



## Welcome to the Commissioner's weekly horizon scanning brief:

- 1. Legislation** (Legislation, Home Office, APCC, press comments, reports and campaigns relating to strategy, policy and programmes)
- 2. Strategic policing and crime news** (relevant crime and criminal justice information and partners' policy/reports/campaigns)
- 3. Developments and reports** (covering research across political, economic, social, technological, environmental and organisations)
- 4. Consultations** (police and crime bulletins, research, consultations and press releases)
- 5. Reviews and Inspections** (covering various reviews, inspections and audits across policing)

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## 1. Legislation

### [Welfare Reform and Work Bill](#)

#### [The Female Genital Mutilation Protection Order \(Relevant Third Party\) Regulations 2015](#)

Coming into force: 17th July 2015

Extends to: England and Wales

Of interest to: Local Authorities, Legal teams, Chief Executives, PCCs, and Chief Constables

To specify local authorities as relevant third parties, which will allow them, if they choose to do so, to make an application to the family court for a Female Genital Mutilation Protection Order without first having to apply for the leave of the court to do so.

#### [The Serious Crime Act 2015 \(Commencement No. 2\) Regulations 2015](#)

Coming into force: 17th July 2015

Extends to: England and Wales

Of interest to: Local Authorities, Legal teams, Chief Executives, PCCs, and Chief Constables

These Regulations make provision for Female Genital Mutilation Protection Orders in England and Wales and in Northern Ireland.

#### [The Misuse of Drugs Act 1971 \(Temporary Class Drug\) \(No. 2\) Order 2015](#)

Into force: 27th June 2015

Extends to: England and Wales

Of interest to: Legal teams, Chief Executives, PCCs, and Chief Constables

#### [The Civil and Criminal Legal Aid \(Amendment\) Regulations 2015](#)

Coming into force: 17th / 31<sup>st</sup> July 2015

Extends to: England and Wales

Of interest to: Legal teams, Chief Executives, PCCs, and Chief Constables

## **[The Criminal Legal Aid \(Remuneration etc.\) \(Amendment\) Regulations 2015](#)**

Coming into force: Part 2 on 1st July 2015, and Part 3 on 11th January 2016

Extends to: England and Wales

Of interest to: Legal teams, Chief Executives, PCCs, and Chief Constables

## **[The Deregulation Act 2015 \(Commencement No. 2 and Transitional Provisions\) Order 2015](#)**

Into force: 29th June 2015

Extends to: England and Wales

Of interest to: Local Authorities, Legal teams, Chief Executives, PCCs, and Chief Constables

## **[The Civil Legal Aid \(Merits Criteria\) \(Amendment\) Regulations 2015](#)**

Coming into force: 17th July 2015 and for all other purposes on 31st July 2015.

Extends to: England and Wales

Of interest to: Local Authorities, Legal teams, Chief Executives, PCCs, and Chief Constables

## **[The Re-use of Public Sector Information Regulations 2015](#)**

Coming into force: 6 April 2016

Extends to: UK

Of interest to: Local Authorities, Information Managers, FOI Officers, Chief Executives, PCCs, and Chief Constables

## **[The Control of Major Accident Hazards \(Amendment\) Regulations 2015](#)**

Coming into force: 13th July 2015.

Extends to: UK

Of interest to: Scotland, Local Authorities, Chief Executives, PCCs, and Chief Constables

## **[Modern Slavery Act 2015](#)**

The Modern Slavery Act 2015 ('the Act') received Royal Assent on 26 March 2015.

## **[Queens Speech](#)**

The Queen's Speech contains the following Bills identified below:

- Finance Bill
- Full Employment and Welfare Benefits Bill
- Enterprise Bill
- National Insurance Contributions Bill
- Childcare Bill
- Housing Bill
- Energy Bill
- Immigration Bill
- Trade Unions Bill
- Education and Adoption Bill
- **[Cities and Local Government Devolution Bill](#)**
- Scotland Bill
- Wales Bill
- High Speed Rail (London - West Midlands) Bill

