

**18 July 2000**

**SR2000/OVERVIEW**

**2000 SPENDING REVIEW - BUILDING OPPORTUNITY AND SECURITY FOR ALL**

Services to provide opportunity and security for all - education, health, transport and fighting crime - are at the centre of the Spending Review results announced by Chancellor Gordon Brown today.

The Review sets departmental spending plans for the next three years. Alongside the new plans are tough, quantified performance targets setting out what taxpayers can expect for this investment. Fifteen cross-departmental reviews have tackled those issues which cross traditional departmental boundaries.

Within affordable ceilings for spending in line with the Government's prudent fiscal rules, the Review provides new funding and sets new targets to:

- extend opportunity for all;
- build responsible and secure communities;
- deliver higher productivity and sustainable growth; and
- secure a modern international role for Britain.

Key measures to deliver these objectives are:

- building on substantial improvements already achieved, **5.4 per cent a year average real increases in funding for education** over the next three years to modernise schools and deliver rising attainment in literacy, numeracy, science and information and communications technology (ICT). With the extra boost for education in 2000-01 announced in the Budget in March, this represents 6.6 per cent annual average real growth over the four years from 1999-2000, the highest growth over a four year period for 20 years;
- the longest period of **sustained funding growth for the NHS** in its history combined with reform to tackle variations in efficiency, performance and health outcomes. The 2000 Budget announced annual real growth of 6.1 per cent in UK health spending over four years;
- delivery of the first stage of the **ten year transport strategy**, with public investment doubling over the next three years to £6 billion to cut road congestion, enable the railways to carry more passengers and provide a better, more reliable service;

- building on this Parliament's **cut in crime**, increases in spending on the police of an annual average of 3.8 per cent a year in real terms over the next three years to cut vehicle crime by nearly a third and burglaries by a quarter;
- a radical new strategy for **tackling the problems of deprived areas**, underpinned by new floor targets to close the gap between the most deprived areas and the rest of the country; and a Neighbourhood Renewal Fund worth £100 million in 2001-02, £300 million in 2002-03 and £400 million in 2003-04 to ensure that these targets are delivered on the ground;
- a major expansion in **focused support for children in poverty** - doubling the numbers of programmes under the Sure Start initiative from 250 to at least 500 by 2004, providing support for one third of all poor children under four years old; and establishing a new Children's Fund to help vulnerable young people avoid drug abuse, truancy, exclusion, unemployment and crime;
- an **Employment Opportunities Fund**, worth £875 million in 2001-02 and increasing to £1.4 billion by 2003-04, to extend policies which have delivered the lowest rates of unemployment and highest rates of employment for over 20 years, allowing the ONE service to be delivered by the new working age agency, providing a one-stop shop for benefits and employment advice; and enhancement of the New Deal to improve opportunities for the long-term unemployed; and
- **enhancing the UK's world leading position in science**, with a total of £1 billion Science Research Investment Fund to renew outdated laboratories and equipment and extra funding to step up research in key areas like the human genome and turn scientific knowledge into wealth and jobs.

### **Extending opportunity to all**

The Review's aim has been to tackle poverty, deprivation and disadvantage at their roots in order to make sure that all our children have the best start in life and that everyone has the chance to fulfil their potential through education and employment. Reaffirming the Government's long term ambition to halve child poverty by 2010 on the way to eradicating it in twenty years, the Review:

- delivers extensive real growth for education funding to modernise schools and deliver demanding new targets for literacy, numeracy, science and ICT;
- helps adults who lack basic skills in literacy and numeracy;
- makes the New Deal a permanent deal so more people can be helped off welfare and into work, and extends the ONE service nationally so that all new claimants will have a personal adviser to help them into employment; and
- funds special interventions targeted at those in greatest need and at crucial stages in life, increasing funding for the Government's Sure Start programmes which make sure children start school ready to learn and boosting the Connexions personal adviser service for vulnerable young people.

### **Responsible and secure communities**

The Review has allocated spending to help build communities which are strong and healthy and respect the environment, by tackling the causes of crime and drug abuse, by investing in

a modern National Health Service, by encouraging volunteering and by helping people get more out of life by improving access to sport, music and the arts.

The Review:

- targets crime reduction and criminal justice co-ordination with increases in criminal justice funding in England and Wales of 4.2 per cent in real terms on average a year to fund an end to end system for the delivery of justice;
- establishes a National Treatment Agency for drug abusers, underpinned by a pooled drug treatment budget;
- establishes Local Strategic Partnerships as part of Community Planning, to bring together service providers at the local level;
- invests in social housing to build new homes and maintain existing council housing at a decent standard; and
- provides new resources for measures to help the rural environment, agricultural restructuring and the wider rural economy.

### **High productivity and sustainable growth**

Building on a platform of economic stability the Review helps to deliver high productivity through measures aimed at raising our levels of skills, enterprise and competition to the standards of the best, by delivering a fast and reliable transport system and by improving efficiency throughout our public services.

The Review:

- more than doubles net public investment, renewing our public infrastructure and providing extra funding to improve IT and help ensure that citizens get modern, responsive, high quality services from government;
- doubles capital investment in transport to over £6 billion by 2003-04 as the first stage of the Ten Year Transport Plan. This will include a new programme of improvements to reduce congestion on our busiest roads and raise railway spending to meet sharply increasing demand, to provide better quality, more punctual, faster, safer and more reliable journeys. There will be increased investment to deliver a step change in transport for London and a renaissance in local public transport;
- enhances the UK's world leading position in science with increased spending including a new £1 billion capital programme over two years in partnership with the Wellcome Trust to invest in modern laboratories and equipment. Overall there will be 5.4 per cent a year real terms growth on average in spending on science and engineering to 2003-04; and
- provides a flexible funding package for the Regional Development Agencies raising the budget to £1.7 billion a year by 2003-04 to help them play their part in leveraging up economic performance in their areas.

## **A modern international role for Britain**

The Review is investing in a modern defence capability helping to secure peace, democracy and security, and in overseas aid to help combat disease, famine and illiteracy in the poorest countries and by working to prevent conflict in Africa and elsewhere.

The Review:

- provides 6.2 per cent a year average real terms increases in resources to tackle poverty in the developing world;
- provides the first budgeted real terms increase in defence spending for a decade, equipping the Armed Forces to play a full role in the post-Cold War world;
- puts new resources into the BBC World Service and British Council to help them promote Britain abroad through the use of modern technology and the internet;
- sets up new cross-departmental budgets for conflict prevention in sub-Saharan Africa and the wider world underpinned by joint working arrangements, to ensure that the UK meets its obligations in an efficient and effective way.

## **Delivering stability and sound public finances**

The Government has stuck to the firm spending envelope for the next three years set in Budget 2000, fully consistent with meeting its fiscal rules.

Resource (current) spending will increase by 2.5 per cent a year in real terms and net investment will double to 1.8 per cent of GDP by 2003-04.

Within these limits, the Government has been able to increase resources for frontline public services in the Review as a result of savings on debt interest payments and social security spending:

- social security spending and tax credits grew at 4 per cent a year in real terms over the last Parliament (1992-93 to 1996-97) but will grow by only 1.2 per cent a year over this Parliament. This is despite spending an extra £7 billion a year in real terms on children and £2.8 billion a year more by next year on pensioners; and
- fraud and error in income support and Jobseekers' Allowance will be cut by 25 per cent by 2003-04, rising to 50 per cent by 2006. By 2003-04 the cost of paying interest on government debt will be £5 billion a year lower than in 1997-98.

The Government can afford extra resources for priority public services because of its prudent economic management. The Government remains firmly on track to meet the strict fiscal rules, including on more cautious assumptions for the performance of the economy.

## **NOTES FOR EDITORS**

1. The new spending plans are detailed in the White Paper *Prudent for a Purpose: Building Opportunity and Security for All* available from the Stationery Office and good bookshops at £32.

2. General press enquiries can be made to the Treasury press office on 020 7270 5238 or the individual government departments.

**18 July 2000**

**SR2000/REFORM**

### **NEW RESOURCES FOR REFORM AND RESULTS**

As part of its plans for increased investment, the Government has put in place a tough regime for driving up the performance of public services. Announcing the new spending plans the Chancellor, Gordon Brown, made clear that new resources are tied to reform and results.

Andrew Smith, Chief Secretary to the Treasury said:

"We have put behind us the old short term annual spending reviews which focused on inputs. Our three year spending plans help the public sector to plan long term, and concentrate on what really matters - delivering high quality, cost effective services."

The new regime includes:

- **Demanding targets for the improvements each department is expected to deliver.** New targets focussed on the Government's strategic priorities have been agreed with departments alongside the new spending plans and are set out in new Public Service Agreements to be published shortly. This builds on the experience of the targets agreed in the 1998 Comprehensive Spending Review.

For example, when the Government took office, less than 60 per cent of 11 year olds could read and write to the expected standard. That has been increased to 70 per cent and the plans published today will take it above 80 per cent. Progress will be monitored closely and departments will publish details of their performance against targets every year. So the public can judge for themselves how performance is improving. Local authorities will also be agreeing local Public Service Agreements for service delivery.

- **Tough new efficiency targets to drive down costs.** The Review sets quantified targets for departments to get better value for money through better procurement, better use of IT, and better organisation. All PSAs include a value for money target. For example the Home Office is committed to ensuring annual efficiency gains by police forces worth at least 2 per cent of police spending. Inland Revenue and Customs are committed to annual productivity gains of at least 2.5 per cent a year. The new targets aim to deliver annual efficiency savings building to over £7 billion a year by 2003-04 of which over £1 billion will come from procurement. Administration costs will continue to fall as a share of public spending.
- **Investing to modernise services.** The new plans provide funds to modernise the way services are delivered, including a new centralised service to allow pensioners to sort out their claims by telephone, IT systems that will enable all revenue services to be available electronically by 2005, online payments to farmers, and driving licence applications on the Internet.
- **Breaking down barriers in government.** The Government is determined that old departmental boundaries should not get in the way of delivering effective solutions.

So this Spending Review has included 15 cross cutting reviews of problems ranging from Young People at Risk to meeting the challenges of the Knowledge Economy.

- **A clear out of surplus assets.** Over the three years to 2004, £4 billion a year of unneeded assets will be sold, releasing resources for investment in priority areas. In the autumn the Government will publish a new National Asset Register giving updated details of the assets departments hold and their plans for disposals. Departments can plough back receipts into better services.
- **New investment strategies.** To help make sure the extra capital spending going into public services is spent wisely, each department will draw up and publish a Departmental Investment Strategy in the autumn. It will set out how the department will manage the assets it holds and how it will plan new investments.
- **A new, commercial, regime for recording and planning government spending.** For the first time government departments will be producing financial statements on the same basis as businesses, including a balance sheet. The new regime, known as 'Resource Accounting and Budgeting' will give departments better information and incentives, and give a better measure of the full cost of services, including the cost of holding and using capital assets.
- **A long-term basis for planning spending.** Government departments know their funding allocations for three years ahead, allowing them to plan for the medium term with confidence to spend resources when they need to rather than rushing to meet a year-end deadline, and giving them a real incentive to look for efficiency savings. Local authorities will also be given a much clearer view of their funding allocations for the years ahead.
- **More information on performance for users of services.** Parents are getting regular reports on schools performance and patients can see how hospitals are doing. Under the Best Value regime put in place from April this year all local authorities will collect and publish performance information which will allow council tax payers to see how their council is doing compared with others.

## NOTES FOR EDITORS

1. The full Public Service Agreements will be published shortly.
2. For further details contact the Treasury press office on 020 7270 5238.

**18 July 2000**  
**SR2000/DSS**

## INVESTING TO MODERNISE AND CUT FRAUD AND ERROR IN SOCIAL SECURITY

Getting people back to work faster, giving pensioners a better service and protecting benefits against fraud and error are the aims of the investment boost in social security modernisation announced by the Chancellor, Gordon Brown, today.

The Spending Review 2000 settlement creates a Welfare Modernisation Fund for the Department of Social Security of £404 million for 2001-02, £786 million for 2002-03 and £680 million for 2003-04.

