
- Locally accountable – Lord Darzi is leading engagement with over 1500 clinicians, as part of empowering staff locally to lead

change, with fewer national targets and greater local freedom to set priorities in key areas such as long-term care.

This settlement also announces an increase in spending on adult social care. Overall local authority funding – from which adult social care is funded – is to increase by £2.6 billion by 2010-11. In addition, direct funding from the Department of Health for social care for older people and support services for carers will increase by £190m to £1.5 billion by 2010. This will support delivering the vision set out in ‘Our Health, Our Care, Our Say’ through:

- personalised budgets giving people who use services choice and control over their support;
- provision of advocacy and information services for people who use services in every local authority;
- increased focus on preventative services to support people to live independently; and
- support for 3,000 people with learning disabilities to leave NHS accommodation and be supported to live independently

In addition, today the Government is announcing its intention to produce a Green Paper on reform to the system of adult care and support, in order to ensure that an affordable system is in place for the 21st century. These reforms will ensure that state resources are targeted effectively, and that enable people to have choice and control over the ways they live their lives.

The Secretary of State for Health, Alan Johnson, said:

“This is a good settlement for health and social care. Over the last decade we have invested to increase the capacity of the NHS so that the service is able to treat more people more quickly. This settlement locks in that record investment and provides for additional real terms growth. Today’s extra investment, combined with increased efficiency, means we can now focus unremittingly on improving quality, safety and access for all within a locally accountable and clinically led NHS. The increase in funding for social care, combined with a new Green Paper on the care system, recognises the changing nature of our society and the increasing numbers of carers old and young. With this investment and reform we will put dignity and control in the hands of those who use the care system.

NOTES FOR EDITORS

1. Additionally, the Government announced today two unprecedented developments in health research:

- the largest ever increase in Government funding for health research (to £1.7bn); and ring-fenced funding for the National Institute for Health Research through the Department of Health (of £1bn by 2010-11)
2. This demonstrates this Government's commitment to health research and our recognition of its central importance to our country. Together these new commitments will ensure that our excellent basic science is sustained and is translated into increased benefits and opportunities for all patients

Table

NHS England baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	86,848	5,793	11,651	17,985
of which near-cash	83,796	5,680	11,266	17,354
Capital DEL	4,177	412	1,175	1,909
Total DEL¹	90,352	6,078	12,545	19,454

¹ Full resource budgeting basis, net of depreciation.

Adult social care baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,205	32	88	190
of which near-cash	1,191	32	88	190
Capital DEL	121	0	0	0
Total DEL¹	1,314	32	88	190

¹ Full resource budgeting basis, net of depreciation.

Food Standards Agency baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	144	-4	-7	-10
of which near-cash	141	-3	-7	-10
Capital DEL	1	0	0	0
Total DEL¹	143	-3	-7	-10

¹ Full resource budgeting basis, net of depreciation.

Department of Health¹ and Food Standards Agency baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	88,198	5,822	11,732	18,165
of which near-cash	85,129	5,709	11,347	17,534
of which administration	277	-7	-13	-20
Capital DEL	4,299	412	1,175	1,909
Total DEL²	91,809	6,107	12,626	19,634
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK public sector health spending ³ (£ billion)	104.8	111.1	118.6	126.7

¹ Department of Health comprises NHS England and adult social care.

² Full resource budgeting basis, net of depreciation.

³ UK public sector health spending measured consistently with international definitions from the UN classifications of the functions of government (COFOG). Actual outcomes are subject to spending decisions by devolved administrations.

For further details of DoH's settlement and Departmental Strategic Objectives for the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

Media Enquiries to DoH Press office on 020 7210 3000

The Department for Transport

Funding for Crossrail announced

The 2007 Comprehensive Spending Review underlines the Government's continued commitment to reliable and efficient transport networks by confirming the 2¼ per cent annual real increase in the Department's programme budget set out in the Long Term Funding Guideline for transport announced in the 2004 Spending Review.

The 2¼ per cent real growth Long Term Funding Guideline will be extended to 2018-19 allowing the Department to continue to plan on a 10 year horizon, meaning that in the 20 years from 1997-98 UK transport spending will have more than doubled in real terms.

These increases allow the Department to contribute over £5 billion to Crossrail, the Government's share of the overall cost of up to £16 billion. Subject to Royal Assent of the Crossrail Bill, construction will be taken forward as a single programme, with first services planned to come into operation during 2017. Services to all stations on the route are expected to build up incrementally over twelve months.

The Department has committed over £15 billion to the railways to enhance capacity and improve safety and reliability on trains between 2009 and 2014. This includes a programme to modernise the Thameslink line, the addition of 1,300 carriages to increase capacity on key routes, an extensive programme of station improvements and £200 million of investment in a strategic rail freight network.

The Review will also allow for the creation of an enhanced national concessionary travel scheme so that residents of England aged 60 and over and eligible disabled people will be entitled to free off-peak local bus travel anywhere in England from 1 April 2008.

The Secretary of State for Transport, Ruth Kelly, said,

"This settlement confirms that investment in public transport will continue to grow in real terms bringing sustained improvements for the travelling public. The historic commitment to deliver Crossrail will support Britain's economic growth and relieve the pressure on the tube by carrying around 200 million passengers a year. The extension of concessionary fares, the focus on local and regional transport as well as the increased capacity on the rail network will bring tangible improvements to passengers' journeys."

NOTES FOR EDITORS

1. DfT's programme budget will grow by 2¼ per cent per year on average in real terms over the CSR period. Average annual real growth for the Department as a whole will be 2.1 per cent due to savings in DfT's administration budget, which will fall by 5 per cent a year in real terms.
2. The additional funding provided by the 2007 CSR settlement will be accompanied by value for money reforms realising annual net cash-releasing savings of £1.8 billion by 2010-11.
3. Crossrail's expected cost of up to £16bn will be met by Government, businesses and farepayers, each contributing around one third:
 - Government will contribute by means of a grant from the Department for Transport of over £5 billion during Crossrail's construction;
 - Crossrail farepayers will ultimately contribute around another third of the cost, with projected operating surpluses used to service debt raised during construction by Transport for London, and by Network Rail in respect of the works on the national rail network;
 - London businesses will contribute broadly another third through a variety of mechanisms:
 - direct contributions have been agreed with some of the project's key beneficiaries along the route. Canary Wharf Group has agreed to make a significant contribution to the Project, and will in addition be responsible for delivering the Isle of Dogs station on advantageous terms. The City of London Corporation will make a significant contribution from their own funds, and will assist in delivering additional voluntary contributions from the largest London businesses. The Government will offer the Corporation its support, where necessary, to deliver these additional contributions. BAA have also agreed in principle to make a financial contribution
 - the Government is separately publishing a White Paper setting out its proposal to introduce a power for local authorities to raise supplementary business rates to fund economic development. Following discussions with Government, the Mayor has indicated that, subject to appropriate consultation, he envisages using these powers to levy a supplement of 2 pence per pound of Rateable Value across London from April 2010, with relief for

businesses with a Rateable Value below £50,000, which will be used to service £3.5bn debt raised by the Mayor during construction.

- the Mayor has further indicated that he envisages securing contributions from property developers, particularly those who develop in the vicinity of Crossrail stations, and that subject to any appropriate obligations such as Examination in Public, he expects to bring forward London Plan alterations to this effect.