- Northern Ireland Bill
- [European Union Referendum Bill](#)
- [Extremism Bill](#)
- [Investigatory Powers Bill](#)
- [Policing and Criminal Justice Bill](#)
- [Psychoactive Substances Bill](#)  
The [Advisory Council on the Misuse of Drugs](#) has written to the Home Secretary setting out its views on the Bill.
- Armed Forces Bill
- Bank of England Bill
- Charities (Protection and Social Investment) Bill
- Votes for Life Bill
- European Union (Finance) Bill
- Buses Bill
- Public Service Ombudsman Bill (Draft)

## [Age of Criminal Responsibility Bill](#)

## [Advertising of Prostitution \(Prohibition\) Bill](#)

Public Advocate Bill

Referendum (Local Authority Governance) Bill

## [Rehabilitation of Offenders Bill](#)

## [Regulation of Political Opinion Polling Bill](#)

Criminal Cases Review Commission (Information) Bill 2015-16

Riot Compensation Bill

Child Victims of Human Trafficking (Central Government Responsibility) Bill

## 2. Strategic policing and crime news

### [Summer Budget 2015](#)

On public spending the Chancellor said that the fiscal plan set out in this Budget requires around £37 billion of further consolidation over the Parliament. He set out how the Government will find just under half of that – £17 billion. He said he has identified annual savings of £12 billion from welfare and £5 billion from tackling tax evasion, avoidance, planning and imbalances in the tax system.

Mr Osborne said that the other half (i.e. around £20 billion) will 'largely come from government departments and will be set out at the Spending Review' that he and the Chief Secretary will conduct this autumn. On public spending he says 'no year will see cuts as deep as those required in 2011-12 and 2012-13.' He said the Government will continue recent public sector pay awards with a rise of 1% per year for the next four years.

He added that public spending should reflect public priorities and referred to the need to make choices, going on to announce that the NHS is the Government's priority. But he added it also requires additional government funding. He confirmed the NHS will receive – in addition to the £2 billion already provided this year – a further £8 billion, equating to £10 billion more a year in real terms by 2020. Given the comment on public spending reflecting public priorities and the need to make choices, the savings would have to come from unprotected departments such as the Home Office.

There are no explicit mentions of policing, however PCCs could be impacted by further announcements concerning devolution plans. The Budget announces that the government is working towards further devolution deals with the Sheffield City Region, Liverpool City Region, and Leeds, West Yorkshire and partner authorities, to be agreed in parallel with the Spending Review. If agreement is reached, including on an elected mayor working with local leaders to oversee new powers devolved from ministers, these city regions will be granted significant additional powers. There was no indication around whether the devolved powers will include policing or not.

The Chancellor also announced further devolved powers to Greater Manchester including putting Fire Service under the control of the new directly-elected Mayor. The government is also making “good progress towards a deal with Cornwall”, and “strongly supports the recent publication of a West Midlands Statement of Intent for devolution”. The government has also received two Combined Authority proposals from local authorities in the East Midlands and remains open to any further proposals from local areas for devolution of significant powers in return for a mayor, in time for conclusion ahead of the Spending Review.

### [Leadership Review: Recommendations for delivering leadership at all levels](#)

### [Police use of Taser statistics, England and Wales: 1 January to 31 December 2014: data tables](#)

Data tables to complement '[Police use of Taser statistics, England and Wales: 1 January to 31 December 2014](#)'.

### [Immunity guaranteed for whistleblowers in child sex abuse inquiry](#)

Immunity from prosecution under the Official Secrets Act will be offered to current or former public servants who are prepared to testify about allegations of child sex abuse to Lowell Goddard's independent public inquiry, the Attorney General Jeremy Wright QC MP has confirmed.

### [Select Committee membership: Home Affairs](#)

The membership of the Home Affairs Select Committee has been approved by the House

### [Repeat knife offenders face new minimum prison term](#)

Minimum prison sentences for offenders who repeatedly carry knives will come into effect from 17th July 2015. The new 'two-strikes' sentence means that adults convicted more than once of being in possession of a blade face a minimum of 6 months prison sentence and a maximum of 4 years. Young offenders, aged 16 and 17 years, will face a minimum 4 month detention and training order.