It will provide the investment to:

- build a new IT system to deliver an up-to-date service to those of working age, so staff can focus more on helping claimants to find work rather than simply processing benefits;
- offer a modern service to pensioners, removing the need for visits to Benefits Agency offices by making more help available over the phone;
- slash fraud and error in income support and jobseekers' allowance by 25 per cent by 2004 and 50 per cent by 2006; and
- reduce the cost of benefit fraud and error by over £1 billion a year by 2005-06.

Social Security Secretary Alistair Darling said:

"The DSS has suffered from years of failure to invest in computer equipment which has left it with out-of-date equipment that is not up to the job and is prone to failure.

"We can now replace our entire IT system and by doing so drive out fraud and error as well as provide a better service for the public."

#### NOTES FOR EDITORS

1. The overall settlement for DSS is as follows:

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Department of Social Security	3225	3450	3466	3495
Welfare Modernisation Fund	-	404	786	680
<b>Total*</b>	<b>3225</b>	<b>3854</b>	<b>4252</b>	<b>4175</b>
<i>of which: Resource Budget</i>	3193	3751	4144	4141
<i>Capital Budget</i>	32	103	108	34
<i>* Departmental Expenditure Limit</i>				

2. The investment to modernise the social security system will deliver:

- the replacement of the outdated **DSS mainframe computer systems**;
- a **new computer system** to support the new, fairer system of child support;

- **electronic claim forms** - reducing the number of forms claimants need to complete, enabling the roll out of ONE (see press notice SR2000/X6) and freeing up staff time from clerical benefit processing to advising claimants on getting back to work;
- a new **centralised service** to allow pensioners to sort out their claims by telephone - or in due course by the internet if they prefer - without needing to visit their Benefits Agency office. The new service will also make it easier for them to claim the Minimum Income Guarantee, encouraging take-up amongst the poorest pensioners;
- **personal computers** in all Benefits Agency offices to replace outdated terminals so staff can send claimants individualised letters, provide on-screen guidance and more effectively manage cases; and
- a **new payment system** that pays benefits directly into bank accounts.

3. The money in the Welfare Modernisation Fund will be ring-fenced, to ensure it is really spent on IT projects and other modernisation, not more bureaucracy. Outside the Welfare Modernisation Fund, there will be no growth in real terms in the cost of social security administration over the next three years.

4. DSS will also receive additional resources from the cross-cutting review of ONE and welfare-to-work to extend the active management of incapacity benefit claimants see press notice SR2000/X6.

5. For further details, please call the DSS press office on 020 7238 0763/ 0762.

**18 July 2000**  
**SR2000/LEGAL**

#### **LEGAL DEPARTMENTS: REFORM FOR FAIR AND EFFECTIVE JUSTICE**

Modernising the courts and the Crown Prosecution Service to reduce delay and boost performance will be the result of the investment announced today by the Chancellor for the Lord Chancellor's and Law Officers' Departments as part of the Spending Review 2000.

Welcoming the announcement today, the Lord Chancellor, Lord Irvine said:

"The funding secured today will help provide a comprehensive programme of modernisation to improve the efficiency of Criminal Courts in England and Wales. This is central to our plans and will allow the Court Service to build upon the work to modernise the Crown Court, which I announced on 26 May.

"There will also be an improved service for those who need to use the Civil Courts. We will achieve this through providing improved IT facilities through the Modernising the Civil Courts programme. In addition, there will be access to the widest possible range of remedies to civil disputes for those who do not need to use the Courts."

The Attorney General, Lord Williams, said:

"This is a good settlement for the Crown Prosecution Service. It will help the Crown Prosecution Service to address current problems and improve its performance. The new spending plans for the criminal justice departments recognise the links between the police, the prosecution and the courts and will encourage greater cooperation between them. As a result, performance will improve and the Criminal Justice System will be more effective. This

will help restore public confidence in our ability to bring wrongdoers to justice."

The spending plans announced today also underpin the Government's commitment to continue to develop the Community Legal Service (CLS) which the Lord Chancellor launched on 3 April 2000. This will ensure that the provision of publically funded Civil Legal Aid matches people's real priorities as well as increasing the value for money provided by the CLS Fund.

The plans include a substantial investment allowing the Crown Prosecution Service (CPS) to integrate with its criminal justice system partners and play its full part in improving the performance of the CPS. Additional funds will be directed towards a CPS Performance Improvement Programme which will be focused on key performance measures and targets which include reducing delay and the number of adverse cases.

The plans also include provision for the CPS to take responsibility for communicating prosecution decisions direct to victims and witnesses once their case has begun. The aim is to increase confidence in the criminal justice system and encourage greater involvement in the criminal justice process.

Initiatives were also announced to improve the performance of the Northern Ireland Court Service as it implements with the Northern Ireland Office the recommendations of the Review of the Criminal Justice System; and to enhance the on-line services provided by the Public Record Office.

Key elements of the Public Service Agreements for the Lord Chancellor's and Attorney General's Departments confirmed today will help ensure that the Government continues to improve the delivery of justice by:

- improving the service provided by courts in England, Wales and Northern Ireland through the installation of modern IT systems and through improved facilities. Information will be more readily available at courts and steps will be taken to ensure that civil judgements will be more enforceable;
- continuing to improve the effectiveness of the criminal justice system by reducing the delays between charge and disposal for all defendants and improving the presentation of cases in court. This will be done through more integrated information exchange, better management of cases, electronic handling of evidence, and greater capacity in the CPS;
- increasing the satisfaction of the users of the justice system, especially that of jurors, victims and witnesses. The CPS's initiatives to communicate directly with victims and witnesses once their cases begin will contribute to this;
- increasing by 5 per cent the number of people who are able to obtain legal assistance in priority areas of law by 2004; and
- taking steps to control the cost of Legal Aid in Northern Ireland and ensure that it is targeted on those who need public provision the most.

The Government will improve the availability of the nation's records by increasing the availability of on-line access to the Public Records' Office archives.

## NOTES FOR EDITORS

1. Lord Irvine, the Lord Chancellor, is responsible for the Lord Chancellor's Department, the Northern Ireland Court Service, the Public Record Office and HM Land Registry. The spending plans for HM Land Registry were not dealt with in SR2000 as it is a trading fund. The spending plans for the years 2001/02 to 2003/04 for Lord Irvine's other three departments are:

<b>£ million</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Total Lord Chancellor*	2,635	2,719	2,772	2,782
<i>LCD Legal Aid</i>	1,672	1,627	1,632	1,639
<i>Other</i>	963	1,092	1,140	1,143
<b>of which: Resource Budget</b>	2,557	2,653	2,699	2,709
<i>Capital Budget</i>	78	66	73	73
<i>* Departmental Expenditure Limit</i>				

2. For details of the Community Legal Service, please refer to LCD's press notice 107/00 of 3 April 2000. For further information on the Criminal Defence Service, refer to LCD's press notices 206 and 207/00 of 13 June 2000. For further information on the Crown Courts Programme, refer to LCD's press notice 171/00 of 26 May 2000.

3. Lord Williams, the Attorney General, is responsible for the Crown Prosecution Service, the Serious Fraud Office and the Treasury Solicitor's Department. The spending plans for the years 2001/02 to 2003/04 for the Attorney General's three departments are:

<b>£ million</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Total*	352	422	432	444
<b>of which: Resource Budget</b>	339	408	426	439
<b>Capital Budget</b>	13	14	6	5
<i>* Departmental Expenditure Limit</i>				

1. For further details contact the Lord Chancellor's Department press office on 020 7210 8512, or the Crown Prosecution Service press office on 020 7796 8341.

**18 July 2000**  
**SR2000/DCMS**

### **MAJOR INCREASE IN INVESTMENT IN ARTS, CULTURE AND SPORT**

Chancellor Gordon Brown today announced a major boost for sport, arts, and culture.

In his announcement of Government spending plans for the next three financial years, the Chancellor provided the Department of Culture, Media and Sport with an additional £105 million in 2001-02, £155 million in 2002-03 and £225 million in 2003-04 above the current year. This represents an average annual real terms rise of 4.3 per cent per year between 2000-01 and 2003-04.

Welcoming the announcement, Culture Secretary Chris Smith said:

"Today's settlement is very good news indeed for everyone who cares about sport, arts, and culture.

"Such a significant spending boost will give sporting and cultural organisations the resources they need to nurture and reward talent and excellence, and places a new emphasis on realising the potential of the arts, culture, sport and heritage to enrich the lives of young people, especially in our schools."

#### **NOTES FOR EDITORS**

1. Further details of how the additional funding will be distributed will be announced by the DCMS shortly.
2. The figures below include the recent addition of £15m in 2000-01 and £60m in 2001-02 from the Capital Modernisation Fund for "Space for Sport and Arts". This will be matched with £75m from the Lottery.
- 3.

£ million	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
<b>DCMS Total*</b>	1015	1120	1170	1240
<i>of which: Resource Budget</i>	941	998	1100	1160
<i>Capital Budget</i>	74	122	70	80
* <i>Departmental Expenditure Limit</i>				

4. For more details, please contact the DCMS press office on 020 7211 6273/ 6266/ 6274/ 6276/ 6145/ 6269. Out of hours telephone pager: 01399 751153. Public Enquiries 020 7211 6200.

**18 July 2000**  
**SR2000/FCO**

## **QUICKER RESPONSE TO GLOBAL FOREIGN POLICY ISSUES**

Faster and more reliable secure communications to aid a quicker and more co-ordinated response to global foreign policy issues is promised with the help of a 5.1 per cent real increase in resources over the next three years, announced today by the Chancellor, Gordon Brown.

The Foreign and Commonwealth Office will be implementing a radical programme of modernisation made possible by a comprehensive upgrading of its information technology systems.

Foreign Secretary Robin Cook said:

"I am delighted with this significant increase in funding, enabling us to invest in modernising our diplomatic capabilities and so deliver more for Britain abroad, while also tackling the remaining problems created by the cuts imposed on the BBC World Service and the British Council in the mid-1990s.

"With the extra money we shall invest in a modern, secure, efficient and effective IT and communication system, the most radical transformation of the way the FCO works since the invention of the telegram. This will enable us to pursue UK interests more effectively and to improve our commercial, consular and entry clearance services to business and the public. I am especially pleased that we shall be able to build on British Trade International's successful launch.

"Our Public Diplomacy work will receive a major boost from the additional resources we have secured for the BBC World Service and the British Council. The BBC World Service will be able to replace ageing short wave transmitters and expand on-line and FM broadcasting services. The British Council will be able to establish new knowledge and learning centres and intensify its work in, for example, Russia and China."

FCO expenditure including diplomatic, commercial and consular and entry clearance work will rise to £1,143 million in 2001/02, to £1,198 million in 2002/03 and to £1,238 million in 2003/04. Expenditure on the BBC World Service and the British Council will also increase, to £180 million in 2001/02, £199 million in 2002/03 and £210 million in 2003/04 for the World Service and £143 million in 2001/02, £152 million in 2002/03 and £159 million in 2003/04 for the Council.

The increased funding will enable the FCO, including British Trade International, to increase its investment in new information technology and security upgrades by £10 million in 2001-02, £21 million for 2002-03 and £31 million for 2003-04. As well as improving diplomatic capabilities, this will secure important benefits for consumers of the commercial, consular and entry clearance services. This will be reflected in a new Public Service Agreement.

Funding is also being provided to increase the FCO's effort on European issues, enabling better and more effective lobbying with all EU institutions and further enlargement. This will equip the FCO to continue to deliver on European issues and to influence EU developments.

Additional resources will allow British Trade International, through Trade Partners UK and Invest UK, to provide an integrated customer-focused service to British companies and inward investors.

The FCO will participate in new arrangements for handling cross-cutting issues, including conflict prevention, cleaning up nuclear waste in the former Soviet Union, and the fight

against illegal drugs. The Foreign Secretary will chair the inter-departmental Committee on Conflict Prevention outside of sub-Saharan Africa. This will improve the Government's ability to deal with threats to UK interests.

The FCO has set itself an ambitious 3 per cent efficiency target, to deliver better value for money for taxpayers and produce savings to help fund modernisation. Its capital investment programme will also benefit from up to £100 million of recycled receipts from the disposal of under-performing or surplus assets.