4. The 2007 CSR settlement also provides for:

- significant investment in roads, supporting Sir Rod Eddington's three recommended strategic economic priorities for transport policy of congested and growing city catchments, key inter-urban corridors and key international gateways; and
- support for local road pricing schemes to tackle congestion, combined with public transport investment, subject to appropriate proposals coming forward. Greater Manchester has already submitted a proposal and other areas considering them include the West Midlands, Tyne & Wear, Cambridgeshire, Shropshire, Durham, East Midlands, Reading, Norfolk and Bristol.

Table

Department for Transport baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	6,274	169	219	399
of which near-cash	5,678	479	472	380
of which administration	290	-8	-15	-21
Capital DEL	6,660	633	954	1,452
Total DEL¹	12,556	842	1,219	1,909
	£ billion			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK transport ²	20.0	21.9	22.5	23.7

¹ Full resource budgeting basis, net of depreciation.

² UK transport measured consistently with international definitions from the UN classifications of the functions of government (COFOG). Actual outcomes are subject to spending decisions by local authorities and devolved administrations. These figures reflect HM Treasury's latest indicative assumptions on the expenditure of local authorities and devolved administrations.

Department for Innovation, Universities and Skills

Increased funding for science, research, innovation, skills and higher education

To ensure the UK has the skills, science and innovation base it needs to prosper in the increasingly competitive global economy, the 2007 CSR announces 2.2% annual average real growth for the Department for Innovation, Universities and Skills, taking its total budget from £18.0 billion in 2007-08 to £20.8 billion by 2010-11.

Over the CSR07 period spending on the public science base will rise by an annual average rate of 2.5 per cent in real terms to £6.3 billion by 2010-11. This meets the Government's 2004 commitment to increase investment in the public science base in line with GDP growth. It will deliver increased investment in basic research, creating new ideas and new economic opportunities. As part of this settlement the Medical Research Council will contribute £682 million to the £1.7 billion single health research fund that will be managed by the Office of Strategic Health Coordination, fully funding the recommendations of the Cooksey Review.

The 2007 CSR enables total public funding of over £1 billion for business innovation led by the Technology Strategy Board over the CSR period including co-funding of at least £120 million committed by the Research Councils, and co-funding of £180 million committed by the Regional Development Agencies.

To deliver the workforce we need, and to ensure that every individual has the opportunity to succeed, the 2007 CSR confirms that DIUS will increase spending on Higher Education and adult skills by an average of 2.0 per cent a year in real terms, rising from £14.2 billion in 2007-08 to £16.4 billion¹ in 2010-11. This will include funding for Higher Education to enable:

- greater and wider participation in higher education as funded student numbers rise to around 1.2 million by 2010-11 – 50,000 more than now; and
- two thirds of students to qualify for non-repayable grants with over 250,000 students benefiting by 2010-11.

The 2007 CSR enables the Government to make real progress against the Leitch ambitions for world-class skills, including:

- a significant rise in the number of adults gaining qualifications at all levels between 2008 and 2011; and

¹ This includes DIUS funding for research and knowledge transfer in English Universities

- expansion of the employer-led Train to Gain programme, taking expected investment to more than £900 million a year by 2010-11.

The Department for Innovation, Universities and Skills (DIUS) was created by the Prime Minister in June 2007 to drive forward delivery of the Government's long-term vision to make Britain one of the best places in the world for science, research and innovation, and to deliver the ambition of a world-class skills base.

John Denham, the Secretary of State for the Department for Innovation, Universities and Skills said

“ DIUS exists to enable adults to develop their skills and knowledge to the full extent of their ability; to deliver world class research and scholarship; and to ensure we make the full use of that research in making Britain the best place in the world to build an innovative business. This settlement enables us to make real progress in each of these areas. In doing so we will build a strong economy and a cohesive society that can meet the global challenges of the 21st century.”

NOTES FOR EDITORS

1. The creation of DIUS was announced by the Prime Minister in June 2007, bringing together science and innovation from the former Department of Trade and Industry and Higher Education and Skills from the former Department for Education and Skills.
2. The Technology Strategy Board became an executive Non-Departmental Public Body of DIUS on 1 July 2007 in line with recommendations arising from the Sainsbury Review.
3. The additional funding provided by this CSR settlement will be accompanied by value for money reforms realising annual net cash-releasing savings of at least £1,543 million by 2010-11.

Table

Innovation, Universities and Skills baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	16,039	849	1,610	2,654
<i>of which near-cash</i>	14,471	545	1,135	2,067
<i>of which administration</i>	72	-2	-3	-5
Capital DEL	2,057	-67	148	203
Total DEL¹	17,986	747	1,706	2,792
	£ million			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK science spending ²	5,397	5,608	5,903	6,287
<i>of which:</i>				
<i>DIUS science budget</i>	3,383	3,525	3,746	3,971
<i>DIUS funding for research and knowledge transfer in English Universities</i>	1,655	1,710	1,775	1,926
UK science spending as a proportion of GDP (per cent)	0.38	0.38	0.38	0.39

¹ Full resource budgeting basis, net of depreciation.

² Actual outturns are subject to spending decisions by the devolved administrations. Excludes non-cash items.

Department for Communities and Local Government (CLG)

Increased funding for housing, building strong communities, and helping to tackle extremism

The Chancellor has announced today that the Communities and Local Government budget will rise by 2.9 per cent a year in real terms over the CSR07 period. This will take the Department's total budget from £10.3 billion in 2007-08 to £12.1 billion in 2010-11.

The Government announced its intention to deliver 3 million new homes by 2020 - with the number of new homes being built rising to at least 240,000 per annum by 2016. Towards this ambition, this settlement delivers:

- £6.5 billion investment over 3 years in new social housing to deliver 45,000 new social homes per year by 2010-11, a 50% increase compared with 2007-08, with a goal of reaching 50,000 per year during the next spending review period;
- £1.7 billion over 3 years targeted funding for infrastructure in growth areas, the Thames Gateway, new growth points and eco towns, including a £300 million Community Infrastructure Fund; and
- £500 million over 3 years for the new Housing and Planning Delivery Grant, to incentivise local authorities to increase housing supply and help bring forward local development frameworks.

This settlement also delivers:

- £2 billion over 3 years for neighbourhood and local renewal programmes, with a new strategic approach strengthening the emphasis on economic development and promoting mixed communities
- £50 million over 3 years to promote greater community cohesion and integration in local communities

The Secretary of State for Communities and Local Government, Hazel Blears said:

"In the past ten years many of this country's most deprived areas have been transformed. Government investment has renewed public services, brought over a million social homes up to a decent standard, helped to create jobs and bring a new sense of pride and purpose to every area. The spending settlement announced today will help us go further still: delivering places

where people want to live and work, supporting strong communities that bring people together, and helping to tackle extremism.”

Housing minister Yvette Cooper said:

"This Government is putting unprecedented levels of investment into the new homes that Britain desperately needs. Unless we build more new homes, too many young families and first-time buyers will struggle to get a foot onto the housing ladder. Government cannot achieve all this alone. Building 3 million new homes by 2020 must be a shared endeavour with industry, communities and local councils. This investment shows that Government is serious about meeting its commitments, and I believe that together we can build communities to be proud of for years to come."

NOTES FOR EDITORS

1. The additional funding provided by this CSR settlement will be accompanied by value for money reforms realising annual net cash-releasing savings of over £880 million by 2010-11.

Table

CLG Communities baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	4,224	127	293	436
of which near-cash	4,096	102	224	353
of which administration	287	-6	-13	-20
Capital DEL	6,105	870	1,232	1,419
Total DEL¹	10,281	995	1,523	1,840
	£ billion			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Housing UK	12.0	12.5	13.1	13.7
of which housing investment	8.1	8.7	9.1	9.5
Housing England	8.8	9.1	9.6	10.0
of which housing investment	6.0	6.4	6.7	7.0

¹ Full resource budgeting basis, net of depreciation.