### [Online and on the edge: real risks in a virtual world](#)

Dealing with child sexual exploitation in a virtual world requires a different style of policing from the conventional methods of the past. This report sets out findings from an inspection of the police service's efforts to tackle online child sexual exploitation, and concludes that forces need to better understand the nature and potential scale of this type of offending to ensure that more is done to protect children from harm, and bring perpetrators to justice.

## **[Building the picture: an inspection of police information management](#)**

In March 2013, HMIC published "**[Mistakes were made" HMIC's review into allegations and intelligence material concerning Jimmy Savile between 1964 and 2012](#)**". The report concluded that mistakes had been made in the handling of information and allegations into sexual abuse, and committed to a further review of information management practices. HMIC therefore conducted a review of the business processes which police forces in England and Wales use to collect, record, process, evaluate and share information.

## **PAC: Evidence session announced on Financial sustainability of Police Forces in England and Wales**

The Public Accounts Committee has announced its first evidence session of the new Parliament. The Committee will hold a session on the Financial sustainability of Police Forces in England and Wales on Monday 13<sup>th</sup> July (at 4pm).

## **[CSPL launches Tone from the top - leadership, ethics and accountability in policing](#)**

CSPL has concluded its inquiry into policing accountability and published its final report.

### 3. Developments and reports

#### **[National Fraud Authority](#)**

The year in Review 2014-2015: Supporting the victims of fraud.

#### **[Victims' Commissioner](#)**

Commissioner for Victims and Witnesses: Annual Report for 2014-15.

#### **[Victim Support](#)**

Waiting for Justice: how victims of crime are waiting longer than ever for criminal trials.

#### **[Care commissioners urged to increase social justice](#)**

Commissioners of health and social care services will not achieve best value without 'radical and swift' changes, according to a new report.

#### **[Beyond Youth Custody](#)**

Effective resettlement of young people.

#### **[Crisis](#)**

At what cost? An estimation of the financial costs of single homelessness in the UK.

#### **[Prisons and Probation Ombudsman publishes bulletin on new psychoactive substances and prisoner deaths](#)**

The use of new psychoactive substances (NPS) is suspected to have played a part in the deaths of some prisoners, said Nigel Newcomen, the Prisons and Probation Ombudsman

(PPO). Today he published a bulletin on the lessons that can be learned from PPO investigations into deaths of prisoners where the use of NPS-type drugs was suspected.

## [All Party Parliamentary Group on Women in the Penal System](#)

Report on the Inquiry into Preventing Unnecessary Criminalisation of Women.

## [Policy Press](#)

Intermediaries in the criminal justice system - Improving communication for vulnerable witnesses and defendants.

## [Ministry of Justice](#)

Self inflicted Deaths in Prison Custody in England and Wales between 1978 and March 2014.

## [Public Health England](#)

The international evidence on the prevention of drug and alcohol use - Summary and examples of implementation in England.

## [Civil Service shake-up: two perm secs step down](#)

The government has announced a shake-up at the top of the Civil Service, with two permanent secretaries stepping down. Ursula Brennan is to retire from her role as permanent secretary at the Ministry of Justice during the summer recess, with Richard Heaton moving from his role as perm sec at the Cabinet Office to replace her. John Manzoni, chief executive of the Civil Service, will take on Heaton's former role in addition to his current responsibilities.

## [Howard League: A manifesto for Women](#)

Did you know that women accounted for 16 per cent of all arrests in 2013/14 and that more than 100,000 arrests of women resulted in no further action? Or that 71 per cent of women remanded to jail by magistrates in 2014 did not receive a prison sentence? The published ***Report on the Inquiry into Preventing Unnecessary Criminalisation of Women*** conducted by an all party Parliamentary group.

## [Billions cut from early intervention funding warn charities](#)

Funding for early help services has fallen by £1.8bn in the last five years, potentially damaging the lives of children and young people, [a new investigation](#) has revealed.

## [National Audit Office report on Devolving responsibilities to cities in England: Wave 1 City Deals](#)

The government's Wave 1 City Deals were an important catalyst for cities to develop their capacity to manage devolved funding and increased responsibility for economic growth, according to the National Audit Office. However, it is too early to tell whether the deals will have any overall impact on growth.