## NOTES FOR EDITORS

### 1. Key figures:

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
<b>Total FCO*</b>	<b>1087</b>	<b>1143</b>	<b>1198</b>	<b>1238</b>
<i>of which: Resource Budget</i>	965	1006	1036	1065
<i>Capital Budget</i>	122	137	162	173
<i>includes:</i>				
<i>BBCWS</i>	174	180	199	210
<i>British Council</i>	136	143	152	159
<i>* Departmental Expenditure Limit</i>				

2. Figures do **not** include the global cross-cutting conflict prevention budget of £60m/£68m/£78m.

3. The FCO's baseline has been reduced by £32.8 million to reflect its contribution to the pooled budgets on conflict prevention, peacekeeping, and nuclear waste clean-up in the former Soviet Union.

4. For more details contact the FCO Press Office on 020 7270 3909.

**18 July 2000**

**SR2000/DETR1**

### **A BETTER QUALITY OF LIFE THROUGH STRONGER REGIONS, BETTER HOUSING AND A CLEANER ENVIRONMENT**

Housing, the regions and the environment received a major boost today, with spending in these areas set to rise by 11 per cent on average a year in real terms over the next three years. Spending in in these areas in 2003-04 will be £8.7 billion - £2.9 billion higher than now. This is in addition to the massive £4.2 billion increase in transport spending also announced.

This increase will help ensure every region shares in economic growth, will improve the quality and supply of social housing, and will deliver a cleaner environment and more resources for rural areas.

Welcoming the announcement, Deputy Prime Minister John Prescott said:

"Improving the air we breathe, the homes and communities we live in and the transport services we depend on are at the heart of my department's responsibilities. Together with the launch of our new Ten Year Plan for Transport, the extra money announced today will deliver real improvements in all these areas and marks a further step in putting right years of under-investment in our basic social fabric."

Total spending on transport, the regions, housing and the environment will be £7.1 billion higher in 2003-04 than it is now, which will mean a better quality of life for everyone.

The three-year spending plans for the Department for the Environment, Transport and the Regions announced today will deliver:

- *Decent homes* - spending on housing to grow by an average 12 per cent in real terms each year, with spending in 2003-04 £1.6 billion higher than now. This will mean an extra half a million homes modernised by 2004 and twice as many families helped into home ownership as well as an improved supply of social housing in high demand areas;

*Rising prosperity for all regions* - regeneration budgets to grow by an average 15 per cent in real terms each year, with spending in 2003-04 £932 million higher than now. This will deliver a major strengthening in the role of the Regional Development Agencies to help ensure every region shares in rising prosperity and high employment, and will mean that by 2010 over 17 per cent of brownfield land will have been reclaimed.

*Protecting the environment* - budgets to grow by an average 11 per cent a year in real terms. This will help to improve energy efficiency in business; reduce fuel poverty; and provide support for local authorities to promote sustainable waste management and help raise levels of household waste recycled or composted to 17 per cent by 2004.

*Enhancing Opportunity in Rural Areas* - an average 10 per cent real annual growth in budgets to deliver improved access to open country, implementing the Countryside and Rights of Way Bill, and support for rural communities with a new initiative to help market towns. Today sees cross-cutting objectives for rural and countryside policy across all areas of Government action brought together for the first time.

Value for money will continue to improve as a wide range of reforms to policies are implemented over the coming months including taking forward the Housing Green Paper and the Urban and Rural White Papers due to be published in the autumn.

Key Public Service Agreement targets for DETR include:

- in **housing**, the Government will ensure that all social housing meets set standards of decency by 2010 with the number of families living in non-decent social housing falling by a third by 31 March 2004, and with most of the improvement taking place in the most deprived local authority areas as part of a comprehensive regeneration strategy;
- for the **environment**, the Government will improve air quality by meeting our National Air Quality Strategy targets, reduce greenhouse gas emissions, enable 17

per cent of household waste to be recycled or composted by April 2004, and reduce fuel poverty among vulnerable households by improving the energy efficiency of 600,000 homes between April 2001 and 31 March 2004;

- for the **countryside**, the Government will open up public access to mountain, moor, heath and down and registered common land by the end of 2005, and bring 95 per cent of all nationally important wildlife sites into favourable condition by 2010;
- for **regional development**, the Government will improve the economic performance of all regions, measured by the trend in growth of each region's GDP per capita, and will ensure that by 2004 5% and by 2010 17% of current brownfield land has been reclaimed and that by 2008 at least 60 per cent of new housing is provided on recycled land or by re-using existing buildings.

## NOTES FOR EDITORS

1. Further details on DETR's transport programmes are set out in a separate press notice, see SR2000/DETR2; and the local government settlement is in press notice SR2000/DETR3.

2. The new DETR spending plans provide for a total increase of over 15 per cent a year in real terms over the next three years as compared to spend for this year, including an average real increase of 20 per cent a year in net investment through DETR programmes. The numbers exclude over £3 billion per year which will be spent on housing through the Housing Revenue Account which is included in Annually Managed Expenditure.

### Key Figures: Department of the Environment, Transport and the Regions - Main Programmes

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Transport	4895	6019	7369	9120
Housing and Regeneration	4462	5664	6361	7000
Environment, Countryside & Other	1384	1510	1785	1730
<b>Total*</b>	<b>10741</b>	<b>13193</b>	<b>15514</b>	<b>17850</b>
<i>of which: Resource Budget</i>	4305	5124	5574	5663
<i>Capital Budget</i>	6436	8070	9942	12187
<i>* Departmental Expenditure Limit</i>				

3. Further details will be announced by the Deputy Prime Minister in due course.

4. For more details contact the DETR Press Office on 020 7944 3118; out of hours: 020 7944 5925 or 5945

**18 July 2000**  
**SR2000/DETR2**

## **NEW PUBLIC INVESTMENT SETS TRANSPORT PLAN LAUNCHPAD**

A doubling of public capital investment in transport will provide the launchpad for a ten year strategy that will deliver a transport system of which we can be proud.

The Spending Review 2000 settlement announced today by Chancellor Gordon Brown sees transport capital investment rise from £2,332 million for 2000-01 to £6,176 million for 2003-04 with total spending rising from £5 billion in 2000-01 to over £9 billion in 2003-4 (an average annual increase of 20 per cent in real terms over the three years to 2004).

Welcoming the announcement, Deputy Prime Minister, John Prescott, said:

"This is excellent news. Better transport is a key element of a prosperous economy and is essential to help improve the competitiveness of British business.

"The spending plans announced today will help end decades of under-investment. They will help lay the foundations for our 10 Year Plan for transport that will give us a transport system to be proud of. And they will deliver a transport network that is better for individuals, businesses and the environment."

Over the next three years, the funding announced today will help:

- tackle the local road maintenance backlog;
- improve bus services across the country - including better, more flexible transport services for people in rural areas;

And starting now means that by 2010 the Government's 10 Year Plan will deliver the following:

- tackling congestion on our busiest roads;
- improved rail services carrying more passengers, more reliably, and on more trains;
- more people using the bus - due to more frequent, better buses and improved infrastructure;
- a significant increase in light rail use in our cities;
- a better London Underground through the Public Private Partnership.

The Spending Review funds the first three years of *Transport 2010: The 10 Year Plan*, due to be launched shortly by the Deputy Prime Minister.

This will set out a long-term plan for modernising transport infrastructure with investment by the public and private sectors 75 per cent higher in real terms than the last ten years. It will introduce a balanced package that tackles road congestion through improving public transport and targeted investment in the road network.

## NOTES FOR EDITORS

1. Further details on the rest of the DETR spending programme are set out in a separate press notice - see SR2000/DETR1.

2. Transport Spending over the Spending Review period will be:

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Transport	4895	6019	7369	9120
of which - Capital	2332	3233	4511	6176

3. The Ten Year Plan for Transport will be published shortly.

4. For further details please contact the DETR Press Office on 020 7944 3118.

**18 July 2000**  
**SR2000/DETR3**

### INVESTING IN BETTER LOCAL SERVICES

Funding to modernise local government services to deliver improved schools, better care for the elderly and to help the fight against crime received a boost today with an average annual real terms increase of 3.1 per cent, the Chancellor Gordon Brown announced.

"This settlement is good news for local government," the Deputy Prime Minister, John Prescott said when he welcomed today's announcement. "But it is money for reform.

"We have worked closely with local government to put together a six part package that will get extra money to where it is most needed, reward improved performance, provide more certainty over the next three years and give a huge boost to investment. It is a golden opportunity to make a real difference in the lives of our local communities."

The six part package includes:

- a very good across the board increase in revenue grant for local authorities;
- piloting of new local Public Service Agreements (PSAs) between local authorities and central government which will help to improve performance and reward success;
- a new Neighbourhood Renewal Fund to channel £100 million in 2001-02, £300 million in 2002-03 and £400 million in 2003-04 to where it is most needed to tackle deprivation more effectively;
- a huge boost to local authority investment in schools, transport and other key services;
- extra resources for a new local government on-line initiative to deliver a step change in the electronic delivery of local services;

- greater certainty over future funding levels for local authorities.

## NOTES FOR EDITORS

1. Standard Spending Assessments - which increase on average by 3.1% per year in real terms over the three years (allowing for changes in responsibility) - are the amount of spending by local government as a whole which the Government is prepared to support through Revenue Support Grant. The plans for 2001-02 to 2003-04 are:

### Standard Spending Assessments

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Education	21,332	22,513	23,863	25,261
Personal Social Services	8,462	8,869	9,344	9,962
Police	3,350	3,650	3,839	3,995
Fire	1,393	1,463	1,521	1,583
Highway Maintenance	1,859	1,905	1,955	2,005
Environmental, Protective and Cultural Services	8,175	8,533	8,905	9,302
Capital Financing	1,735	1,948	2,223	2,623
<b>Total Standard Spending Assessments</b>	<b>46,305</b>	<b>48,881</b>	<b>51,650</b>	<b>54,731</b>

*Note 1: All Standard Spending Assessments are for local authorities' revenue spending.*

*Note 2: Figures for 2000-01 have been placed on a comparable basis to 2001-02 by adjusting for transfers made during the 2000 Spending Review reflecting changes of responsibility in 2001-02. Total transfers out of SSAs sum to £473 million.*

*Note 3: Capital Financing figures for 2000-01 include the PFI Special Grant.*

2. Grant support for spending is provided within the Department of the Environment, Transport and the Regions' local government programme (as Net Aggregate External Finance (AEF)). This programme also covers other activities including the new Neighbourhood Renewal Fund, resources for a new local government on-line initiative to pump-prime electronic delivery of services, and funds to reward authorities who achieve targets within local PSAs. The capital budget figures here are to fund these initiatives - the vast majority of capital investment is provided to local government through other departmental programmes.

<b>£ million</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
DETR-LG				
<b>Total*</b>	<b>35,353</b>	<b>36,801</b>	<b>39,241</b>	<b>41,855</b>
<i>of which: Resource Budget</i>	35,306	36,745	38,965	41,529
<i>Capital Budget</i>	47	57	277	327
<i>including:</i>				
<i>Net AEF</i>	34,928	36,358	38,378	40,718
<i>Neighbourhood Renewal Fund</i>		100	300	400
<i>Local Government On-Line</i>		25	135	190
<i>Other Spending</i>	424	318	428	548
* <i>Departmental Expenditure Limit</i>				
<i>Note 1: Total DEL, Resource Budget and Net AEF for 2000-01 contain £473 million which has been transferred out for 2001-02 reflecting changes of responsibility in 2001-02.</i>				

3. Further details of local PSAs and pilot authorities will be announced shortly.

4. For more information, please call the DETR press office on: 020 7944 3042; out of hours: 020 7944 5925/5945 or e-mail: [press@detr.gov.uk](mailto:press@detr.gov.uk). Or call Public Enquiries: 020 7944 3000; e-mail contacts: [www.detr.gov.uk/email.htm](http://www.detr.gov.uk/email.htm)

**18 July 2000**  
**SR2000/CX**

#### **INFORMATION AGE GOVERNMENT: MODERNISING THE TAX SYSTEM FOR ALL**

Revolutionising the way we pay tax by offering services on-line by 2005 is one of the commitments outlined in today's spending plans for the Chancellor's departments.