² UK and England Housing and Community Amenities measured consistently with international definitions from the UN classification of the functions of government (COFOG). Actual outturns are subject to spending decisions by local authorities.

Empowering local government and communities

The Comprehensive Spending Review provides new resources and flexibility for local government to deliver increased local prosperity and personalised public services, responsive to the needs of those who use them. Over the last ten years, Government grants to local government have increased by 39% in real terms. The CSR grows resource DEL for local government at 1 per cent per year in real terms over the next three years. This enables local government to deliver an overall council tax increase of well below 5%.

In addition, new resources of £150 million will support local government to deliver an ambitious value for money and service transformation reform programme over the Comprehensive Spending Review - realising net cash-releasing savings of £4.9 billion by 2010-11.

To provide additional flexibility to respond to local priorities, more than £5 billion of grants will be mainstreamed over the CSR, removing ringfencing and other controls. Alongside a real reduction in central targets and proposals to introduce powers for local authorities to raise business rates supplements to improve local economic growth, the Government significantly advances its agenda of devolution to the local level.

The Secretary of State for Communities and Local Government, Hazel Blears said:

“This is a positive settlement for local authorities with major new freedoms that put local communities in the driving seat.

We are delivering on our devolution promises – slashing red tape, increasing financial flexibility – to support councils in delivering personalised, responsive public services and rising local prosperity. This settlement means there is no excuse for excessive council tax increases.

Councils have a proven track record on improving services and achieving efficiency gains and this package, with radical new financial flexibilities, will help them to continue this success. We know local authorities face challenges – as does central Government – but devolution is about taking responsibility for these. They must now rise to the challenge and show leadership alongside delivering value for money.”

NOTES FOR EDITORS

1. Revenue Support Grant and National Non Domestic Rates will total £24,081m in 2008/09, £24,920m in 2009/10 and £25,763m in 2010/11. This includes £677m in 2008/09, £853m in 2009/10 and £1,069m in 2010/11 to support PFI projects.
2. The settlement also provides an additional £212m/£217m/£223m for the national bus concession scheme through a specific grant from Department for Transport.
3. Government publishes a National Performance Indicator set for local government later this week, consisting of a single set of 198 indicators for all local authority outcomes delivered alone or in partnership. There will be no mandatory targets for Local Authorities.
4. A reduction in ring-fenced and specific grants such that £5 billion of grants from government departments will be mainstreamed through either Revenue Support Grant or Area Based Grant by 2010-11 ensuring that local authorities can direct more resources to local priorities. The list of these grants will be published shortly by CLG.
5. An additional £150 million will be provided to support the achievement of the Efficiency Delivery Plan. The plan is published by CLG today. It sets out the details of the savings that local government can make and the support that Government will provide the sector to do so. It is based on considerable joint work between Government and the local government sector over the last year.
6. The Government has today published an issues paper on the Local Authority Business Growth Incentives scheme, setting out its commitment to creating a permanent incentive for councils that encourages sustainable economic growth, fully integrated with the local government finance system. The new incentive will be phased in from 2009/10, with funding of £50m doubling to £100m in 2010/11.
7. The Government today publishes a White Paper on business rate supplements, setting out the Government's plans to introduce a power for local authorities to raise and retain local business rate supplements. This power will be subject to four levels of protection for business, with detailed statutory consultation, a maximum limit of 2p, an exemption for properties with a rateable value less than £50,000 and a requirement to ballot where the supplement supports more than a third of the cost of the project.
8. CSR announces a process of engagement with the public leading to the development of a Green Paper to explore options for reforming the adult care and support system.

Table

CLG Local Government baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	23,714	986	1,888	2,695
<i>of which LG programmes</i>	594	619	632	546
<i>of which Net AEF¹</i>	23,120	24,081	24,920	25,763
<i>of which LABGI²</i>	0	0	50	100
Capital DEL	143	-49	-29	-51
Total DEL³	23,857	937	1,859	2,644

¹ Net Aggregate External Finance comprises Revenue Support Grant (RSG) and National Non-Domestic Rates (NDR). This includes £677m in 2008-09, £853m in 2009-10 and £1,1069m in 2010-11 to support PFI projects.

² Local Authority Business Growth Incentive scheme.

³ Full resource budgeting basis, net of depreciation.

Home Office, Ministry of Justice and Law Officers' departments

The Government is publishing today departmental budgets and priorities for the next three financial years – 2008-09, 2009-10 and 2010-11.

The Government has increased spending on public order and safety by over 50 per cent in real terms over the last decade. The Home Office, Ministry of Justice and Law Officers' Departments all received early CSR settlements locking in the significant funding increases of the last decade and giving them early certainty to plan their long term strategies.

The **Home Office's** budget, settled in Budget 2006, will be maintained in real terms over the Comprehensive Spending Review period. The announcement today adds, over £220 million additional resources per year by 2010-11 for counter terrorism and security – taking real growth in the department's total budget to over 1% per year over the CSR07 period

The **Ministry of Justice** settlement provides over £9.7billion per annum by 2010-11 which provides the resources to drive forward the Government's ambitious programme to deliver 9,500 new prison places, with firm plans in place to deliver 8,500 by 2012. £100m of modernisation funding will help deliver a modernised courts service and a sustainable legal aid system.

The **Law Officers' Departments** settlement reflects ambitious value for money reforms. After new investment to implement the recommendations from the Fraud Review, it provides an overall budget that reduces by 3.2 per cent per year in real terms over the CSR07 period. This settlement provides the resources to maintain the Departments' contributions to key cross - Criminal Justice System programmes including the new Victim Focus, improve the efficiency and effectiveness of the criminal justice system, recover criminal assets and provide high quality legal advice.

These settlements, along with efficiency and effectiveness improvements, provide resources for:

- the Home Office to lead more effectively the cross Government effort to reduce the risk of international terrorism in the UK;
- delivering the new crime strategy with a stronger focus on serious violence and more freedom and flexibility for local partners and the frontline;
- investment of over £11million per year by 2010-11 to establish a new National Fraud Strategic Authority, Lead Police Force and National Fraud Reporting Centre to strengthen our efforts in tackling fraud;

- a robust approach to serious and violent offenders with 9,500 new prison places, of which 8,500 will be in place by 2012;
- delivering the new alcohol strategy focusing on the groups which cause the most harm and a new drugs strategy to be published in April 2008 to improve prevention and treatment;
- investment in neighbourhood policing to ensure it is embedded across the country, enabling forces to better respond to local concerns, increase intelligence and build up trust; and
- managed migration, harnessing its benefits whilst further securing our borders with increased investment in a new e-Borders system to count people in and out of the country and implementation of a new points-based migration system that will ensure Britain gets the skilled migrants it needs for economic growth.

The Home Secretary said:

"I am pleased with the Home Office settlement, especially the additional resources granted to enhance security and strengthen the fight against terrorism. The public expect more from public services in tackling crime, alcohol and drug abuse, security, antisocial behaviour and managing migration. With this funding and our ambitious value for money programme we will be able to invest in improving performance, rolling out neighbourhood policing and delivering our major projects, including E-borders and identity cards."

The Attorney General said:

"This settlement demonstrates the priority the Government gives to tackling fraud, an issue that has had too low a priority in the past. I look forward to leading the work in establishing the National Fraud Strategic Authority and ensuring effective and holistic partnership working across the public and private sectors. Overall, the Law Officers' Departments' strategy will be to maximise value by co-operating with Criminal Justice System colleagues to streamline the criminal justice process; to improve the way we offer services that communities, victims and witnesses need from prosecutors; and to improve the quality of legal advice we provide. I am confident of the dedication of my Departments to meet the challenge."

