

SCOTTISH EXECUTIVE

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Community Planning Chairs

SPENDING REVIEW PRIORITIES 2007 – INPUT FROM COMMUNITY PLANNING PARTNERSHIPS

As you will be aware, the next Scottish Strategic Spending Review (SSR07) will take place in 2007 and the Executive aims to publish its spending plans in September 2007. It is clear that the 2007 UK Comprehensive Spending Review will take place in a tighter fiscal context and, as a result, the public sector will need to operate within much tougher financial constraints so we will need to look at ways of getting more out of existing resources and ensuring that we free up resources from lower priority areas. More information on the Spending Review is attached at Annex A.

At the second Scottish Government Forum at Airth Castle in December 2006, a group discussing Community Planning debated the challenges experienced by Partnerships in interpreting national priorities in a way that meets local needs. A brief overview of the workshop is attached at Annex B. The group discussed the need for improved communication with the Executive on policy issues – a feedback loop to highlight areas of potential development and unintended consequences from national policy.

At the Forum an action was agreed to invite Community Planning Partnerships to contribute to the Spending Review process in order to draw in the unique view that CPPs have of the way that strategic issues apply in their areas and the implications for resources. Current funding arrangements do not allow for CPPs to input directly to the Spending Review process for an allocation of resources but we can provide CPPs with the opportunity to influence how allocations are made.

The Scottish Executive would therefore like to carry out a short exercise to gather your views, based on experience over the last four years, as additional evidence for the Spending Review. This is **not** an invitation for bids to meet any locally identified spending pressures. Procedures are separately in place to capture that sort of information (some of these are explained in Annex A). Rather, the exercise is designed to give CPPs the opportunity to input their local perspective to the Spending Review process. We would like to offer each CPP the opportunity to make a short submission, outlining:

- the high level priority outcomes for your CPP area that you would like to see reflected in Spending Review decisions, highlighting in particular where there is evidence that these differ from current national priorities;
- evidence of how Community Planning frameworks and processes can contribute to an outcome based approach; and
- evidence of how Community Planning can maximise the use of current resources to achieve improved outcomes.

We are happy to accept information in any format but have developed a short template (below) that you may choose to use in structuring your contribution. We hope you will welcome this opportunity and that it will provide a starting point for a dialogue with CPPs on policy issues. We recognise that this will inevitably cause additional work at a busy time but hope that it will be possible for partners to draw together existing information rather than undertaking significant new work. Given the timing of Scottish Parliament elections the timetable for the Spending Review will be very tight. In order for the information to feed in to the advice to present to new Ministers, we would **welcome a response by 27 April**. Submissions will be used both to produce a summary, giving Ministers and others an overview of key messages from CPPs, and to inform advice to Ministers on individual policy issues.

If you would like to discuss the process or have any questions, please contact Dorothy Ogle in the Community Planning Team on 0131 244 4958.

DR ANDREW GOUDIE

This letter has been copied to:

Chief Executives of Local Authorities
Chief Executives of NHS Boards
Chief Executives of Scottish Enterprise and Highlands and Islands Enterprise
Chief Executives of Local Enterprise Companies
Chief Constables
Chief Officers of Fire and Rescue Services
Chief Officers of Regional Transport Partnerships
Community Planning Partnership Coordinators
Scottish Executive Heads of Department
Chief Executive, COSLA
Head of Finance, COSLA

COMMUNITY PLANNING PARTNERSHIPS – INFORMING THE STRATEGIC SPENDING REVIEW

1) What are the current high level priorities and/or outcomes for your CPP area that you would like to see reflected in Spending Review decisions?

2) Where do these outcomes differ from current national priorities and/or outcomes and what are the consequences of this?

3) How does your CPP contribute to an outcomes based approach? Please provide at least one example:

4) How does your CPP maximise the use of current resources to achieve shared outcomes? Please provide at least one example:

5) Other key points relating to Community Planning Partnerships in a Spending Review context that you would like to raise:

Please send your submission by 27 April to:

Dorothy Ogle
Scottish Executive Community Planning Team
3H South, Victoria Quay
Edinburgh
EH6 6QQ
Email: Dorothy.ogle@scotland.gsi.gov.uk
Tel: 0131 244 4958

ANNEX A

SCOTTISH STRATEGIC SPENDING REVIEW 2007

Background

- The next Scottish Strategic Spending Review will take place in 2007. UK Comprehensive Spending Review will take place to the same timescale.
- The Chancellor is expected to announce the outcome of the UK review in summer 2007. This will determine the size of the Scottish block grant budget for 2008-09, 2009-10 and 2010-11.
- The Executive aims to publish its spending plans in September 2007. Spending plans for the period up to 2007-08 have already been published and will not be re-opened, although the Executive has reviewed the funding position for local government for 2007-08.