The Chancellor's departments (including Inland Revenue, Customs and Excise, the Treasury and the Office for National Statistics) have a key role to play in delivering rising prosperity through the creation of economic and employment opportunities for all.

The Spending Review 2000 settlement for the Chancellor's departments provides resources to:

- invest in IT systems that will enable all revenue services to be available electronically by 2005;
- enhance the quality of national statistics;
- implement the new integrated child credit from 2003, key to halving child poverty in the next ten years and the new employment tax credit from 2003, which will increase the gains to work over welfare.

The increase in Customs and Excise's provision takes account of the additional resources, announced in the Budget, for implementing the Government's strategy to reverse the trend in tobacco smuggling. Customs and Excise will also play a key part in ensuring that the availability of Class A drugs is reduced by 25 per cent by 2005.

Paymaster General Dawn Primarolo said:

"I will now be setting the revenue departments challenging targets to deliver a fundamental change in the way that business is conducted. The reforms the money will deliver will make a significant contribution to keeping compliance costs to a minimum, protecting revenue and to improving customer services for those dealing with the departments."

Investment in the **Office for National Statistics** includes the development of neighbourhood statistics. These will bring together and make easily accessible information from a range of sources, giving a comprehensive picture of an area and describing the social conditions of neighbourhoods in a consistent and coherent manner. This is particularly important as it will provide the means of measuring progress in implementing the Government's Neighbourhood Renewal Strategy.

Economic Secretary Melanie Johnson said:

"Investing in the infrastructure of the Office for National Statistics is crucial to improving the quality of national statistics and will help us better identify needs at a more local level."

## NOTES FOR EDITORS

1. Key figures for the Chancellor's Departments and various other bodies are:

<i>£ million</i>	2000-01	2001-02	2002-03	2003-04
Inland Revenue	2271	2461	2646	2664
Customs and Excise	906	1045	1125	1147
HM Treasury	246	212	212	217
Office for National Statistics	136	186	139	126
National Savings	177	176	157	155
Small Departments*	4	4	1	1

## *Departmental Expenditure Limit*

*\* Small Departments covers the Government Actuary's Department, The National Investment and Loans Office and the Registrar of Friendly Societies*

2. For more details contact the Press Offices of the Treasury: 020 7270 5238; Customs and Excise: 020 7865 547; Inland Revenue: 020 7438 7327; Office for National Statistics: 020 7533 5725.

**18 July 2000**  
**SR2000/SCOT**

### **NEW SPENDING PLANS FOR SCOTLAND**

Public services in Scotland received a boost today with large increases in investment over the next three years as part of the Government's Spending Review plans announced by the Chancellor Gordon Brown today. By 2003-04, spending will be £3.4 billion higher than in 2000-01.

Additional resources over the next three years have been made available to invest in modern public services in Scotland. The increases over 2000-01 baseline are £1.2 billion in 2001-02, £2.3 billion in 2002-03 and £3.4 billion in 2003-04 .

The extra resources will allow the Scottish Executive to improve devolved public services and determine their own particular expenditure priorities in line with the needs of the people of Scotland.

Dr John Reid, the Secretary of State for Scotland, said:

"This represents an excellent settlement for Scotland. The Government has provided substantial additional resources for Scotland, made possible by our successful handling of the economy and public finances. Now it's for the Scottish Executive to translate this opportunity into the best possible services for the Scottish people.

"The spending review demonstrates the Government's commitment to provide an opportunity for everyone to fulfil their potential through education and employment; to promote a fair and inclusive society in which communities are healthy and secure; and facilitates sustained economic growth and investment in infrastructure.

"This is also a fair settlement for Scotland, which gives the Scottish Executive a population based share of the extra resources which are now available as a result of the Government's sound management of the economy."

The Scottish Executive has freedom to make their own spending decisions within the overall totals on functions under their control in response to local priorities. The Scottish Executive will make their own announcements in due course about their detailed spending plans.

### **NOTES FOR EDITORS**

1. The Scotland Departmental Expenditure Limits for the next three years represent increases over the 2000-01 limit of £1.2 billion for 2001-02/ £2.3 billion for 2002-03/ £3.4 billion for

2003-04 and include increases announced in the Budget. They represent a 4.4 per cent real terms annual average increase in provision over the next three years.

2. The budgets have been set in resource terms consistent with those of UK departments.
3. The increases have been determined on the basis of the Barnett formula. The general principles for determining budgets were set out in the Statement of Funding Policy.
4. The Barnett formula ensures that Scotland receives a population based share of changes in comparable spending in England.
5. The devolved administrations' budgets continue to be determined within the United Kingdom framework of public expenditure control. Responsibility for United Kingdom public expenditure allocation remains with the Treasury.
6. The changes in the Scottish Executive's budget in the spending review has been linked to changes in spending plans of United Kingdom Government departments by the Barnett formula. The formula gives Scotland, Wales and Northern Ireland a population-based share of planned changes in comparable spending in England.
7. For more information, contact the Scotland Office press office on 020 7270 6875.

**18 July 2000**  
**SR2000/NI**

### **BOOST TO NORTHERN IRELAND PUBLIC SERVICES**

Northern Ireland is set to receive a substantial rise in resources as part of the Spending Review announced by the Chancellor Gordon Brown today. This means extra funding for both the Northern Ireland Executive and the Northern Ireland Office, including funding to deliver commitments to implement Good Friday Agreement reforms.

Additional resources over the next three years have been made available for the Northern Ireland Executive to invest in modern public services. The increases over the 2000-01 baseline are £361 million in 2001-02, £667 million in 2002-03 and £988 million in 2003-04. This is new money that the Executive is free to spend on its own priorities.

In addition, extra funding has been provided over the next three years for the Northern Ireland Office to meet the Government's commitments to implementing the Good Friday Agreement reforms.

Commenting, Peter Mandelson, Secretary of State for Northern Ireland, said:

"This is excellent news for everyone in Northern Ireland. It gives the Northern Ireland devolved administration the resources to deliver improved services and prosperity for all the people of Northern Ireland. I expect the Northern Ireland administration will make its own announcements in due course about its detailed spending plans.

"The extra funds for the Northern Ireland Office also show our commitment to providing modern, effective and accountable public services which meet the needs of the whole community in Northern Ireland. Taken together, the extra money is a practical demonstration

of the Government's commitment to securing a peaceful, prosperous and inclusive future for Northern Ireland."

The EU PEACE II programme will be fully additional to the Northern Ireland Executive's budget. PEACE II is a unique European Union programme that aims to promote peace and reconciliation in Northern Ireland through projects which focus on urban and rural regeneration, employment, economic development, social inclusion and cross border development. This exceptional public expenditure treatment is part of the Government's commitment to securing lasting peace and prosperity in Northern Ireland and ensuring that the PEACE II programme delivers benefits to the whole community.

## **NOTES TO EDITORS**

1. Budgets for the Northern Ireland Executive and the Northern Ireland Office are set separately. Three year plans for both are announced today. The Northern Ireland Executive's budget is determined by the Barnett formula alongside the budgets for Scotland and Wales. The Northern Ireland Office budget is set in direct negotiations with the Treasury.
2. The devolved administrations' budgets continue to be determined within the United Kingdom framework of public expenditure control. Responsibility for United Kingdom public expenditure allocation remains with the Treasury. The general principles for determining budgets were set out in the Statement of Funding Policy.
3. The Northern Ireland Office covers the delivery of law and order and criminal justice services. These responsibilities are not devolved to the Northern Ireland Executive. The funding announced today will cover the implementation of the Good Friday Agreement reforms of policing and the criminal justice system. In addition the Northern Ireland Office has received funding for the police ombudsman, the Human Rights Commission, the Equality Commission, Victims of the Troubles and reform of the criminal injuries compensation scheme.
4. Budgets have been set in resource terms consistent with those of UK departments.
5. For further information, please contact the Northern Ireland Office press office on 020 7210 6470

**18 July 2000**  
**SR2000/WALES**

## **INVESTING IN PUBLIC SERVICES: WALES SPENDING PLANS**

New resources for Wales over the next three years will allow the National Assembly to improve public services and target public expenditure to meet the needs and priorities of the people of Wales, the Chancellor Gordon Brown announced today. By 2003-04 spending will be £2 billion higher than 2000-01.

Additional resources over the next three years have been made available to invest in modern public services in Wales as part of the Spending Review 2000. The increases over 2000-01 provision are £0.7 billion in 2001-02, £1.4 billion in 2002-03 and £2 billion in 2003-04.

There is an extra allocation of £80 million for 2001-02, £90 million for 2002-03 and £102 million for 2003-04 to Wales to ensure funding of the European share of its Objective One needs with resources for match-funding provided for within the total spending settlement. The Government is also transferring management of the European Social Fund in Wales worth an additional £33 million in 2001-02, £58 million in 2002-03 and £58 million for 2003-04 to the National Assembly for Wales.

The National Assembly for Wales has freedom to make their own spending decisions within the overall totals on functions under their control in response to local priorities. The Assembly will make their own announcements in due course about their detailed spending plans.

Paul Murphy, Secretary of State for Wales said:

"This is an excellent settlement for Wales which has been announced by the Chancellor today. I wholeheartedly welcome it. It represents a major boost to public services in Wales which will help to make a real difference to the quality of life for the people of Wales.

"The settlement gives the Assembly the resources to deliver better services, and to increase prosperity, for all the people of Wales in partnership with the UK Government. The settlement also makes good the Government's commitment to Wales on Objective 1. It enables Wales to draw down its full Structural Funds entitlements, so that the Objective 1 programme in Wales can be a success."

The changes in the Assembly's budget in the spending review have been linked to changes in spending plans of United Kingdom Government departments by the Barnett formula. The formula gives Scotland, Wales and Northern Ireland a population-based share of planned changes in comparable spending in England.

## **NOTES FOR EDITORS**

1. The Wales Departmental Expenditure Limits for the next three years represent increases over the 2000-01 limit of £0.7 billion for 2001-02, £1.4 billion for 2002-03 and £2 billion for 2003-04 and include increases announced in the Budget. They represent a 5.4 per cent real terms annual average increase in provision over the next three years.
2. The budgets have been set in resource terms consistent with those of UK departments.
3. The increases have been determined on the basis of the Barnett formula. The general principles for determining budgets were set out in the Statement of Funding Policy.
4. The Barnett formula ensures that Wales receives a population-based share of changes in comparable spending in England. The settlement also provides provision to cover in full the increase in EU Objective 1 structural funds receipts.

5. The devolved administrations' budgets continue to be determined within the United Kingdom framework of public expenditure control. Responsibility for United Kingdom public expenditure allocation remains with the Treasury. Once overall public expenditure budgets have been determined, the devolved administrations have freedom to make their own spending decisions within the overall totals on functions under their control in response to local priorities. The devolved administrations will make their own announcements in due course about their detailed spending plans.

6. For more details contact the Wales Office press office on 020 2047 5291.

**18 July 2000**  
**SR2000/DFID**

### **MAJOR INVESTMENT FOR INTERNATIONAL DEVELOPMENT**

The UK effort to reduce world poverty received a major boost today with the announcement of an average 6.2 per cent real terms annual increase in DFID's Departmental Expenditure Limit (DEL) over the next three years, taking it to the highest ever level in real terms - almost £3.6 billion - by 2003-04.

The increased provision will enable the UK to remain a leading player in the global effort to meet the International Development Targets (IDTs), under which the world's governments are committed to halving the proportion of those living in extreme poverty by 2015.

Welcoming the Spending Review 2000 settlement, Clare Short, Secretary of State for International Development said:

"This is the largest UK aid budget in real terms and underlines the Government's commitment to help halve and eventually eliminate extreme poverty.

"It confirms our continuing commitment to implementing our Manifesto pledge to reverse the decline in aid spending which occurred before 1997. The Government will ensure that the oda/GNP ratio<sup>(1)</sup> will rise to 0.33 per cent by 2003-04 from 0.29 per cent in 2000-01.