NOTES FOR EDITORS

1. On 9 May 2007, the Ministry of Justice was created, which consists of the former Department for Constitutional Affairs together with the National Offender Management Service and Office for Criminal Justice Reform, which moved from the Home Office. This brought together many of the organisations, agencies and stakeholders who have to work together to deliver a successful justice system, within one ministry.
2. The National Fraud Strategic Authority will be developed by the Attorney General's Office. The City of London police will lead on delivering the National Fraud Reporting Centre. The Fraud Review, published in 2006, is available at http://www.attorneygeneral.gov.uk/sub_publications_2005_Government_Fraud_Review.htm. For more information see www.attorneygeneral.gov.uk
3. The Home Office crime strategy can be found at <http://www.homeoffice.gov.uk/documents/crime-strategy-07/>
4. The Victim Focus initiative provides families of homicide victims with greater level of support from prosecutors

Table

Home Office baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	8,577	468	716	1,010
<i>of which near-cash</i>	8,351	492	745	1,048
<i>of which administration</i>	440	-11	-21	-31
Capital DEL	803	50	-21	50
Total DEL¹	9,214	546	728	1,101
<i>¹ Full resource budgeting basis, net of depreciation.</i>				
Ministry of Justice baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	9,170	162	211	270
<i>of which near-cash</i>	8,539	114	141	175
<i>of which administration</i>	459	-11	-21	-33
Capital DEL	688	4	92	57
Total DEL¹	9,465	140	256	259
<i>¹ Full resource budgeting basis, net of depreciation.</i>				
Law Officers' Departments baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	728	-3	-9	-14
<i>of which near-cash</i>	717	-3	-9	-14
<i>of which administration</i>	72	2	0	0
Capital DEL	13	0	0	0
Total DEL¹	732	-3	-9	-15
<i>¹ Full resource budgeting basis, net of depreciation.</i>				

The Ministry of Defence

Increasing funding to defend the United Kingdom and its interests and strengthen international peace and stability.

Over the last decade the Government has delivered the longest period of sustained real growth in defence spending since the 1980s. The 2007 Comprehensive Spending Review builds on this investment and grows planned defence expenditure by a further 1.5% a year over the CSR07 period, rising to a total budget of £36.9 billion by 2010-11- demonstrating the Government's strong commitment to defence at a time of acute operational intensity. The settlement allows the MOD to:

- proceed with two new aircraft carriers, which will be the largest ships ever sailed by the Royal Navy and a key part of modern expeditionary capability;
- make provision for the maintenance of the nuclear deterrent. As set out at the time of the Trident White Paper, provision for this will not be at the expense of the conventional capability our Armed Forces need. Investment in conventional capability will continue to grow over this period, as it has done since 2000; and
- provide for continued investment in accommodation for Service personnel, investing £550million over the CSR07 period, drawing on receipts from the anticipated sale of Chelsea barracks.

The Secretary of State for Defence, Des Browne, said:

“The settlement continues the longest period of sustained real growth in planned defence spending since the 1980s; that is evidence of the Government's commitment to defence and to the men and women who serve with the utmost bravery in our armed forces.”

NOTES FOR EDITORS

1. As was announced in both Houses on 25 July 2007, the MoD 2007 CSR settlement consists of a total departmental expenditure limit for defence of £34.1 billion in 2008-09, £35.4 billion in 2009-10 and £36.9 billion in 2010-11.
2. The Department will also make net cash-releasing savings totalling at least £2.7bn by 2010-11. This will enable the MoD to deliver success in current military operations; force elements, manned, equipped and trained for

- future deployments; and future procurement and support of military equipment and non-equipment capability, through-life.
3. Alongside the two new aircraft carriers, this settlement also allows MOD to proceed with new protected vehicles for the Army, and additional Air Transport capability for the Royal Air Force.
 4. MoD has disposed of over £1.5 billion of surplus assets since the 2002 Spending Review, and by the end of the CSR period this figure will have risen to £3 billion
 5. The net additional cost of military operations will continue to be funded from the Reserves.

Table

Ministry of Defence baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	32,618	984	2,547	4,084
<i>of which near-cash</i>	22,007	885	1,727	2,450
<i>of which administration</i>	2,317	-56	-111	-165
Capital DEL	7,404	467	783	1,467
Total DEL¹	32,579	1,478	2,786	4,311

¹ Full resource budgeting basis, net of depreciation.

2007 Pre-Budget Report and Comprehensive Spending Review

Security and Intelligence

Increased funds to respond to the terrorist threat

The terrorist threat to the UK and UK interests abroad is severe and sustained. By the end of 2007-08, dedicated spending on counter-terrorism and intelligence will be £2 ½ billion a year. This investment will continue in the CSR07 period with dedicated spending on counter-terrorism and intelligence rising to £3½ billion a year by 2010/11 - more than triple the pre 9/11 levels. Building on the sustained increase in the Government's security and intelligence capacity since 9/11, today's CSR announces:

- the budget for the security and intelligence agencies will continue its historic real terms growth since 2001, with real growth over this period of 9.6 per cent a year
- over £220m additional resources per year by 2010-11 for the Home Office's counter terrorism and security budget – taking real growth in the department's total budget to over 1 % per year over the CSR07 period
- over £100 million over the three years of the CSR07 period to stop people in the UK being drawn into violent extremism
- £61 million a year by 2010-11 for the Foreign and Commonwealth Office, British Council and the BBC World Service to breakdown cultural barriers and misunderstandings, working with present and future opinion makers and communities at home and abroad

The Government is also announcing:

- a new Single Security and Intelligence Budget which brings together all dedicated counter-terrorism and intelligence funding for the Security and Intelligence Agencies, the police and all parts of government responsible for addressing threat from terrorism. The Ministerial Committee on National Security International Relations and Development, chaired by the Prime Minister, will review the spending plans for this budget on an annual basis; and

- A new counter-terrorism PSA – to reduce the risk to the UK and its interests overseas from international terrorism.

Home Secretary Jacqui Smith said

“I welcome this significant new investment for Security and Counter Terrorism matters. The funding will improve our ability to tackle the immediate threat to the UK, strengthen our security measures to protect the UK from attack, allow the development of new technology which will enable us to keep ahead of the terrorists, and put in place longer term programmes to counter radicalisation.”

NOTES FOR EDITORS

For further details on SIA 's settlement and Departmental Strategic Objectives over the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

Media Enquiries to HO press office on 020 035 6434

Foreign and Commonwealth Office

Strengthening UK global influence

The Government today announced that funding for the FCO will grow from £1.6 billion in 2007-08 to £1.7 billion by 2010-11, with additional resources for counter-radicalisation programmes and significant investment in the embassy network. The 2007 CSR provides the FCO with the resources to deliver:

- a £183 million capital investment programme, to improve security across the UK's embassy network as well as provide for a new Embassy in Kabul; and
- additional funding of £37 million a year by 2010-11, to support the Government's counter-radicalisation programmes, addressing weakness in governance, education, civil society, human rights and rule of law in priority countries.

This will be underpinned by a continuing programme of modernisation, cutting the cost of the overseas network through an innovative shared services programme and redeploying resources to the front-line.

