

News story: Efficiency Review to drive productive public services

Putting the public finances on a sustainable path is vital to securing a strong and stable economy, and the government will ensure it is delivering value for money while maintaining its commitments on public spending in this Parliament.

The review, which was announced at Budget 2016, will generate £3.5 billion of savings in 2019 to 20, with up to £1 billion to be reinvested in priority areas.

Government departments have today been commissioned to begin drawing up proposals for contributions by modelling scenarios of 3% and 6% savings.

This is part of an ongoing commitment to modern, flexible public services that deliver the best value for money for taxpayers.

The NHS and core schools budgets are protected and do not come under the scope of the review. The government also recognises the important role that social care spending plays and so efficiencies found within local government will be used to help meet existing pressures.

The government will also maintain its commitment to meet the NATO target of spending 2% of GDP on defence and for the defence budget to rise by 0.5% above inflation each year of this Parliament.

An update will be provided in autumn 2017.

The Chief Secretary to the Treasury, David Gauke and Ben Gummer, the Minister for the Cabinet Office and Paymaster General, have commissioned the work and it will be aligned with a refresh of Single Departmental Plans, so that departments can consider savings options in the context of their business planning.

Chief Secretary to the Treasury, David Gauke, said:

We are committed to a modern, high-quality public sector that delivers the services people need in the most efficient way possible. There has been considerable progress, but there is further to go and the whole of government is working together to consider how we can live within our means while delivering maximum value for every pound of taxpayers money.