"This settlement will enable us to make substantial progress towards meeting key international development targets in relation to health, primary education and provision of other basic services."

The settlement will contribute towards meeting the International Development Targets in DFID's priority countries, including:

- an average increase in primary school enrolment from a baseline of 75 per cent in 2000 to 81 per cent in 2004 in the top ten recipients of DFID educational support;
- a decrease in average under-five mortality rates from 132 in 1997 to 103 in 2004 in the top ten recipients of DFID health care assistance; and
- by 2004, relief from unsustainable debt for all heavily-indebted poor countries (HIPC) committed to poverty reduction.

**NOTES FOR EDITORS**

1. DFID will receive an increase in provisions of £54m in 2001-02, £287m in 2002-03 and £499m in 2003-04. This takes DFID's budget (Departmental Expenditure Limit - DEL) to almost £3.6 billion, the highest figure ever in real terms and 53 per cent higher in real terms than in 1997/98. The Government will ensure that the ratio of aid (using the internationally accepted definition of official development assistance) to GNP ratio will rise to 0.33 per cent by 2003/04 from 0.29 per cent in 2000-01.

<b>£ million</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
<b>Total DFID Budget *</b>	2,760	3,115	3,348	3,560
<b>of which: Resource Budget</b>	2,459	2,736	2,939	3,147
<b>Capital Budget</b>	301	379	409	413

\* *Departmental Expenditure Limit*

2. DFID's DEL includes additional funding for the UK's unilateral debt cancellation initiative, which will deliver 100 per cent debt relief for some of the world's poorest people.

3. The SR2000 settlement enables implementation of the recommendations of the cross-departmental review on conflict prevention, which will allow departments across Government, including DFID, to develop and implement policy in this area (see Press Notice SR2000/X3).

4. For further details please contact the DFID Press Office on 0207 917 0600.

1. Oda, or 'official development assistance' is the internationally accepted definition for aid flows

**18 July 2000**

**SR2000/DTI**

### **BOOST FOR 21<sup>ST</sup> CENTURY SCIENCE AND ENTERPRISE**

Science, innovation and enterprise and the Post Office network received a big boost today when the Chancellor announced the results of the Government's spending review for the Department of Trade and Industry.

Winners in the three-year Spending Review include science, e-commerce, small business, the regions and disadvantaged communities and the Post Office network, which is to receive major investment as the first stage of a programme of modernisation. Excluding the management of liabilities, spending on trade and industry is set to grow in real terms by an annual average of 6.6 per cent over the three years.

The Secretary of State, Stephen Byers, welcomed the outcome:

"This is a good package which will keep Britain at the forefront of scientific advances and enable ideas to be developed commercially. It will encourage innovation and enterprise in our regions removing barriers to finance and helping small companies reach their full potential.

The Government recognises that to be successful in the twenty-first century, we must draw upon the skills and potential of all our people."

Among the top priorities has been extra money to keep British science competitive internationally and turn our expertise to economic advantage, with a **7 per cent average annual increase in real terms for DTI funding of science and its exploitation.**

This will boost twenty-first century research such as understanding the genetic blueprint, and developing the next generation of e-science, and enhance knowledge transfer to deepen university links with business, help commercialise research and train the next generation of science entrepreneurs.

The Chancellor also confirmed a **£1 billion programme of capital investment** to tackle the backlog in labs and equipment, in partnership with the Wellcome Trust, and the rise in **stipends for Research Council students**, from £6,620 outside London to £9,000 a year by 2003-04, both announced at the UK-US Conference on 5 July.

The sponsorship of science and innovation complements a broader package to promote business-led growth across our regions and communities. This includes £190 million of new funding over three years for the **Small Business Service** (£54m for 2001-02, £73m for 2002-03, £63m for 2003-04), in addition to the £84 million (£34m/£34m/£17m) for venture capital funding promised in the Budget. This will maximise opportunities for start-ups and small business growth across the country, and more than treble the **Phoenix Fund** (first announced in November 1999) to open up enterprise for all.

The Trade and Industry Secretary also announced the first stage of a programme for modernising the Post Office, with new investment of £270 million over the next three years to start the implementation of the recommendations contained in the Performance and Innovation Unit report. The Government stands ready to add significantly to this investment over the next few years with the cost-effective extension of the Government General Practitioner (GGP) and Internet Learning Access Points (ILAP), following satisfactory evaluation of the initial pilots, and through support for the development of the proposed Universal Bank, with the exact amount of new financial support to be determined once viable proposals have been drawn up and approved.

The Spending Review also provides funding in full over the Spending Review period for the **£530 million launch investment in the Airbus A3XX**, bringing major benefits to the manufacturing base, particularly in the South West and Wales.

## NOTES FOR EDITORS

1. The settlement for Trade and Industry in the Spending Review 2000 in the following table shows total spending on the DTI, its funding for British Trade International (which also receives finance from the Foreign and Commonwealth Office), the regulators (OFT, OFGEM and OFTEL) and the Export Credit Guarantee Department (ECGD). This includes provision for the DTI's management of liabilities from the nuclear and coal sectors, which will decline in aggregate over the Spending Review period. **Excluding liabilities, this represents annual average increases in total spending of 6.6 per cent in real terms over the three years.**

### Key figures

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Department of Trade and	3728	4595	4280	4222

Industry <sup>1</sup>				
Others <sup>2</sup>	24	33	33	33
<b>Total Trade and Industry*</b>	<b>3752</b>	<b>4628</b>	<b>4313</b>	<b>4255</b>
<i>of which: Resource Budget</i>	3288	3907	3549	3217
<i>Capital Budget</i>	464	721	764	1038

\* *Departmental Expenditure Limit*

1. *Figures include funding of British Trade International (which also receives £6/6/3 million from the FCO), and provision for management of liabilities which decline in aggregate over the Spending Review period*

2. *Includes Office of Fair Trading, OFGEM, OFTEL and ECGD.*

2. The £1 billion government programme of capital investment in science, spread over the three years, was announced by the Chancellor on 5 July at the UK/US conference. It comprises £775 million of Government money and £225 million from the Wellcome Trust.

3. The Spending Review also provides a major package of £270 million funding over three years as the first stage of a programme to modernise the Post Office network, of which £220 million will be allocated from the DTI's budget. The plans to modernise the Post Office arise from a detailed review by the Government's Performance and Innovation Unit (PIU) and were first announced by the Secretary of State for Trade and Industry on 28 June. The investment is to enable the Post Office to embark on a programme of modernisation across the network to maintain the rural network, to improve support to local offices in urban deprived areas, and to enable the piloting of new initiatives for post offices to act as Government one-stop shops (General Government Practitioners) and provide people with new opportunities to use the Internet (Internet Learning Access Points). The Post Office will be developing proposals and a business plan for a Universal Bank, to tackle financial exclusion and allow customers to get cash out of the post office and set up direct debit arrangements.

4. For further details contact the DTI press office on: 020 7215 2345.

**18 July 2000**

**SR2000/DH**

**A MODERN NHS AND SOCIAL SERVICES DELIVERING FAIRNESS FOR FAMILIES AND COMMUNITIES**

The Prime Minister and the Secretary of State for Health will announce shortly the National Plan for investment and reform in the NHS, setting out a strategy to ensure that the new resources deliver a step change in health and quality of care.

In Budget 2000 the Government announced an unprecedented increase in NHS UK funding of 6.1 per cent average annual real terms growth over the four years to 2003-04. This is the longest period of sustained high growth in the history of the NHS. It compares to an average of 3.3 per cent annual real growth since the foundation of the NHS and 2.9 percent annual

real growth between 1978-79 and 1996-97.

Today the Chancellor also announced increases in funding for personal social services and the Food Standards Agency for the next three years.

The new funding for social care and related services will deliver improved care for the elderly, children and other vulnerable groups. These improved services will:

- promote independence, better rehabilitation and care close to home for the elderly;
- improve the life chances of children in care;
- improve social care support for people with mental health problems in line with the social care standards in the National Service Framework on mental health.

The Food Standards Agency will receive an annual average real terms increase of 6 per cent. The new resources will help the Agency meet its aims to:

- improve public confidence in national food safety and standards;
- reduce food borne illness by 20 per cent by 2006;
- protect consumers through improved local authority enforcement of food safety and standards.

Welcoming the spending plans, Alan Milburn, Secretary of State for Health said:

"This package represents a historic opportunity for improvements in health and social care. The national plan for the NHS will set out a comprehensive strategy for using the increase in NHS resources to improve health and quality of care.

"The new social care resources announced today will ensure that more elderly people receive the high quality care they need to help them live active lives in the community. And the new resources will improve the life chances of children in care, by helping them reach the standards achieved by their peers in school and then in finding jobs.

"These new resources complement the new resources to support vulnerable children, young people and their families, which the Government is also announcing as part of a cross-departmental programme to improve the life chances of children and young people.

"The substantial and sustained increases in spending for the Food Standards Agency reflect the importance this Government attaches to ensuring that food safety and standards improve and that consumers are properly protected."

## NOTES FOR EDITORS

1. The new resources are broken down as follows:

### England

<b>Emillion (resource)</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
<b>Total Department of Health<sup>2</sup></b>	<b>45,285</b>	<b>49,461</b>	<b>54,437</b>	<b>59,011</b>
<b>Total NHS (net)<sup>3</sup></b>	<b>44,485</b>	<b>48,193</b>	<b>52,264</b>	<b>56,653</b>
<i>of which: Resource Budget</i>	42,852	45,696	49,103	53,471
<i>Capital Budget</i>	1,633	2,497	3,161	3,182
<b>Personal Social Services</b>	<b>9407</b>	<b>10,032</b>	<b>11,405</b>	<b>12,208</b>
<i>of which: net transfers into PSS<sup>4</sup></i>	0	-10	705	784
Standard Spending Assessments <sup>5</sup>	8693	8869	9344	9962
Funded by Department <sup>6</sup>	713	1164	2062	2247
<b>Food Standards Agency</b>	<b>87</b>	<b>104</b>	<b>111</b>	<b>111</b>

<sup>1</sup> Numbers may not sum due to rounding

<sup>2</sup> Sum of total NHS (net), Personal Social Services funded by Department and Food Standards Agency

<sup>3</sup> Net of receipts

<sup>4</sup> Includes transfers into PSS from Department of Social Security and out of PSS to Home Office and Department for Education and Employment

<sup>5</sup> Includes effect of transfers detailed in note 4 and an additional transfer from PSS SSA to PSS funded by the Department for each year from 2001-02; this means the SSA figures for 2000-01 contain £231m which has been transferred out for 2001-01 onwards reflecting these changes in responsibility.

<sup>6</sup> This shows Department of Health-funded spending on social care and related services, which comprises mainly special, specific and capital grants to local authorities and credit approvals; includes effect of transfers detailed in note 4 and an additional transfer from PSS SSA to PSS funded

1. Budget 2000 provided by far the biggest, most sustained growth in NHS funding of any 4 year period in the history of the NHS. The Chancellor announced average annual real terms growth in NHS cash spending over the four year period to 2003-04 of 6.3 per cent (England) or 6.1 per cent (UK). This is equivalent to a rise in cash spending per household from £1,850 in 1998-99 to £2,800 in 2003-04.
2. This will be the first period in the history of the NHS with four years of over 5 per cent real terms growth in every year
1. On 22 March, the Prime Minister set out five challenges for the NHS to address:
  2. **Partnership**: working together across all parts of the health system to ensure the best possible care;
  3. **Performance**: ensuring that, using information, incentives and inspection, all parts of the health system come up to the standard of the best;
  4. **Professions**: and the wider NHS workforce: stripping out unnecessary demarcations between health care professionals so the right people deliver the right care;
  5. **Patient care**: improving patient access by delivering fast and convenient care for patients, and empowering patients by listening to their needs and letting them know their rights; and
  6. **Prevention**: balancing spending on tackling the causes of ill health with treating illness, tackling variations in care, and promoting healthy living.
7. The Prime Minister and the Secretary of State for Health will shortly launch the results of work on each of these challenges in the National Plan for the NHS.
8. The Government's detailed response to the report of the Royal Commission on Long Term care, chaired by Professor Sir Stewart Sutherland, will be announced by the Secretary of State as part of the National Plan.
9. The Government will pilot a new 'Care Direct' phone line to provide a single gateway to information about services and benefits for older people.
10. The increases in the Food Standards Agency funding are additional to the Budget 2000 settlement for the NHS.
11. The Chancellor today announced a major programme to improve the life chances of children and young people - for more details see press notice S2000/X1.