The 2007 Comprehensive Spending Review, and the major reprioritisation undertaken in recent years by the BBC World Service and British Council, will enable both to continue to make an important contribution to the UK's public diplomacy. £21 million a year by 2010-11 will be provided for the launch of a new Farsi television channel and 24/7 Arabic TV. These services will give the BBCWS a tri-media presence (radio, online and TV) in the Middle East, Iran and Afghanistan. The British Council will receive an additional £3 million a year by 2010-11 for its Reconnect initiative to build understanding with Muslim societies, particularly amongst alienated younger populations.

The FCO will continue to be at the forefront of the United Kingdom's efforts to keep Britain secure and prosperous - helping to counter the threat from terrorism, building international commitment on climate change, making sure Europe works for Britain, and looking after British nationals and British interests across the globe.

The Foreign Secretary, David Milliband, said

"With this settlement, the FCO can continue working to keep Britain secure and prosperous, and promoting Britain's values around the world."

NOTES FOR EDITORS

1. The additional funding provided by this CSR settlement will be accompanied by value for money reforms realising annual net cash-releasing savings of at least £144 million by 2010-11.
2. Details relating to the settlement covering United Kingdom Trade and Investment, a joint FCO-Department for Business, Enterprise and Regulatory Reform (BERR) department, are set out in the BERR CSR press notice.

Table

Foreign and Commonwealth Office baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,551	41	57	66
<i>of which near-cash</i>	1,394	41	57	66
<i>of which administration</i>	396	-10	-19	-28
Capital DEL	148	58	68	57
Total DEL¹	1,581	99	125	123
<i>Of which:</i>	0	0	0	0
BBC World Service	193	3	8	4
British Council	246	19	26	25

¹ Full resource budgeting basis, net of depreciation.

Department for International Development

Keeping promises to the world's poor

The Chancellor announced today that the Department for International Development's (DFID) budget will rise by an average of 11 per cent in real terms over the CSR period, to £7.9 billion a year by 2010-11. This demonstrates the UK's commitment to meeting the Government's promises to combat global poverty.

Alongside details of DFID's settlement, the Chancellor also announced today the projections for Official Development Assistance (ODA) to 2010/11. Total UK ODA will rise to over £9.1 billion by 2010/11, representing 0.56 per cent of Gross National Income (GNI), in line with the European Union's collective commitment, keeping us on track to reach our commitment of 0.7% GNI by 2013.

Aid is working. 26 million more children are now in school in Ethiopia and Bangladesh. Fresh water is available to nearly two and half million more people in India, Pakistan and Iraq. Free health care is being provided to five million more Zambians. The additional resources announced today will enable DFID to build on these successes, delivering on the Government's promises to:

- help accelerate progress towards the Millennium Development Goals by providing £8.5 billion for education to 2015 and £1 billion for the Global Fund for AIDS, tuberculosis and malaria;
- more than double total multilateral and bilateral aid to Africa between 2004 and 2010 as pledged at Gleneagles;
- help poor countries increase their rate of growth – by increasing support for aid for trade to £409 million a year in 2010;
- help poor countries tackle climate change - DFID and DEFRA will provide £800 million to the international element of the Environment Transformation Fund.

Today's settlement builds on annual real growth to DFID's budget of 9.2 per cent in Spending Review 2004 and 8.1 per cent in Spending Review 2002, which is enabling DFID to lift around three million people out of poverty every year, permanently. It represents the largest development budget in the UK's history.

Welcoming the settlement, the Secretary of State for International Development, Douglas Alexander, said:

“This is an excellent and unprecedented settlement that demonstrates the Government’s serious commitment to delivering on its promises to tackle global poverty. There is still much more to do to fight poverty, tackle climate change and encourage economic growth in the world’s poorest nations and today’s settlement will help us accelerate progress that will help us reach our goals. This settlement also heralds a cohesive and cross-cutting government approach to development. The recently created £800 million Environmental Transformation Fund tackles head-on the challenge of climate change. So many of the world’s poorest people live in fragile and insecure states and the Government is responding to these challenges with new ways of working including the Conflict Prevention Pool and the Stabilisation Aid Fund.”

NOTES FOR EDITORS

Table

International Development baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL ¹	4,662	259	840	1,724
of which near-cash	4,594	238	813	1,694
of which administration	168	-4	-8	-12
Capital DEL	716	175	650	840
Total DEL²	5,354	436	1,489	2,563
<i>Of which:</i>				
Environmental Transformation Fund	0	50	100	250
¹ Includes the Conflict Prevention Pool				
² Full resource budgeting basis, net of depreciation.				
Official Development Assistance				
	£ million			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK Official Development Assistance (ODA)	5,291	6,392	7,477	9,140
ODA as a proportion of Gross National Income (per cent)	0.37%	0.43%	0.48%	0.56%
¹ ODA projections are underpinned by the increases in DfID's aid budget and include ODA spending by other government departments, CDC net investments, and debt relief provided by the UK Government. The Government is committed to reaching ODA of 0.7 per cent of GNI in 2013 and will keep the delivery of DfID's aid budget and its projections for non-DfID ODA under review.				

Department for Business, Enterprise and Regulatory Reform

Creating the conditions for business success

The 2007 Comprehensive Spending Review (CSR07) underlies the Government's commitment to business and enterprise with a budget of £3.2 in 2007-08, fixed on average in nominal terms at £3.2 billion a year over the CSR07 period. BERR will be given access to £21 million of modernisation funding to assist the Department in taking forward ambitious value for money and service transformation programmes, generating annual net cash-releasing savings of £307 million by 2010-11.

CSR07 allows BERR to deliver:

- a total of three rounds of the Enterprise Capital Fund, at £50 million per year, to support business and promote enterprise
- an ambitious Better Regulation Programme that reduces burdens and works for everyone in the public, private and third sectors
- funding of £200 million over the CSR07 period for the development and deployment of new energy and energy efficiency technologies through the Environmental Transformation Fund (worth over £1.1 billion in total); and
- additional Government funding for the Nuclear Decommissioning Authority of £338m by 2010-11 to ensure the continued safe management of nuclear waste.

The Prime Minister announced the formation of the Department for Business, Enterprise and Regulatory Reform (BERR), in June 2007, to lead the Government's objectives to raise the rate of UK productivity and to ensure the UK responds effectively to the challenges of globalisation. BERR will promote productivity and enterprise, drive better regulation and promote competitiveness, and act as a voice for business across government.

UK Trade & Investment

CSR07 will provide UK Trade & Investment (UKTI) with a programme budget of £89 million by 2010-11. Drawing together resources from both FCO and BERR, UKTI's total budget will be £256 million by 2010-11. This will allow UKTI to deliver measurable improvement in the business performance of its international trade customers, increase the contribution of foreign direct

investment, and deliver measurable improvement in the reputation of the UK in leading overseas markets as the international business partner of choice.

**The Secretary of State for Business, Enterprise and Regulatory Reform,
John Hutton said:**

“It is the success of British business that will underpin wealth creation and opportunity for all. This settlement enables my department to create the conditions for sustainable business success through competitive and flexible markets that create value for businesses, consumers and employees. We will also work to set in place a framework within which the energy market will deliver the reliable, low carbon, affordable energy we need for the future.”

NOTES FOR EDITORS

1. As part of the value for money reforms BERR will reduce its own running costs by 5% in real terms annually to 2010-11.
2. In Spending Review 2004 the Government introduced the Enterprise Capital Fund as a measure to increase the availability of growth capital to small and medium-sized enterprises affected by the “equity gap” so helping to alleviate what would otherwise remain a significant barrier to enterprise and productivity growth.
3. The Better Regulation Executive is responsible for commitments to eliminate obsolete and inefficient regulation, achieve user-friendly and effective regulation and tackle inconsistencies in the way regulations are delivered.
4. The domestic element of the Environmental Transformation Fund, jointly run by BERR and DEFRA, is a dedicated fund of £370 million that brings together the Government’s existing and new funding commitments within England and the UK to support the demonstration and development of new energy and energy efficient technologies [see also Press Notice 1, DEFRA PN and DFID PN]
5. BERR will oversee the Nuclear Decommissioning Authority (NDA) to ensure the UK’s civil nuclear liabilities continue to be managed safely, securely and cost effectively. In addition to Government funding the NDA will generate annual net cash-releasing savings totaling £125 million by 2010-2011.