## [Plans for a West Midlands economic powerhouse unveiled](#)

Leaders of seven local councils in the West Midlands have announced plans to form a combined authority in a bid to improve the outcomes for the region

## [Clark tells LGA conference to be ambitious in devolution](#)

Communities Secretary Greg Clark MP told councils they are on the brink of a once-in-a-lifetime opportunity to take power from government.

Speaking at the Local Government Association annual conference in Harrogate, Clark called on all cities, towns and counties to be ambitious in their proposals to take power and resources away from Whitehall.

## **Fifth of councils predict they will be in a combined authority in five years**

More than one in five local authorities expect to become part of a new combined authority by 2020, according to a new report into decentralisation.

## **Council funding cuts risk blocking devolution gains, warns watchdog**

Funding cuts could hamper local efforts to manage devolved powers, according to an investigation by the National Audit Office (NAO).

## **Managers predict half of services will offer online self service by 2018**

The availability of digital self-service in the public sector is expected to grow by 310% in the next three years saving £7,74m, according to new research.

## **Government should know more about cost of outsourced public services**

The government should know more about how much outsourced public services actually cost the companies who deliver them and how much profit they are making, according to a new National Audit Office report.

## **Council cash reserves earmarked for future use**

Nearly all the cash reserves held by councils have been earmarked for specific investment or to manage future risk, according to a new survey from the Chartered Institute of Public Finance and Accountancy (CIPFA).

## **Children in care should stay until 25 says commissioner**

Young people should be allowed to stay in care until they are 25 years old, with thousands leaving before they are ready, a new survey has revealed.

## **Councils warned cutting office costs is a 'false economy'**

Councils risk wasting money over the long-term by cutting costs in offices and facilities, a leading professional property body has told LocalGov.

## **Children 'at risk' due to unregistered private fostering**

Local authorities are not being notified of the majority of private fostering arrangements, according to new research.

## **Councils poised to receive £30m to cover adoption costs**

Councils are to receive £30m to cover the costs of finding adoptive parents outside local authority boundaries.

## **Lack of education increases risk of poor health**

New research has revealed people without a good education are at greater risk of developing health problems.

## **Poll reveals 'deeply worrying' lack of local support for dementia sufferers**

Hundreds of thousands of people with dementia are being 'let down' thanks to a lack of local support, a poll of GPs suggests.

## [Cameron outlines new housing measures](#)

The Government has confirmed it will be pushing ahead with plans to extend the [controversial Right to Buy policy](#).

## [Local Government Association](#)

LG Develop - At the heart of local authority housing.

## [Responding to the digital age, has given the public service some stiff challenges](#)

Public Services: delivering the next generation of change, is a report commissioned by BT in association with Dods. The report based on a recent survey of 394 local government officials in the UK, investigates how technology, skills and collaboration can power public service, exploring the gaps and ambitions.

## [Leicestershire announces combined authority to make devolution bid](#)

Council leaders in Leicestershire have announced proposals to create a combined authority to work together on major regional issues including economic growth, transport and planning.

## [West Midlands combined authority bid officially launched](#)

A bid to create a West Midlands Combined Authority (WCMA) by April 2016, which has ambitious plans to save £35m a year in benefits, has officially been launched by seven metropolitan councils.

## [City deals and skills: how have City and Local Growth Deals supported the development of employment and skills policy](#)

This report is a joint publication from the UK Commission for Employment and Skills (UKCES) and [Centre for Cities](#), examining the impact of City and Local Growth Deals on developing employment and skills policies to suit local needs.

## [Local government pension funds pool £10bn assets](#)

Two of the largest local government pension funds have joined together in a bid to reduce costs by £32m within five years.

## [County considers back office transformation](#)

Dorset County Councils is considering a major transformation programme for its back office services as it tries to find a further £45m in savings by 2017/18.

## [LGA releases Spending Review report](#)

With the government set to reveal its spending review next week, the [Local Government Association](#) (LGA) has published its own findings on the issue.

## [Derbyshire council underspend due to belt tightening](#)

[Derbyshire County Council](#) has revealed it underspent its budget during the 2014/15 financial year. The county council said it had implemented measures to maximise its income, which had been achieved by scrutinising spending

## [The housing crisis can be solved by councils](#)

The housing crisis has dominated the public awareness for many months now. Tackling the shortage of affordable homes formed a significant part of the government's election manifesto, in which the Conservatives promised to build 275,000 affordable properties by 2020.