For more details about the SR2000 settlement for the Department of Health, contact the press office on 020 7210 5221 /5315 / 5738/ 5225.

**18 July 2000**  
**SR2000/DFEE**

## **EDUCATION: INVESTMENT IN OUR FUTURE**

Education spending across the UK is set to rise by 5.4 per cent a year in real terms over the next three years, taking it from £45.8 billion in 2000-01 to £57.7 billion in 2003-04, Chancellor Gordon Brown announced today.

Together with the extra boost for education in 2000-01 announced in the Budget in March, this represents an average growth rate of 6.6 per cent over four years, the highest growth over a four year period for 20 years.

The increase in spending, matched by tough targets, will bring higher attainment in schools, wider participation in Further and Higher Education and much more help for unskilled adults.

David Blunkett, Secretary of State for Education and Employment, welcomed the Spending Review 2000 settlement and said:

"I am very pleased with the education spending plans announced today. Over the five years covered by this Government's two spending reviews, education spending will rise by 33 per cent in real terms, more than the entire increase between 1978-79 and 1996-97. This demonstrates this Government's continued commitment to investing more in education and raising standards."

Key outcomes for the Department for Education and Employment are:

- demanding new standards will be set in secondary schools: subject to consultation, 85 per cent of pupils aged 14 should by 2007 achieve the required standard for English, maths and Information and Communications Technology (ICT), 80 per cent in science. This compares, for example, with 64 per cent in English and 62 per cent in maths in 1999;
- minimum targets will be set for children aged 11, 14 and 16 in order to narrow the attainment gap between those at risk of falling behind and the standards they should reach. For example, at least 38% of pupils in every Local Education Authority will achieve five A\*-C grade GCSEs or better by 2004;
- the staying on rate of those aged 16 in Further Education will be increased;
- more places will be available in Higher Education, working towards the ambition to extend participation in HE to 50 per cent of those aged 18-30; and
- a major drive will be launched to help adults achieve proficiency in literacy and numeracy.

Other measures announced today include:

- a continuation of direct payments to schools, increasing the Budget payments by £250 million to £550 million. A typical primary school will receive £20,000, compared to £9,000 in the Budget. A typical secondary school will receive £60,000, compared to £40,000 in the Budget;
- additional provision to create more specialist and beacon schools;
- further spending on school buildings and ICT;

- progressive introduction of the Connexions service for helping young people to stay on in education or training; and
- a new objective to widen university access and provision to help leading universities recruit more of their students from state schools and colleges and widen access to students from a broader range of backgrounds.

## NOTES FOR EDITORS

1. Subject to decisions by the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, education spending is projected to be 5.0 per cent of Gross Domestic Product in 2001-02 and to rise to 5.3 per cent by 2003-04. This compares with 4.7 per cent in 1996-97.

2. The settlement for science is set out in Press Notice SR2000/DTI, for the Department of Trade and Industry.

3. Other related announcements for Young People at Risk and Sure Start are included in Press Notice SR2000/X1.

4. Key figures for the DfEE settlement are tabulated below:

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
DfEE - Education and Training*	17,455	19,600	21,753	23,928
<i>of which: Resource Budget</i>	<i>15,223</i>	<i>17,088</i>	<i>18,741</i>	<i>20,116</i>
<i>Capital Budget</i>	<i>2,232</i>	<i>2,512</i>	<i>3,012</i>	<i>3,812</i>
Education Standard Spending**	21,332	22,513	23,863	25,261
<b>Total</b>	<b>38,787</b>	<b>42,113</b>	<b>45,616</b>	<b>49,189</b>

\* expenditure within the Departmental Expenditure Limit, including Sure Start, the New Deal for Schools, additional funding in the 2000 Budget, allocations from the Capital Modernisation Fund and administration costs. Excludes spending on employment.

\*\* Local Authority Standard Spending Assessment: 2000-01 figure adjusted to place it on a comparable basis to 2001-02

5. For more details contact the DfEE press office on 020 7925 5476 / 5721 (Schools Desk) or 020 7925 5893 / 5373 (Lifelong learning).

**18 July 2000**

**SR2000/MOD  
FUNDING BOOST FOR ARMED FORCES**

The first budgeted real terms increase in the defence budget for over a decade was announced today by the Chancellor Gordon Brown, reflecting the Government's commitment to strong defence and the continued modernisation of Britain's Armed Forces.

As a result of this new injection, the defence budget will rise from £22,975 million this year to almost £24,978 million by 2003-04.

The settlement provides the resources the Ministry of Defence needs to take forward implementation of the Strategic Defence Review (SDR) - the fundamental restructuring of our forces to meet the challenges of the modern world - taking account of operational lessons learned and other priorities which have emerged since SDR was announced in 1998.

It will ensure that our Armed Forces have the equipment and training they require to move quickly to crises and to make a real difference when they get there. Procurement techniques have been dramatically overhauled and levels of efficiency achievement have been good, meaning that resources freed up can be reinvested in the front line.

Welcoming the announcement, the Secretary of State for Defence Geoffrey Hoon said:

"The growth in the defence budget is a vote of confidence by the Government in the quality and effectiveness of our Armed Forces. It shows that this Government is serious about defence. It is recognition of the important and magnificent work done by the Armed Forces since this Government came to power: in Kosovo; in Sierra Leone; in the Gulf; East Timor and elsewhere, helping people who cannot help themselves.

"The settlement also recognises that whilst the British Armed Forces have risen to every challenge, doing so has imposed strains, and has exposed deficiencies. The Government is serious about relieving those strains, and correcting those deficiencies. The new money will help to do that.

"We will also ensure that we continue to improve the efficiency of defence, freeing up resources wherever possible, and disposing of assets - land, buildings, fighting equipment and stores - that we no longer need. We are not alone in that. All Government Departments are being asked to do the same. With an increasing Defence Budget, every penny of efficiency savings and from asset disposals can be used to improve defence capability."

Together with the new cross-cutting conflict prevention budgets, this settlement provides the resources to ensure that our Armed Forces remain the best in the world.

Over the Spending Review period the process of implementing the SDR will continue. The SDR's conclusions have already been reinforced, by the successful operations in Kosovo, East Timor and Sierra Leone and elsewhere. New, world class equipment such as the Apache and new Strategic Lift, and initiatives such as Joint Force Harrier and the Joint Rapid Reaction Forces will further improve operational capability over the next few years.

**NOTES FOR EDITORS**

1. MOD Spending Plans:

<i>£ million</i>	2000-01	2001-02	2002-03	2003-04
------------------	---------	---------	---------	---------

<b>Total Resource Estimate*</b>	<b>22,975</b>	<b>23,570</b>	<b>24,198</b>	<b>24,978</b>
<i>of which: Current Resource DEL</i>	17,750	18,076	18,485	18,731
<i>Capital Resource DEL Budget**</i>	5,225	5,494	5,713	6,247
<p><b>* Departmental Expenditure Limit</b></p> <p><b>** Capital spending shown here includes expenditure on fighting equipment (1)</b></p>				

**Note:**

(1) National accounts classify some defence expenditure as current on the grounds that they are military assets. Following the introduction of resource accounting it has been agreed that this expenditure should be treated as part of the capital budget, which adds some £3.5 billion a year to the capital budget.

2. For details of the Ministry of Defence's performance against objectives and priorities see the 1998/99 Performance Report. If you have access to the Internet, you can visit the MoD's web-site at <http://www.mod.uk>, where a copy is available.

3. In addition to the headline figures for 2001/02, the Defence Budget will benefit from an additional £250 million from the Reserve on the successful launch of the DERA Public Private Partnership.

4. The Public Services Agreement (PSA) commits the Department to continuing to achieve greater value for money from defence expenditure through:

- the delivery of 3 per cent efficiency each year;
- Smart Procurement savings of £750 million across the period; and
- at least £600 million from assets sales (in addition to DERA) by March 2004.

5. For more details please contact the MOD Press Office on 020 7218 3257.

**18 July 2000**  
**SR2000/X1**

### **IMPROVING LIFE CHANCES FOR CHILDREN AND YOUNG PEOPLE**

Vulnerable children, young people and their families will benefit from substantial new investments, as part of the Government's extensive, cross-departmental programme to tackle child poverty and social exclusion.

The Chancellor, Gordon Brown, announced today new money for three initiatives as part of the Spending Review 2000, by 2003-04:

- a new Children's Fund, worth £100 million in 2001-02, £150 million in 2002-03 and £200 million in 2003-04, with a strong emphasis on voluntary sector delivery, to ensure that vulnerable young people make the transition safely to adulthood;
- new resources to fund the roll-out of the Connexions personal adviser service and complementary services to support 13-19 year olds to stay in education and avoid truancy; and
- an extra £315 million by 2003-04 for the Sure Start scheme which aims to improve the life chances of pre-school children to break the cycle of disadvantage.

**The Children's Fund** - will fund services to identify children and young people who are showing early signs of difficulty and provide them and their families with the support they need to get back on track. The aim is to prevent children falling into drug abuse, truancy, exclusion, unemployment and crime, as well as raising aspirations and preventing underachievement.

The majority of the Fund will be targeted at preventive work with children (primarily in the 5 to 13 age group) and their families, helping them before they hit a crisis. The fund will work with local authority level partnerships and others, with a strong emphasis on voluntary sector delivery.

£70 million of the Fund over 3 years will be distributed directly to local community groups through a network of local funds, as announced in the Budget. The network of local funds will be administered by the voluntary sector itself, for children of all ages, and focus on helping local and community groups to provide local solutions to the problem of child poverty. It will include a strong emphasis on children and young people's own aspirations and views.

**Connexions** - is a personal adviser service to support 13 to 19 year olds to stay in education or undertake training. This initiative aims to raise levels of educational achievement and help prevent adverse outcomes such as truancy and crime.

The progressive introduction of Connexions will be co-ordinated with expansion of key services for vulnerable young people, including mental health services, supported housing and drug treatment.

**Sure Start** - New money for Sure Start, the radical programme of services for very young children, means that now a third of poor children in England will have access to extra help. Sure Start improves the life chances of very young children by ensuring that they are ready to learn when they get to school, and so break the cycle of disadvantage.

For the Sure Start scheme, today's announcement means:

- a major increase in Sure Start expenditure of £184 million a year in 2000-01 to almost £500 million a year in 2003-04;
- a major geographical expansion of Sure Start, doubling the number of programmes from 250 to at least 500 by 2004. The expanded Sure Start will reach a third of poor children under four years old in England. Some of the new programmes will be geographically small in order to target pockets of deprivation, for example in rural areas.

In return for this investment, each programme will deliver measurable improvements in local children's social and emotional development, health and ability to learn, as well as a strengthening of families and communities.

While Sure Start targets money at the most deprived areas, the Government is keen to apply the lessons from Sure Start more widely across the country. So the Government has decided to develop targets for all mainstream services, nationwide, for children aged nought to five.

## NOTES FOR EDITORS

1. The Following Table summarises the main new funding:

<i>£ million</i>	2001-02	2002-03	2003-04
Children's Fund	100	150	200
<i>of which, Local Network</i>	<i>10</i>	<i>20</i>	<i>40</i>
Sure Start	0	265	315

*This table shows additions to the 2001-02 plans published at the time of Budget 2000.*

## 2. Children's Fund

The Social Exclusion Unit's Policy Action Team (PAT) on Young People highlighted the need for improved preventive services for young people; and advocated increased support for families and a new preventive budget to promote effective cross-cutting interventions for young people facing the most acute risks. The Children's Fund builds on this.

The Fund includes the Chancellor's proposal for a local network of Children's Funds announced in Budget 2000. But this is the first time that new resources have been announced.

Funds will roll out gradually from next year. For the £70 million to be distributed directly to local communities the aim is for networks of local funds to cover all of England by 2003-4.