Table

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	2,130	-20	-66	-71
<i>of which near-cash</i>	2,033	-32	-75	-71
<i>of which administration</i>	325	-8	-16	-23
Capital DEL	1,136	92	93	96
Total DEL¹	3,209	56	9	7
<i>¹ Full resource budgeting basis, net of depreciation.</i>				

Department for Environment, Food and Rural Affairs

Increased resources for a sustainable future

The Government announced today increased funds for the Department of Environment, Food and Rural Affairs (Defra) – underlining the Government’s commitment to tackling climate change and enhancing the natural environment. Building on the sustained increases of the last two spending reviews, the Comprehensive Spending Review grows Defra’s budget by 1.4 per cent a year over the period, taking the Department’s total budget from £3,508 million in 2007-08 to £3,960 million by 2010-11. This will deliver:

- a step-change in investment for sustainable waste management options, with funding through the Private Finance Initiative rising from £280 million in 2007-08 to £700 million in 2010-11, totalling £2 billion over the CSR period;
- £570 million for an Environmental Transformation Fund (which totals over £1.1 billion across Government) to help with the development and deployment of low carbon and energy efficient technologies in the UK and to support development and poverty reduction through environmental protection, and help developing countries respond to climate change; and
- a £200 million increase for flood and coastal erosion risk management across government, from £600 million in 2007-08 to £800 million in 2010-11.

Hilary Benn, Secretary of State for the Environment, Food & Rural Affairs, today said:

“We have much to do to protect our natural resources and secure our global climate over the next few years. The Stern Review showed that we need to act now if we are to avoid dangerous climate change. That means investing today before climate change costs us our planet. We need to invest to protect against the increased risk of flooding which is already upon us. And we need to reduce waste significantly in the coming years. This funding for the next three years will allow us to make progress in protecting our environment now, before it’s too late.”

NOTES FOR EDITORS

1. In addition to the increases in funding, announced in today's Comprehensive Spending Review, an ambitious value for money programme will deliver net-cash releasing savings of £379 million per year by 2010-11.
2. The Government is today publishing 'Moving to a global low carbon economy; implementing the Stern Review', which sets out how the Stern Review's findings are being incorporated into the Government's approach to tackling climate change. The introduction of the Climate Change Bill will, for the first time, enshrine in statute the Government's commitment to reduce emissions by 60 per cent by 2050 as well as putting in place a system of five-year carbon budgets to move towards this target.
3. In addition, the 2007 CSR allocates resources to continue the Warm Front programme, which provides heating, energy efficiency measures and benefit entitlement checks to low-income vulnerable households. The Government is also planning to substantially expand the Carbon Emissions Reduction Target obligations on energy suppliers. Subject to final decisions, the combination of Warm Front and the focus on low-income customers through the priority group obligation in CERT mean that spending on energy efficiency and other measures in low-income households will rise in the CSR period compared to the previous spending period. [See Chapter 5].
4. Defra will invest at least £170 million in the domestic element of the Environmental Transformation Fund, which will be funded jointly with the Department for Business, Enterprise and Regulatory Reform and total £370 million. Launching in April 2008 the UK element will bring together the Government's existing and new funding commitments within England and the UK to support the demonstration and development of new energy and energy efficient technologies.
5. Defra will invest £400 million in the international element of the Environmental Transformation Fund which will be funded jointly with the Department for International Development and total £800 million. The fund will support development of low carbon and energy efficient technologies and poverty reduction through environmental protection, and help developing countries to tackle environmental challenges.
6. Hilary Benn announced on 2 July 2007 that expenditure across government on flood and coastal erosion risk management will rise from £600 million in 2007/08 to £800m in 2010/11. The Government will also spend around £10 million a year introducing a flood adaptation toolkit to help communities adapt to change where constructing defences is not the most appropriate means of managing flood and coastal erosion risk.
7. £2 billion of funding will be provided through the Private Finance Initiative (PFI) to help local authorities invest in more sustainable waste

management options. PFI credits for local authority waste projects will rise from £280 million in 2007/08 to £700 million in 2010/11.

8. See also Press Notice 1, which sets out further details on PBR measures to tackle climate change and protect the natural environment, and Defra's press notice on the Environmental Transformation Fund www.defra.gov.uk.

Table

Environment, Food and Rural Affairs baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	2,897	38	69	76
<i>of which near-cash</i>	2,580	47	47	47
<i>of which administration</i>	365	-9	-18	-26
Capital DEL	782	218	268	418
Total DEL¹	3,508	236	306	452

¹ Full resource budgeting basis, net of depreciation.

Department for Culture, Media and Sport

Backing success, investing to increase participation, and promoting creativity

A generous funding settlement for the Department for Culture Media and Sport (DCMS), which will allow continued investment in the arts and cultural sectors, has been announced today by the Government.

This builds on record investment in arts and culture over the past 10 years so that an even wider range of people will benefit from high quality cultural experiences.

This settlement will also help to ensure that DCMS' sectors continue to thrive and flourish, maintaining the UK's reputation for cultural and sporting excellence. It will enable the Department to:

- maintain funding for arts real terms growth for arts, museums and galleries in real terms, including maintaining free access to national museums and contributing to the Cultural Olympiad;
- deliver an improved offer of five hours school sports a week for all children aged 6 to 19, in conjunction with the Department for Children, Schools and Families; and
- contribute to the London 2012 Olympic and Paralympic Games, including a sustainable sporting legacy.

The Secretary of State for Culture, James Purnell said

“Arts, culture and sport are at the heart of the Government’s mission to develop talent and provide opportunity for all. Over the next three years thanks to a generous funding settlement we will ensure that these sectors continue to thrive and flourish, maintaining the UK’s reputation for cultural and sporting excellence.”

NOTES FOR EDITORS

This additional investment will be coupled with a series of reforms within DCMS in line with its recent Capability Review and an ambitious value for money reform programme, which will generate annual net cash-releasing savings of £148 million by 2010-11.

Tables

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,562	63	124	198
<i>of which near-cash</i>	1,374	37	75	114
<i>of which administration</i>	50	-1	-2	-4
Capital DEL	227	819	179	341
Total DEL¹	1,688	870	293	523

¹ Full resource budgeting basis, net of depreciation.

2012 Olympic Games and Paralympic Games

A lasting legacy for the UK

The Government today underlined its commitment to ensuring an inspirational, safe and inclusive Olympic and Paralympic Games in 2012 that will leave a sustainable legacy for London and the UK.

In March 2007, the Government announced a £9.325 billion budget for the 2012 Olympic Games and Paralympics Games, funded through central government (£5.975 billion), the National Lottery (£2.175 billion) and London (£1.175 billion). As part of this funding package, the 2007 Comprehensive Spending Review (CSR) confirms the first phase of central government investment of £3.623 billion over the next three years to deliver the foundations for a successful 2012 Games.