Opportunity

- The Chancellor's decision to delay the 2006 UK Spending Review by one year gave the Executive an opportunity to revisit its vision and long-term objectives for Scotland; and to ensure that SSR07 can focus on tackling current imperatives as well as positioning Scotland for future challenges and opportunities.
- This extra year creates a unique opportunity for Ministers, Executive Departments and you our key partners in delivery to fundamentally consider where current trends might be heading, how best to respond to the long-term opportunities and challenges, and to think about different ways of achieving our chosen outcomes.
- The timing of SSR07, coming immediately after the election next May also offers a unique opportunity to align three-year spending allocations with Ministers' priorities for the entire Parliamentary term to 2011
- However, this timing also means that the priorities of the incoming administration will not be confirmed until late May/early June. This will leave a relatively short time to finalise allocations and publish budget plans in September

Engagement with partners

- Because of the tight timescale, Departments will shortly engage with their partner agencies and sponsored bodies in advance so that Departments have all the information necessary to enable a smooth process.
- In the meantime, and until the May elections, Departments and public service partners should continue to plan on the basis of the priorities of the current Scottish Executive. This should be without prejudice to any changes in priorities and policies post-election, when budgets may be adjusted to reflect the priorities of the incoming administration.

The financial context

- Budgets are currently at record levels following large increases in public expenditure in recent years. These increases were exceptional and SSR07 will be different.
- It is already clear that the 2007 UK Comprehensive Spending Review will take place in a tighter fiscal context and, as a result, the public sector will need to operate within much

tougher financial constraints. Therefore, public sector agencies should prepare their budgets to deliver outcomes within existing levels of funding.

- Local authorities and public bodies will need to consider carefully any investment decisions that have additional financial implications beyond 2007-08, consulting the relevant Executive department as appropriate.
- To the extent that arrangements are not already in hand, public sector partners should take the opportunity over the coming months to alert the Executive to funding issues that will have an impact on the next Spending Review period, i.e. up to March 2011. In the case of Local Government, separate arrangements are in place whereby COSLA will co-ordinate a single submission to the Executive for SSR07 and all funding issues impacting on local authorities should be directed through COSLA.
- Their presumption should be that any new investment should be made within existing levels of funding and that increases in one area of spending will require reductions in another.
- All spending will need to be prioritised. Planning will need to look at ways of getting more out of existing resources and ensuring that we free up resources from lower priority areas.
- Therefore a key principle for the spending review will be the importance of focussing hard on efficiencies and potential areas for headroom. This is being taken forward through those Strategic Platform work streams that will help identify headroom: the Budget Review and Efficient Government.

Preparation for Strategic Spending Review 2007 (SSR07)

- As outlined recently by the First Minister, our preparations for the next Spending Review are giving greater focus than ever before to long-term outcomes for Scotland.
- In particular, the Executive's Futures project has provided useful data around the impact of globalisation, technology, and changing demographics, as well as the importance of learning. Preparations for the Strategic Spending Review are also being informed by evidence from the Efficient Government initiative, options from the external Budget Review, and the views and ideas brought forward in our dialogue on Transforming Public Services.
- The other key principle of the Strategic Spending Review is therefore to develop further thinking on longer-term outcomes, and particularly the ideas around Futures; to assess evidence of effectiveness; and to use this to inform choices and consider delivery approaches, including strengthening the connections between Departments in key areas.

Conclusion

- SSR07 will have to be completed to a demanding timescale, but provides us with a unique opportunity to focus our thinking and position ourselves to achieve a long term vision for Scotland.
- This preparatory work will provide a sound framework for making decisions about government spend, based on the strategic priorities for Scotland.
 - It will ensure that allocation choices are informed by sound planning and evidence; and
 - It will enable the Executive to look at, and plan for, future challenges to reach a financial settlement that is focused on achieving the best possible long-term result for Scotland and its people – by identifying further efficiencies and headroom, and focussing on clear strategic outcomes.

Scottish Government Forum – Airth Castle – Community Planning Workshop

The following main areas emerged in discussion:

- Need for clear national priorities
- Need for clarity on the discretion for partners to agree focused local priorities
- Changes in political behaviour to ensure the longer-term, significant issues (e.g. obesity, addictions) are addressed
- Changes in funding mechanisms to support joined up community planning and longer-term priorities
- Greater citizen focus
- Need to improve local mechanisms
- Need to focus on impact (not just process) and the use of outcome measures to support that.

Areas for further work:

Particular areas for further discussion and investigation:

- CPPs should be invited to input to the Spending Review process to give focus to their work and to influence the development of national priorities
- A group of chief executives/leaders with an interest in Community Planning should report back to Ministers and/or special advisers on this workshop discussion rather than just using written feedback.
- CPPs to hold regional events – given the opportunity of the Audit Scotland initial report and this Government Forum discussion – to review progress and support CPPs which are finding it difficult to make progress.
- Support needs to be made available to CPPs to strengthen relationships and create mature partnerships.

Workshop Participants:

David Strang, Chief Constable, Dumfries and Galloway

Willie Rae, Chief Constable, Strathclyde Police

Malcolm Burr, Chief Executive, Comhairle nan Eilean Siar

Phillip Jones, Chief Executive, Dumfries and Galloway

Sandy Cumming, Chief Executive, Highlands & Islands Enterprise

Lorraine McMillan, Chief Executive, Scottish Enterprise Renfrewshire

Tom Divers, Chief Executive, NHS Greater Glasgow & Clyde

Wai-Yin Hatton, Chief Executive, NHS Ayrshire & Arran

Brian Murray, Chief Fire Officer, Highlands & Islands Fire Board

Malcolm Dickson, Assistant Inspector of Constabulary, Scottish Executive

Ian Jardine, Chief Executive, Scottish Natural Heritage

Duncan McNiven, Registrar General, Registers for Scotland

Colin Maclean, Head of Children, Young People and Social Care, Scottish Executive

Andrew Goudie, Head of Finance and Central Services Department, Scottish Executive