The type of programmes the Fund would finance might include specialist schemes attached to schools to help children and their parents overcome difficulties and get the help they need, home/school partnerships, and the continuation of schemes like On Track and the youth inclusion projects.

## 3. Connexions

Following on from the White Paper, Learning to Succeed, and the Social Exclusion Unit report Bridging the Gap, Education and Employment Secretary David Blunkett unveiled Connexions in February 2000. It will provide a radical new approach to guiding and supporting all young people through their teenage years and in their transition to adulthood and working life.

The new Service will be delivered primarily through a network of Personal Advisers linking in with specialist support services. They will be drawn together from a range of existing public, private, voluntary and community sector organisations, and build on best practice.

The key aim of the service will be to enable all young people to participate effectively in appropriate learning - whether in school, FE college, training provider or other community setting - by raising the aspirations so that they reach their full potential.

#### **4. Sure Start**

Sure Start programmes are based on international and UK evidence that the biggest gains are in interventions for young children, particularly in terms of health, educational and social development, and in the support of strong families and communities.

In the last Spending Review, the Government set aside resources for 250 local programmes to be up and running by March 2002, supporting about 187,000 children.

The new 250 Sure Start areas will be chosen, like the first 250, using a measure of deprivation, and partnerships from each area will be invited to put forward proposals.

In keeping with its cross-cutting role, responsibility for Sure Start is shared. Yvette Cooper, the Parliamentary Under Secretary of State for Public Health, is the Minister for Sure Start; and David Blunkett, the Secretary of State for Education and Employment, speaks for Sure Start in the Cabinet.

**18 July 2000**  
**SR2000/X2**

#### **TACKLING DISADVANTAGE IN DEPRIVED AREAS**

Targets for action in poorer neighbourhoods together with new resources provided by the Spending Review mark a first stage in meeting the Government's key objective to narrow the gap between the most deprived areas and the rest of the country.

The cross-departmental review of Government intervention in deprived areas built on the results of the consultation on the framework National Strategy for Neighbourhood Renewal to set out a new approach, which will see:

- government departments, for the first time, will be given explicit targets for improving life in deprived areas. Less crime, better education, more jobs and improved health will lead to a narrowing of the gap between the poorest areas and the national average. Details are set out below;
- These demanding targets will be backed by substantial increases in resources for public services in deprived areas - as the Departments responsible for them review their funding and allocations processes to make sure that a generous share of the new money for health, education and other services reaches deprived communities;
- to kick start this process, an extra £100 million in 2001-02, £300 million in 2002-03 and £400 million in 2003-04 will be given to local authorities in the most deprived areas over the next three years through the new Neighbourhood Renewal Fund;
- more resources will be provided for the New Deal for Communities to help local people influence the public services provided for them, promote community involvement at local and neighbourhood level;
- Local Strategic Partnerships will be set up across the country to bring local service providers together with voluntary, community and private sector groups to work together to tackle the problems facing individual neighbourhoods; and

- a new range of 'neighbourhood statistics' to help diagnose, solve and monitor problems in small neighbourhoods.

Together with additional resources through initiatives like Sure Start and the Children's Fund, this demonstrates the Government's commitment to extending opportunity to those living in the most deprived communities. Narrowing the gap will inevitably take many years, however this represents a real commitment to improving daily life in the poorest neighbourhoods.

## TARGETS FOR NARROWING THE GAP

In **education**, the Government aims to increase the percentage of pupils obtaining 5 or more GCSEs at grades A\* -C (or equivalent) to at least 38 per cent in every authority. A target to reduce the attainment gap at Key Stage 2 in English and maths will be announced in due course.

The Government aims to ensure an increase in the **employment** rates of the 30 local authority districts with the poorest initial labour market position over the 3 years to 2004 (taking account of the economic cycle). It will ensure a reduction in the difference between employment rates in these areas and the national rate.

The Government aims to reduce the level of **crime** in deprived areas so that by 31 March 2005, no local authority area has a domestic burglary rate more than three times the national average - while at the same time reducing the national rate by 25 per cent.

The Secretary of State for Health will announce a health inequalities target in the National Plan for the NHS shortly.

The Government will ensure that all social **housing** is of a decent standard by 2010 with the number of families living in non-decent social housing falling by one third by 31 March 2004, and with most of the improvement taking place in the most deprived local authority areas as part of a comprehensive regeneration strategy.

## NOTES FOR EDITORS

1. Compared with the rest of England, the most deprived local authority areas have nearly two thirds more unemployment; 30 per cent higher mortality rates; and a quarter more children who do not get a single GCSE. Burglary rates in deprived areas are often many times the national average.

2. In September 1998, the Government launched the New Deal for Communities to pilot new approaches to Government Intervention in Deprived Areas. There are now some 39 individual schemes which will spend close to £2bn across their ten year life-spans narrowing the gap against the key outcomes - jobs, crime, health and education - between their neighbourhoods and the rest of the country. For the last two years, the Social Exclusion Unit has concentrated on drawing up a National Strategy for Neighbourhood Renewal, working through 18 fasttrack Policy Action Teams involving a wide range of experts across Whitehall and beyond. A Framework Version of the National Strategy was issued for consultation in April this year: the consultation finished at the end of June, and the Spending Review takes full account of feedback from the many responses received. A final National Strategy Action Plan which will set out the detail of the Government's response to the consultation will be published in the autumn.

3. The cross-cutting Review of Government Intervention in Deprived Areas was chaired by Sir Andrew Turnbull, the Treasury's Permanent Secretary, and included representatives from DETR, DfEE, DTI, DSS, DCMS, DH, the Home Office, the Local Government Association, Local

authorities, the Regional Development Agencies and the Social Exclusion Unit. A wide range of external experts - including voluntary and community sector representatives - were also consulted.

4. The review concluded that, in future, core public services like schools and the police should be equipped to become the main weapons against deprivation. This means refocussing main programmes to ensure that: improving life in deprived neighbourhoods is at the centre of their key objectives; there are new and stronger co-ordinating mechanisms at the local level to enable services to work together more effectively; and area-targeted initiatives play a role that is more genuinely additional to main services rather than attempting to compensate for their failings.

5. Further details on:

- the Neighbourhood Renewal Fund are set out in Press Notice SR2000/DETR3;
- the Children's Fund, see Press Notice SR2000/X1;
- the next phase of the New Deal for Communities will be announced alongside the National Strategy Action Plan in the autumn; and
- local strategic partnerships will be published in guidance in the autumn. In most places LSPs will form part of the 'Community Planning' process as suggested in the draft guidance on 'Preparing Community Strategies' issued by DETR on 27 June.

7. For more information, contact the Treasury press office on 0207 270 5238.

**18 July 2000**  
**SR2000/X3**

### **NEW RESOURCES FOR CONFLICT PREVENTION**

New innovative ring fenced funds have been set up to channel more resources into preventing conflict and reducing the numbers of people affected by war and civil unrest in Sub-Saharan Africa and the wider world.

For the first time, programme funding will be brought together with expenditure on military operations and peacekeeping in jointly-managed pooled budgets to strengthen the way departments involved in conflict prevention work together and deliver more effective British interventions overseas.

The increased funding announced by the Chancellor Gordon Brown will pay for a wide range of activities including military operations, Britain's contribution to UN and other international peacekeeping missions and bilateral initiatives to prevent conflict, reduce conflict-related poverty and deliver stability in sub-Saharan Africa and the wider world.

The new budgets will be managed jointly by the Ministry of Defence (MOD), the Foreign Office (FCO) and the Department for International Development (DFID), working to a set of jointly agreed priorities. It is the result of a cross-departmental review of conflict prevention conducted jointly by FCO, MOD, DFID and HM Treasury.

Commenting, Foreign Secretary Robin Cook said:

"This Government is committed to helping those people who are, or are at risk of being, caught up in armed conflict and to contributing more where we can to international peace

and security. Britain already has a good record of promoting democracy and stability.

"The new arrangements announced today are a result of Government departments working more closely together than ever before. They will permit swifter, better coordinated and more effective action to help prevent conflicts breaking out, and to manage them if they do break out."

Secretary of State for International Development Clare Short said:

"Conflict is one of the key obstacles to development in Africa. It hits the poor hardest and diverts scarce resources away from the fight against poverty. This cross-departmental initiative will help us work more effectively together to prevent and resolve conflict and reduce poverty."

#### **NOTES FOR EDITORS:**

1. Expenditure plans over the next three years are:

2001-02 2002-03 2003-04

Beyond sub-Saharan Africa 60 68 78

In sub-Saharan Africa 50 50 50

Total 110 118 128

In 2000-01 DFID, MoD and FCO are spending £84 million on conflict prevention programmes.

2. In addition, indicative sums reflecting estimates of likely total expenditure on international peacekeeping and other overseas military operations (such as those currently underway in the Balkans) have been identified for the first time.

3. The new budgets bring together programme money currently held by the Department of International Development, the Foreign Office and the Ministry of Defence, with new resources from the Treasury. For the first time, the forecast requirement for international peacekeeping and military operations is to be included in a budget, rather than claimed in arrears from the Treasury Reserve.

4. For further details please contact the DFID Press Office on 020 7917 0950.

**18 July 2000**

**SR2000/X4**

#### **TOUGH ON CRIME, TOUGH ON THE CAUSES OF CRIME**

Significant new investment in police, courts and prisons, as well as in local crime reduction activity and action against illegal drugs, will be delivered over the next three years as a result of the Spending Review.

It follows recommendations from cross-departmental reviews of the Criminal Justice System, crime reduction and illegal drugs.

The Chancellor today announced:

- an extra £1.4 billion in 2001-02, rising to an extra £2.7 billion by 2003-04 to drive up performance across the criminal justice system, resulting in an increase in the proportion of recorded crimes for which an offender is brought to justice;
- spending of at least £160 million in each of the next three years on Home Office programmes for crime reduction, contributing to the planned reductions in vehicle crime by 30 per cent by 2004; domestic burglary by 25 per cent by 2005; and robbery in our principal cities by 14 per cent by 2005; and
- real increases of 10 per cent a year in funding to tackle the problems of drug misuse at its roots, centred around interventions that work, contributing to a reduction in the proportion of people under 25 reporting use of class A drugs by 25 per cent by 2005.

Extra money for the criminal justice system will fund new IT to streamline case management and contribute to reductions in the time taken for dealing with cases. Building on the recommendations of the Stephen Lawrence Inquiry report, there will be extra provision for victims and witnesses.

Extra money for crime reduction will support the working of local Crime and Disorder Partnerships, and will be underpinned by measures by the Secretary of State for Education and Employment to reduce truancy; and measures by the Secretary of State for Health to tackle substance abuse, both drugs and alcohol.

Extra money for drugs will fund a new National Treatment Agency, ensuring that drug addicts get the help they need. To reduce the availability of drugs, there will be more effective arrangements for making the best use of intelligence in assessing the drugs threat.

Welcoming the Spending Review plans, Jack Straw, the Home Secretary said:

"Crime reduction is my overriding priority. I therefore welcome the outcome of these reviews. Offending is too often associated with abuse of drugs and alcohol, having truanted from school or having been in care. By getting Whitehall departments working together, we can win the war on crime."

David Blunkett, the Education Secretary said:

"There are clear links between crime, truancy and illiteracy. The more we can do to cut failure at school, the more we will contribute to the fight against crime. That is why the Government is committed to raising standards across the board and for those at most risk."

Health Secretary, Alan Milburn, said:

"Crime is associated with substance abuse. Better health education for young people and effective treatment regimes can and will make a difference. My department is committed to playing its part in this cross-Government drive."

## **NOTES FOR EDITORS**

1. Crime Reduction was one of the 15 cross-cutting reviews established as part of the 2000 Spending Review.

2. Statistics from the Crime Reduction review show that:

- 40 per cent of crime happens in 10 per cent of areas;
- 2 per cent of people suffer 41 per cent of property crimes;
- 1 per cent of people suffer 59 per cent of violent crimes;
- 43 per cent of violence against women is in the home;
- alcohol misuse is involved in 78 per cent of assaults and 88 per cent of criminal damage;
- crime rates are up to 50 per cent lower on estates "secured by design";
- 40 per cent of young prisoners have been in care;
- 42 per cent of young remand prisoners need mental health treatment;
- 30 per cent of prisoners played truant from age 11; and
- fewer than 50 per cent of offenders on probation have the literacy and numeracy skills needed for 80 per cent of jobs.