The Government is working with the Mayor of London, the London 2012 Organising Committee and the British Olympic Association to deliver the Games, and all key project milestones have been met to this point. The Olympics will leave a sustainable legacy for London and across the UK - creating the largest urban park in Europe for more than a century; five new permanent sports venues for both elite and community use; an enhanced and vibrant environment for the people of East London, including 9,000 new homes, improved transport infrastructure and new, modern office space to attract businesses and provide new employment opportunities for local communities and wider benefits for tourism, skills and businesses. London 2012 is also expected to create some 40,000 new jobs in staging the games, the construction industry and in the wider visitor economy.

Tessa Jowell, Minister for the Olympics said:

“This is an excellent settlement reflecting the funding package agreed in March. It shows the Government’s commitment to delivering an inspirational, safe and inclusive Games in 2012. It provides total funding of over £3.6 billion across the next three years and includes a prudent contingency to be controlled by a separate funders’ group that will rigorously scrutinise any call on these funds. It provides certainty and allows the Olympic Delivery Authority to continue to progress the work on time and on budget.”

NOTES FOR EDITORS

1. This settlement will be supplemented by funding from the Lottery and from the Mayor of London (Greater London Authority and London Development Agency).

Table

	£ million		
	2008-09	2009-10	2010-11
Culture, Media and Sport	848	222	385
Communities and Local Government	571	552	425
Transport	140	240	240
Total central government Olympics capital DEL²	1,559	1,014	1,050

¹ The £9.325 billion budget for the Olympic and Paralympic Games is funded through central government, the National Lottery and London.

² Central government funding is made up from ring-fenced contributions from three departments, brought together into a single Olympics capital DEL. The figures presented here are also included in the settlements of these contributing departments.

Department for Work and Pensions

Providing employment opportunity for all and tackling child and pensioner poverty

Over the past decade, investment in modernisation of the welfare system has contributed to a buoyant labour market while providing support for those who are unable to work. There are now 2.6 million more people in work, 600,000 fewer children in relative poverty and 2.4 million fewer pensioners in absolute poverty.

As announced at Budget 2006, over the Comprehensive Spending Review period, the Department for Work and Pensions (DWP) will be given access to a £550m Modernisation Fund to support an ambitious value for money and service transformation programme that will generate annual net cash-releasing savings of £1,225m by 2010-11. This will allow the DWP to continue to deliver its priorities within a budget that falls by over 5 per cent per year on average over the CSR07 period:

- the Green Paper *In work, better off* invites views on proposals to reform support for the unemployed and lone parents, including launch of the flexible New Deal;
- the introduction of the Employment and Support Allowance to replace incapacity benefits for new claimants and national rollout of the Pathways to Work programme to help people with a health condition or disability to get into work;
- a proposed new Child Maintenance and Enforcement Commission to improve financial support for children with non-resident parents;
- the reform state pensions from 2010 and take steps to reform private pensions, including introducing auto-enrolment, and a new low cost scheme of personal accounts from 2012, delivered at arms length from Government by the new Personal Accounts Delivery Authority;
- to play a key role in taking forward Sir David Varney's recommendations on Service Transformation.

Peter Hain, the Secretary of State for Work and Pensions, said:

“We will be taking forward a radical programme that will fundamentally change the lives of British citizens for the better: thousands of people given the chance to work and develop a career, creating a new Child Maintenance and Enforcement Commission to ensure that children get the money they need and the setting up of the Personal Accounts Delivery Authority so that workers across the country have the chance to save for their retirement.

"This settlement will enable us to take the important next steps to delivering full employment within a generation. We can continue to build a welfare state that is flexible enough to meet the needs of all the people across all ages and generations. It also allows us to provide help and support to the most vulnerable as well as delivering the day-to-day services that are essential to the lives of millions. I am confident we will continue to meet their rising expectations whilst providing value for money for the taxpayer. It is a challenge I am looking forward to".

NOTES FOR EDITORS

1. DWP's ambitious value for money reform programme will generate annual net cash releasing savings of £1,225 million by 2010-11 including £455 million through its change programme and £500 million on procurement of goods and services.
2. The Green Paper *In work better off: next steps for full employment*, DWP July 2007 sets out detailed proposals for reforming active labour market support. The consultation period on this document ends on the 31st October 2007.
3. DWP will play a key role in taking forward the recommendations of the Varney Review on Service Transformation including taking responsibility for Directgov from April 2008 and its development as the Government's primary web portal for citizen focused e-services and leading development work on the 'Tell Us Once' change of circumstance project.

Table

Work and Pensions baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	7,781	-199	-382	-699
<i>of which near-cash</i>	7,615	-195	-373	-687
<i>of which administration</i>	5,803	-141	-279	-414
Capital DEL	67	-2	-3	-4
Total DEL¹	7,695	-197	-378	-693

¹ Full resource budgeting basis, net of depreciation.

Northern Ireland Office

Woodward welcomes CSR07 settlement

Northern Ireland will receive £1.2 billion a year over the next three years for policing and criminal justice, which will allow the new integrated training college for the police, fire and rescue service and prison service to go ahead.

The Comprehensive Spending Review settlement for the Northern Ireland Office will:

- give a green light to the provision of new prison accommodation; and
- fund improvements to the facilities of the Forensic Science Agency.

The settlement will allow the Northern Ireland Office to build on the sustained funding of the past decade, which has delivered policing reforms, falling crime rates, improvements to the criminal justice system and progress with the peace process.

Secretary of State for Northern Ireland, Shaun Woodward, said;

“I welcome this settlement for Northern Ireland. This settlement means that we can deliver on the much-needed integrated training college for the police, prisons staff and the fire and rescue services. It also means that we can move ahead with important new prison accommodation and upgrading the facilities of the Forensic Science Agency. This settlement puts the Police Service of Northern Ireland and criminal justice system on a sustainable footing for the years ahead. This should be reassuring to the Executive as it continues its preparations for the devolution of justice and policing”.

NOTES FOR EDITORS

1. The Northern Ireland Office (NIO) aims to support stable devolved government in NI and, in line with the St Andrews Agreement is making preparations to enable the devolution of policing and justice functions to occur next year. In the meantime, responsibility for these matters rests with the NIO.
2. The settlement preserves the Department’s resource cash and capital budgets. It also delivers access to end year flexibility (EYF) resource funds totalling £134m over the CSR07 period.
3. The resources released by the value for money programme, and the ongoing efficiency embedded into departmental planning will allow the NIO

to continue to deliver service improvements. The Northern Ireland Office will make value for money savings of £108 million by 2010/11 which will be released to frontline services that include the following initiatives:

- The Police Service of Northern Ireland has identified opportunities for adopting more efficient working practices and is expected to deliver annual net cash-releasing savings of £74 million by 2010/11.
- The Northern Ireland Prison Service have also reviewed their working practices, which includes exploring opportunities for recruiting support grades to release prison officers to front line activities. These changes together are planned to deliver annual net cash-releasing savings of £11 million a year by 2010/11. Reform of the Northern Ireland Prison Service will include implementation of a strategic review to ensure a modern, cost effective prison service including planning for a new prison.
- Key criminal justice initiatives have included the establishment of a single, independent Public Prosecution Service, the creation of the Criminal Justice Inspectorate and Law Commission, and work to modernise the sentencing framework and forensic science provision.
- The Department will support the effective and efficient operation of public inquiries already announced. An independent Consultative Group has been set up to review the wider question of dealing with Northern Ireland's past.
- In addition to policing and prisons all other areas of the Department are contributing to the value for money savings which will be transferred to deliver frontline services.

Tables

Northern Ireland Office baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,152	72	40	40
<i>of which near-cash</i>	929	0	0	0
<i>of which administration</i>	79	-2	-4	-6
Capital DEL	72	0	0	0
Total DEL¹	1,175	61	27	25

¹ Full resource budgeting basis, net of depreciation.