## **Councils call for powers to intervene in failing schools**

Councils are calling for high-performing local authority controlled schools to be able to sponsor struggling ones without having to go through academy status first.

## **Ofsted Chief says working-class families feel abandoned by schools**

Speaking at a Sutton Trust and Education Endowment Foundation summit in London, Ofsted Chief Sir Michael Wilshaw said poor, white communities need to be served better by schools and school leaders.

## **Councils to receive £30m to speed up adoption searches**

The government has said it will commit £30m to speed up finding adoptive parents for children in care in England.

## **Public sector faces staff exodus over Osborne's pay cap, warn unions**

Unions are warning of a mass departure of council staff thanks to the ongoing freeze in wages, according to trade unions.

## **Councils call to retain extra income from social housing rents**

Town hall chiefs are calling for councils to be allowed to retain the extra revenue generated from increasing the rent of higher income earners living in social housing.

## **Welsh government announces £22m sustainability grant**

A package of funding will be split between 16 Welsh organisations dedicated to sustainability and environmental issues.

## **More councils using bankruptcy orders to chase council tax debt**

A third of local authorities used Bankruptcy Orders last year to recover council tax arrears, new research has revealed.

## **LGA calls for change in powers to tackle 'car litter louts'**

Local authorities outside of London are calling for new powers to tackle the "spiralling" problem of car litter louts across the country.

## **Google steps in to offer high streets help**

Internet giants Google are offering British high street shops the chance to revolutionise their digital strategies.

## **Airport Commission chooses Heathrow for new runway**

A third runway should be built at Heathrow provided it meets with strict conditions on noise and air pollution, recommends the Airport Commission. The conditions suggested by the commission include a ban on night flights, legally binding caps on noise and air quality and legislation to rule out ever building a fourth runway.

## **Apply now for business funding: virtual and augmented reality**

Up to £210,000 on offer to develop ideas alongside major firms such as Columbia Records and John Lewis.

## **UKCES welcomes OECD Employment Outlook 2015:**

One conclusion from the report is that the lack of upward mobility seen across the OECD is not a cyclical problem, but instead is structural, and that workers must have the opportunity to develop skills that allow them to progress throughout their careers.

### **[Betts calls for inquiry into 'outrageous' LOBO loans](#)**

An inquiry into how councils were sold £15bn of high interest loans could be launched, following a documentary from Channel 4 Dispatches.

### **[Council recruitment at risk over workplace concerns, finds poll](#)**

Poor quality office space risks hampering recruitment of new council staff, with over two-thirds of employees wanting workplace changes – a poll reveals.

### **[Public sector staff 'don't trust' cloud computing shows survey](#)**

Only a third of public sector staff are comfortable using cloud computing, with the majority (92%) saying they have concerns over data security, according to a new survey.

### **[Record numbers of older people 'struggling' alone without care, charity warns](#)**

Over one million older people who struggle to cope with daily tasks are receiving no help from care services, a charity has warned.

## 4. Consultations

### **[Office of Rail and Road: Highways England: enforcement policy](#)**

This document sets out how we intend to enforce compliance by Highways England with the Road Investment Strategy and statutory directions and guidance issued to it by the Secretary of State, as well as the options available to us in taking enforcement action (both statutory and non-statutory) against Highways England. Closing date 25 September.

### **[The Law Commission: Transition to the New Sentencing Code](#)**

The law on sentencing affects all criminal cases, and is applied in hundreds of thousands of trials and thousands of appeals each year. Currently, the law lacks coherence and clarity: it is spread across many statutes, and frequent updates are brought into force at different times by different statutory instruments and have a variety of transitional arrangements. Closing date 26 August.

### **[Economic Affairs Select Committee: Devolution of public finances in the UK inquiry](#)**

The Committee is conducting an inquiry into the possible models for devolution of the public finances in the United Kingdom. This follows on from the Committee's report of April 2013 on the Economic Implications for the United Kingdom of Scottish Independence and is intended to inform debate in the House on the Scotland Bill later this year. Closing date 21<sup>st</sup> August 2015.