	2000/1	Spending		
	Baseline	2001/2	2002/3	2003/4
	£m	£m	£m	£m
<b>Criminal Justice System</b>	12,545	<b>13,969</b>	<b>14,840</b>	<b>15,263</b>
Total Anti-Drugs Spend <sup>(1)</sup>	695*	870	931	996

\* These figures are indicative relating only to the proactive spending identified by the Review.

3. For more details contact the Home Office press office 020 77273 4600 (Criminal Justice Desk); or 020 7273 4640 (Constitution and Community Relations Desk).

1. Split between Departments will be finally decided after conclusions of Organised Crime study.

**18 July 2000**

**SR2000/X5**

#### **EMPLOYMENT OPPORTUNITY FOR ALL**

An Employment Opportunities Fund worth £875 million in 2001-02 increasing to £1.4 billion in 2003-04 will make the New Deal a permanent deal, the Chancellor Gordon Brown announced today, as part of the cross-departmental review of Welfare to Work and ONE.

The Employment Opportunities Fund includes remaining Windfall Tax receipts and additional resources. Lower unemployment, reflecting the success of the New Deal, means that the Windfall Tax will continue funding the New Deal well into the next Parliament.

This ensures that successful initiatives including the New Deal 18-24 will continue to be funded into the future. The review also introduces new measures which will help to realise the Government's aim of employment opportunity for all, matching rights with responsibilities.

Measures include:

- an enhanced New Deal 25 plus to be introduced from April 2001, as set out in Budget 2000;
- the expansion of the new ONE service - integrating employment and benefit advice;
- the national extension of the New Deal for Disabled People, with measures to help disabled people who want to work to find and remain in employment; and
- increased start up funding to help create childcare provision, targeted towards disadvantaged areas.

Welcoming the outcome of the review, David Blunkett, Secretary of State for Education and Employment said:

"These measures build on the success of the New Deal, which has already helped 216,000 young people into work and which has been independently assessed as largely paying for itself through reduced benefit payments and extra tax revenue. They will help deliver employment opportunity for all - the modern definition of full employment.

"We have seen considerable success - unemployment is at a 20 year low and there are more people in work than ever before. But there remains much to be done, more than one in six working-age households have no-one in work. Today we announce measures to help deliver work for those who can, and security for those who cannot."

The National Childcare Strategy will benefit from significant extra investment. This includes new funds to kick start provision in disadvantaged areas and provide grants and support for new childminders. There is also a business support package, to encourage the emergence and development of childcare businesses.

#### **NOTES FOR EDITORS**

1. The settlement for DfEE education spending is set out in Press Notice [SR2000/DFEE](#). Call the DfEE press office on 020 7925 5476 (Schools desk) or 020 7925 5480 (Lifelong learning desk).

2. The Employment Opportunities Fund will include the remaining Windfall Tax receipts and additional funds.

3. Spending plans for the Employment Opportunities Fund are set out in the table below. This is additional to resources allocated to Welfare to Work within the Department for Education and Employment and Department for Social Security Departmental Expenditure Limits.

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Employment Opportunities Fund DEL <sup>1</sup>	873	875	854	1371
Expected Windfall Tax carry over	0	175	545	0

from previous years <sup>2</sup>				
<b>Expected total resources available to the Employment Opportunities Fund</b>	<b>873</b>	<b>1050</b>	<b>1399</b>	<b>1371</b>
<i>Of which:</i>				
<i>Expected to be funded by the Windfall Tax<sup>2</sup></i>	<i>873</i>	<i>1050</i>	<i>670</i>	<i>0</i>
<i>Non-Windfall Tax<sup>2</sup></i>	<i>0</i>	<i>0</i>	<i>729</i>	<i>1371</i>
<p><i>1 Departmental Expenditure Limit. This includes programmes funded from the Windfall Tax including non-Welfare to Work programmes (of £24m in 2000-01, and £6m in 2001-02 and 2002-03) but excludes New Deal for Schools.</i></p> <p><i>2 These are based on current estimates of expenditure on programmes financed by the Windfall Tax.</i></p>				

**18 July 2000**

**SR2000/HO**

**NEW RESOURCES TO FIGHT CRIME**

Extra resources are announced today to boost the Government's fight against crime.

Overall police spending is planned to rise by 3.8 per cent a year in real terms over the next three years, almost £1.6 billion more in 2004 than it is today. This will strengthen the police's ability to prevent crime and catch offenders and ensure that the public feel safer on the streets and in their homes.

Welcoming the new spending plans, Jack Straw, the Home Secretary said:

"This settlement is excellent news for the fight against crime. Law and order is a top priority for the Government. The new spending plans demonstrate our determination to buck the trend of increases in crime."

The extra investment for the police will ensure that they are able to benefit from new secure radio systems and from DNA technology to help further in the fight against crime. The Government is setting tough targets for burglary to fall by a quarter and car crime by nearly a third.

Prison capacity will be increased with further prison places being provided to deal with increases in offenders brought to justice. The Prison Service will also have the resources it needs to ensure that those sentenced to imprisonment by the courts are held securely and made to confront their criminal behaviour.

Reoffending rates are also set to reduce. Offenders, whether punished by imprisonment or in the community, will have to deal with their offending and in particular develop the basic literacy and numeracy skills without which they are ineligible for the vast majority of law-abiding employment. Those offenders with drug problems will receive the support of additional treatment programmes.

Targets for efficiency gains have also been announced to ensure best value for money for the taxpayer. Prison and probation services will have to make 3 per cent efficiency gains each year. A new model developed by the Productivity Panel will calculate the improvements each individual police force will have to make to match the performance of the best. The performance of individual police Basic Command Units will also be monitored and the best will be rewarded from a new central £5 million Reward Fund.

Integrated working across the Criminal Justice System will be facilitated by a new joint fund of £525 million to be shared between the Home Office, the Lord Chancellor's Department and the Crown Prosecution Service. This fund will be allocated according to priorities agreed between the Departments amongst the issues cutting across their respective criminal justice responsibilities. There will also be a total investment of £600 million in integrated criminal justice IT systems and spending as a whole on the Criminal Justice System will grow in real terms by 4.2 per cent per year.

Andrew Smith, the Chief Secretary to the Treasury said:

"I am delighted that thanks to our careful management of the public finances we have been able to afford these major increases in law and order spending. The resulting reductions in crime will make our communities healthier and more secure."

#### NOTES FOR EDITORS

1. The 2000 Spending Review provides the following increases:

	2000/1	<b>Increases</b>		
	Baseline	<b>2001/2</b>	<b>2002/3</b>	<b>2003/4</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Home Office Totals</b> <sup>(1)</sup>	8171	<b>1425</b>	<b>2104</b>	<b>2442</b>

2. Police spending (which includes contributions from the local Government finance system) will rise by:

	2000/1	<b>Increases</b>		
	Baseline	<b>2001/2</b>	<b>2002/3</b>	<b>2003/4</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Police Spending</b>	7718	<b>777</b>	<b>1292</b>	<b>1575</b>

3. The Home Office Public Service Agreement includes targets for reductions in crime and in reoffending and for increasing offenders brought to justice.

4. For more details contact the Home Office press office on 020 7273 4640 (Constitution and Community Relations desk), 020 7273 4600 (Criminal Justice desk), or 020 7273 4610 (Police desk).

1. Includes Charity Commission.

**18 July 2000**

**SR2000/MAFF**

### **MODERNISING MEASURES FOR AGRICULTURE**

Modernising agriculture, protecting public health, a commitment to protect the environment, and the introduction of reforms, including the creation of a new Common Agriculture Policy (CAP) Payments Agency, which will ensure better value for taxpayers' money, are reflected in funding for a package of measures for the Ministry of Agriculture, Fisheries and Food (MAFF) are announced today.

In pursuing the Agriculture Strategy launched by the Prime Minister earlier this year, MAFF will put in place tough new reforms to facilitate the development of a modern, sustainable and competitive farming industry which is responsive to consumers' requirements.

Welcoming the announcement today, the Minister of Agriculture, Nick Brown said:

"The package of measures announced today demonstrates the Government's modern approach to spending on agriculture and the environment.

"We are committed to helping the farming industry modernise, compete and adapt to change as well as securing agreement to Common Agricultural Policy reforms by March 2004 which give a better deal to consumers and taxpayers.

"I am also particularly pleased to announce a new aim for the Ministry of Agriculture, Fisheries and Food."

MAFF's new aim is:

- good quality food which meets consumers' requirements;
- modern sustainable, competitive farming and fisheries businesses; and
- protection of the rural and marine environment and a thriving rural economy.

MAFF's new spending plans fulfil the Government's pledge to introduce a significant programme of measures to implement the Agenda 2000 Rural Development Regulation. The England Rural Development Plan will help the environment, the modernisation of the farming industry and rural economies generally.

With the introduction of modulation of CAP payments in 2001-02, there will be a shift of emphasis away from production-related payments.

Protection of public health will continue to have top priority. In addition to being on track by 2004 to reduce the annual incidence of BSE to very low levels by 2006, the Department will introduce a precautionary long term GB-wide scrapie eradication programme, with a ram genotyping scheme to run in parallel with new testing and control measures, alongside MAFF's ongoing work on scrapie control;

Other measures include:

- investment in MAFF's Veterinary Laboratories Agency (VLA) which will provide better facilities for research on Transmissible Spongiform Encephalopathies (TSEs) in sheep and research on other major animal diseases, including those with implications for human health;
- an increase in testing for TB in cattle with more money for compensation;
- an increase in capital grants to local flood and coastal defence operating authorities to replace and improve existing defences. There will be an in-depth review of the current arrangements for provision and funding of flood and coastal defences, which will be completed in 2001; and
- purchase of a new marine research vessel which will enable the Centre for Environment, Fisheries and Aquaculture (CEFAS) to contribute to achieving MAFF's objectives on fisheries and the environment.

MAFF will make a major contribution to the Modernising Government programme through the creation of a new CAP Payments Agency (CAPPA) which brings together CAP payments functions of IB and MAFF.

Farmers and traders will benefit from a reduction in regulation and more efficient and rapid processing of payments, with the achievement of 95 per cent electronic service delivery capability by March 2004. Over time there will be significant savings for taxpayers, with a 10 per cent cut by March 2004 in unit costs of administering payments.

Creation of the new dedicated CAP Payments Agency provides the opportunity to restructure other aspects of MAFF's regional operations. MAFF will enhance its contribution to regional policy making by participating in the Government Office network, and will make other organisational changes to facilitate effective delivery of the England Rural Development Plan and other MAFF policies.

The overall aim of these changes is to ensure that MAFF provides a streamlined modern service to all its customers, making maximum use of new technology but maintain close links with the farming community through a strong regional presence on the ground.

Furthermore, MAFF will also:

- continue its work to encourage the development of a sustainable fisheries industry through a reduction in UK fishing effort in those sectors with most over-capacity;
- work towards delivering further improvements in standards of animal health and welfare, with the aim of reducing by 5 per cent by March 2004 the time taken to clear up cases of poor welfare in farmed animals.

## **NOTES FOR EDITORS**

1. Spending Plans: key numbers (DEL)

<i>£ million</i>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Total Plans (MAFF and IB)	983	1185	1250	1270
<b><i>of which:</i></b>				
<b><i>Resource Budget</i></b>	813	997	992	1030
<b>Capital Budget</b>	<b>170</b>	<b>188</b>	<b>258</b>	<b>240</b>
<b>Forestry Commission *</b>	<b>59</b>	<b>73</b>	<b>78</b>	<b>78</b>

\* Includes baseline for Wales. Responsibility will pass to the Assembly in 2000-01.

2. Expenditure on the CAP in the UK (within Annually Managed Expenditure (AME)) is currently projected to be around £2.8 billion each year over the period.

3. For more details, please call the MAFF press office on 020 7238 5599.