The Chancellor's Departments

Focusing on Customers

Over the 2007 Comprehensive Spending Review (CSR07) period the Chancellor's Departments will implement an ambitious programme to increase value for money while driving up the quality of services provided to customers. This will enable:

- HMRC to modernise its business processes to increase the quality and efficiency of revenue collection and payment of tax credits; and
- HM Treasury to continue to maintain sound public finances and ensure high and sustainable levels of economic growth, well-being and prosperity for all.

As announced at Budget 2006, the Departments will have access to a £330m modernisation fund to enable them to take forward value for money and transformation programmes generating annual net cash-releasing savings of over £700m by 2010-11. This will enable them to deliver their priorities within budgets that reduce in real terms by 4.9 percent each year.

HMRC will:

- invest in a modern, high capacity IT infrastructure to support higher take-up of online services, more efficient processing and communication of information and better risk-based compliance checks; and
- lead cross-government efforts to make businesslink.gov.uk the prime online channel for government information and transactions with all businesses in the UK by 2011.

Jane Kennedy, the Financial Secretary to the Treasury, today said:

“HMRC has succeeded in delivering substantial cash savings while maintaining a high standard of service, during a period of major restructuring. I am grateful for the energy and commitment demonstrated at every level by the staff of the department, which has contributed to this progress. I am confident that over the CSR07 period, they can build on these achievements and continue to deliver improvements as part of their wider value for money programme “

Angela Eagle, the Exchequer Secretary to the Treasury, today said:

“HM Treasury has an excellent record helping to foster the conditions that have delivered an unprecedented period of stability, low inflation and sustained growth. The Treasury will continue to maintain macro economic

stability, mitigate fiscal risks while promoting economic growth, and help equip the UK to meet the global challenges of the next decade.”

NOTES FOR EDITORS

1. The Chancellor's Departments include HMRC, HM Treasury, National Savings & Investments, the Government Actuary's Department and the Royal Mint.
2. HMRC was formed in 2005 from Inland Revenue and HM Customs and Excise in response to the O'Donnell Review of tax administration and policy. It is responsible for collecting the revenue needed to fund improvements in essential public services – delivering nearly £425 billion in 2006/07, up by around 6% on 2005/06. HMRC has implemented major reforms to the tax system, promoting fairness and opportunity for all. It has also introduced Child and Working Tax Credits to provide support to 20 million people, including 6 million families and 10 million children, helping lift 600,000 children out of relative poverty since 1996-97 and increasing the number of people in work by around 2.6 million.
3. HMRC has achieved £385m efficiency savings to date, and is on track to meet its efficiency target of £507m set at Spending Review 2004 (SR04).
4. The Chancellor's Departments' budget now rounds to reductions of 4.9% per year, rather than the 5% per year in the settlement announced in Budget 2006, as HMRC has taken over responsibility and funding for businesslink.gov.uk. HMRC will be leading cross-government efforts to oversee the transformation of this website to enable it to become the prime online channel for government information and transactions for all businesses in the UK by 2011.

Table

Chancellor's Departments baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	4,862	-106	-224	-338
<i>of which near-cash</i>	4,544	-99	-208	-315
<i>of which administration</i>	4,702	-107	-221	-332
Capital DEL	276	-7	-14	-21
Total DEL¹	4,941	-109	-229	-344
<i>of which:</i>				
HM Revenue and Customs	4,547	-99	-209	-315
HM Treasury	226	-6	-12	-17
National Savings and Investments	168	-4	-8	-12
Government Actuary's Department	0.4	0	0	0

¹ The Chancellor's Departments budget is now reducing at 4.9% in real terms per year, rather than 5% per year as when the settlement was announced in Budget 2006, due to HMRC taking over responsibility and funding for businesslink.gov.uk.

Cabinet Office

A strong and effective centre for government

Over the 2007 CSR period, the Cabinet Office will continue to lead efforts to build Government services around the needs of citizens and to tackle the drivers of social exclusion experienced by adults in the UK.

As announced at Budget 2006, the Cabinet Office will be given access to a £12m Modernisation Fund to enable it to take forward ambitious value for money and service transformation programmes generating annual net cash-releasing savings of over £35m by 2010-11. This allows the department to deliver key priorities within budgets that reduce in real terms by 3 per cent each year from 2008 to 2011 and build on efficiencies already made over the Spending Review 2004 period.

The Chancellor today confirmed, following progress on the review into the future role of the third sector, £80 million would be allocated to the Office of the Third Sector to help set-up and run a programme for micro-grants to help projects in local communities and that the successful Futurebuilders programme would be continue to be funded at the level of £65 million over the CSR period.

Through the Social Exclusion Task Force and through a new Public Service Agreement, the Cabinet Office will continue to lead work across government to improve the outcomes for the most excluded adults in society and will also continue to explore how public services could better the needs of the most vulnerable groups.

The Cabinet Office will also oversee the implementation across government of recommendations from Sir David Varney's report *Service Transformation: better services for citizens and businesses, a better deal for the taxpayer* in the context of the Service Transformation Agreement published today.

Ed Miliband, Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster, today said:

"This CSR makes a priority of the issues of social exclusion and the third sector. Employment is up and homelessness is down – but no one should be left out, so the CSR announces a new drive to help provide a job and a home for people with the toughest problems. The PSA lays the groundwork: we'll be encouraging local authorities to make this a priority, and supporting them to make it a success. Twelve out of thirty Public Service Agreements are focused on reducing poverty and disadvantage - an indication of how seriously this government takes the task of creating a fairer and more equal society.

The third sector is also big focus of the CSR. In July we published our Review, supporting the small groups that build communities and the dedicated organisations that transform public services. Today, we are putting the proposals into effect – including £117 million for youth volunteering and £80 million in small grants. The review follows the biggest ever consultation with third sector – so it’s a direct response to what it wants. This CSR enables the Office to ensure that the third sector is fully reflected in the delivery plans of the key departments.”

NOTES FOR EDITORS

The Office of the Third Sector (OTS) was created in May 2006 when the Active Communities Directorate in the Home Office, and the Social Enterprise Unit, in the Department for Trade and Industry (DTI), amalgamated. The decision to place the OTS at the centre of government in the Cabinet Office was taken in recognition of the increasingly important role the third sector plays in both society and the economy.

The Better Regulation Executive has now moved to the new Department of Business Enterprise and Regulatory Reform (BERR).

CO has achieved over £20m annual efficiency savings to date, and is on track to meet its annual efficiency target of £25m set at Spending Review 2004 (SR04).

Tables

Cabinet Office¹ baseline and additions				
	£ million			
	Baseline 2007-08	2008-09	Additions 2009-10	2010-11
Resource DEL	1,747	336	484	670
of which near-cash	1,514	273	394	567
of which administration	311	-9	-16	-23
Capital DEL	288	73	102	65
Total DEL²	1,808	348	502	640
Of which:				
Cabinet Office	360	-1	-2	-3
Single Intelligence Account	1,508	347	501	639
¹ Includes Cabinet Office, Single Intelligence Account, Central Office of Information and National School of Government				
² Full resource budgeting basis, net of depreciation.				
Charity Commission baseline and additions				
	£ million			
	Baseline 2007-08	2008-09	Additions 2009-10	2010-11
Resource DEL	31	-1	-1	-2
of which near-cash	30	-1	-1	-2
of which administration	31	-1	-1	-2
Capital DEL	1	0	0	0
Charity Commission total DEL ¹	31	-1	-1	-2
¹ Full resource budgeting basis, net of depreciation.				