### **[Cabinet Office: Third Party Campaigning Review: call for views and evidence](#)**

Closing date 31 July.

### **[Consultation is now open on the draft domestic violence quality standard](#)**

The draft domestic violence quality standard is now available on the NICE website for consultation. Closing date 14<sup>th</sup> July.

## **Consultation on human trafficking**

Open date: 29/05/2015

Close date: 29/07/2015

## **Public consultation on proposed topics for the 2021 Census questionnaire in England and Wales**

Open date: 04/06/2015

Close date: 27/08/2015

## **Consultation on Proposal for a Cyber Resilience Strategy for Scotland**

Open date: 05/06/2015

Close date: 28/08/2015

## 5. Reviews and Inspections

### **Her Majesty's Inspector of Constabulary**

In harm's way - the role of the police in keeping children safe.

### **Building the picture: an inspection of police information management**

HMIC conducted a review of the business processes which police forces in England and Wales use to collect, record, process, evaluate and share information.

## Introduction

On 8 July the Chancellor of the Exchequer, George Osborne, made his [2015 Summer Budget](#) announcement in the House of Commons. This Budget is George Osborne's seventh Budget as Chancellor, but the first Conservative-only budget since November 1996.

Alongside the Budget the OBR published its [Economic and Fiscal Outlook](#) (EFO), containing its forecasts for the economy and the public finances, and an assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target.

This briefing outlines the key announcements in the Budget, in particular those of interest to police and local government. References to the relevant paragraphs in the Budget report for each announcement are included in square brackets. The Technical Support Team will publish a more in-depth analysis of the OBR's report in the coming days.

## POLICE

**Public Sector Pay** - Public sector pay awards will be limited to 1% a year for the 4 years from 2016-17 onwards, in order to protect jobs. [2.20]

**Counter-Terrorism** – The Budget protects overall counter-terrorism spending across government, a total of more than £2.0 billion spent by a range of departments, agencies, and the police. [1.81]

**Local Government Pension Scheme** - The Government will work with LGPS administering authorities to ensure that they pool investments to significantly reduce costs, whilst maintaining overall investment performance. Authorities will be invited to bring forward their own proposals to meet common criteria for delivering savings. The Government will consult later this year on the detailed criteria, as well as legislation to require those authorities which do not have sufficiently ambitious proposals to pool investments. [2.19]

**Local Authority Assets** – The Government will make available a further £6m to expand the 'One Public Estate' programme to local authorities in England with a significant asset base.

## DEVOLUTION AND LOCAL GROWTH

**County Devolution** - The government is offering towns and counties the opportunity to agree devolution deals and is making good progress towards a deal with Cornwall. [1.285]

**City Devolution** - There are negotiations going on over elected mayors in Liverpool, Leeds, Sheffield and West Yorkshire. The negotiations have continued in Manchester with the responsibilities of the elected mayor now widening to include a Land Commission, employment programme, children's services and fire services. [2.37 & 2.38]

**Combined Authorities** - Two Combined Authority proposals have been submitted by local authorities in the East Midlands and the Government 'welcomes the recent publication of a West Midlands Statement of Intent for devolution'. The Government 'remains open to any further proposals from local areas for devolution of significant powers in return for a mayor', to be agreed of the Spending Review. [1.286 & 1.287]

## **PUBLIC SPENDING**

**Budget Surplus** - The Government plans to achieve a surplus on its budget by 2019-20, which will require £37bn of further savings. Savings from welfare will contribute £12bn to this amount, with an additional £5bn from changes to the tax system to address imbalances and tackle avoidance and evasion. The remaining £20bn of savings will come from Departmental Expenditure Limits (DELs) and will be outlined in the autumn, following the Spending Review process. [1.45]

**Spending Review** - The Spending Review, due to report in the autumn will consider all elements of public spending 'in order to create a more efficient public sector, whilst continuing to prioritise growth-promoting expenditure and spending on public services for those who need them the most'. No date has yet been announced for when the Spending Review will report in autumn and it is not yet clear how many years the process will cover. [1.75]

**Departmental Spending Cuts** – Over the Parliament overall departmental spending will fall by an average of 1.5% per year in real terms. No year will see cuts as severe as in 2011-12 and 2012-13. According to the OBR: 'On the basis of these provisional plans, the forthcoming Spending Review looks a lot less challenging. The squeeze pencilled in for the first year of the next Spending Review period – 2016-17 – has been eased very significantly'. [Economic and Fiscal Outlook, 1.31]

**Defence Spending** - The Government will ensure the UK spends 2% of GDP a year on defence for the rest of the decade; the MoD budget will increase by 0.5% each year in real terms. [2.22 & 2.24]

**NHS Spending** - The NHS budget will continue to increase in real terms each year. Spending on the NHS in England will increase by £10bn per year in real terms by 2020-21. Specific funding levels for each year will be set out in the Spending Review. [2.21]

## **PAY AND TAXATION**

**Living Wage** - A new 'national living wage' for all workers aged over 25 will be introduced from April 2016. The wage will start at £7.20 and will rise to 60% of median earnings by 2020, which would be £9, according to OBR forecasts. The Low Pay Commission will advise on future changes to rates. [2.94]

**Personal Allowance** - The income tax free allowance will increase to £11,000 from April 2016 and will rise to £12,500 by 2020. It will then continue to rise in line with the minimum wage. There was no change to the £8,060 threshold for paying national insurance. The 40p tax rate threshold will rise from £42,385 to £43,000 from April 2016. [2.54 & 2.55]

**Motoring** - Fuel Duty continues to be frozen for the rest of the year. New Vehicle Excise Duty rates will be introduced with three bands and a standard charge of £140. By the end of the decade the

Government will use VED income to create a 'Roads Fund', to finance the strategic roads network. [1.250]

## **WELFARE BENEFITS**

**Tax Credits** – The income threshold for tax credits will be reduced from £6,420 to £3,850 and tax credits and Universal Credit will be restricted to two children, affecting those born after April 2017. [2.107]

**Social Housing** - Rents in the social housing sector will be reduced by 1% a year for the next four years and subsidies for social housing will be phased out. Social housing tenants in England who earn more than £30,000, or £40,000 in London, will have to pay up to the market rent. [2.44 & 2.45]

**Benefit Uprating** - Working-age benefits will be frozen for four years, including tax credits and local housing allowance, however, maternity pay and disability benefits exempted. Disability benefits will not be taxed or means-tested and the state pension triple lock will be protected. [2.115]

## **ECONOMY**

**GDP** – GDP growth last year at the March Budget was thought to be 2.6%, but that figure has been revised to 3%; this figure now matches the OBR's prediction from December 2014. In 2015 GDP is forecast to grow by 2.4% (down 0.1% from March). GDP growth in 2016 will be 2.3%, and 2.4% in 2017, 2018 and 2019. The OBR forecasts the remaining spare capacity in the economy to be used up by mid-2018, half a year later than forecast in March 2015. [Table 1.1]

**Inflation** CPI inflation is forecast to be below target in 2015, returning gradually to 2.0% in 2020. [Table 1.1]

**Employment** - The OBR forecasts employment to be 31.2m in 2015, increasing every year to 32.1m 2020. Unemployment is forecast to be 5.4% in 2015, falling to 5.1% in 2016 and 5.2% in 2017. Thereafter, unemployment is forecast to be 5.3% in 2018 and 5.4% in 2019 and 2020. [Table 1.1]

## **REACTION**

**Local Government** - The Chair of the Local Government Association, Cllr Gary Porter said: 'It is right that the chancellor has not used his Summer Budget to further reduce in-year local government funding. Councils already have to find £2.5 billion in savings this financial year and these are proving the most difficult savings to find yet. Councils will now be looking to the Spending Review in the autumn which will decide the future of our public services over the next decade'.

**Labour** – Harriet Harman, the acting leader of Labour, said the Government's rhetoric was 'liberated from reality' and argued that even with the higher minimum wage announced by the Chancellor 'it will not be enough for a family to live on because of the cuts in tax credits'.

**Institute for Fiscal Studies** - The Institute for Fiscal Studies' Director, Paul Johnson, said it was 'overall a tax raising Budget', but the Chancellor had not been 'as harsh as he said he was going to be' on welfare cuts, which would be spread over a longer period. Further analysis from the IFS was expected to be published the day after the Budget.