Cabinet

14 January 2015

Implications for Durham County Council of the Government's policy programme

Report of Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Councillor Simon Henig, Leader of the Council

Purpose of the Report

1 On 7 May 2014, Cabinet considered the most recent report on the implications of the ggovernment's policy programme. This report provides Cabinet with an update on the major policy developments and announcements since then and analyses the implications for the council and County Durham.

Executive Summary

2 The most significant announcements since the last report to Members relate to the following, outlined in more detail below:

- Autumn Statement;
- Local authority funding;
- Welfare reform;
- Queen's speech;
- Transformation Challenge Fund;
- Public procurement;
- Economic growth and devolution;
- Planning reform proposals;
- Transport funding;
- Social mobility and poverty issues;
- Care Act;
- Integration of health and social care;
- Criminal Justice and Courts Bill;
- Anti-Social Behaviour, Crime and Policing Act;
- Counter Terrorism and Security Bill;
- Children and Families Act;
- Early years and schools funding.

3 Since the coalition government was formed in 2010, it has embarked on a major programme of public service reform.

4 In the initial years of this government, the pace of policy announcements and reforms was intense. However, compared with previous policy implications reports to Cabinet, it is apparent that the government has made fewer major policy announcements. In part, this reflects the shift in policy effort from policy

development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. However, in recent months, we have started to see some announcements which begin to shape the policy landscape in the run-up to this year's General Election.

5 Of particular note is the Autumn Statement and the initial indication around the scale of further austerity cuts to come over the next five years if government policy remains the same. This could have significant financial implications for the council and its partners in future years and for our poorer communities, given the proposed freeze in overall welfare spending and the tightening of the household benefits cap.

6 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.

7 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes, which have been taken into account in the refresh of the County Durham Sustainable Community Strategy and the council plan and supporting service plans, as considered by Cabinet at its meeting of 19 March 2014.

Background

8 Cabinet has considered a number of reports on government policy since the general election in 2010, the most recent of which was on 7 May 2014. Where necessary, Cabinet has also received further policy reports on specific topics, such as changes to the NHS, health and social care and welfare reform. This report builds upon these previous briefings.

9 Since the coalition government was formed in 2010, it has embarked on a major programme of public service reform, which has included the following:

a) Deficit reduction measures across all government departments, but particularly local government;

b) Structural reforms to reduce the number of government agencies and arm's length bodies;

c) The 'red tape challenge' to reduce government bureaucracy and regulation;

d) Changes to welfare to reduce spending and encourage more people to be independent;

e) NHS and public health reforms including the introduction of clinical commissioning groups and the transfer of public health to local government;

f) Police reforms including the introduction of directly elected police and crime commissioners;

g) Expansion of the academy programme and the introduction of free schools;

h) Major reform of the planning system with new national planning policy guidance and the revocation of regional spatial planning;

i) Abolition of the regional development agencies and the introduction of the national Regional Growth Fund and local enterprise partnerships;

j) Initiatives to open up public services to greater transparency and more diverse and local patterns of control.

10 In the recent past, the government has tended to make fewer major policy announcements, in part, reflecting the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. However, in recent months we have started to see some announcements which begin to shape the policy landscape in the run up to this year's general election campaign.

Update

11 The most significant announcements and developments since the last report to Members in May 2014, relate to the following, which are outlined in more detail below:

- Autumn Statement;
- Local authority funding;
- Welfare reform;
- Queen's speech;
- Transformation Challenge Fund;
- Public procurement;
- Economic growth and devolution;
- Planning reform proposals;
- Transport funding;
- Social mobility and poverty issues;
- Care Act;
- Integration of health and social care;
- Criminal Justice and Courts Bill;
- Anti-Social Behaviour, Crime and Policing Act;
- Counter Terrorism and Security Bill;
- Children and Families Act;
- Early years and schools funding.

12 More detailed updates on welfare reform and poverty issues were considered by Cabinet on 10 October 2014 and 17 December 2014.

The Autumn Statement

13 On 3 December 2014, the Chancellor of the Exchequer delivered his Autumn Statement.

14 He advised that the growth forecasts for this year had been revised up from 2.7 percent in March to 3 percent now. The forecast for 2015 remained the same at 2.4 percent, but for the following four years have been revised down to 2.2 percent, 2.4 percent, 2.3 percent and 2.3 percent, reflecting concerns about the wider global economy.

15 With regards to government borrowing, revised figures from the Office for Budget Responsibility suggested that since the beginning of this parliament, the deficit has been halved. From its post-war peak of 10.2 percent of GDP in 2009/10, public sector net borrowing is forecast to be halved this year to 5.0 percent; to fall to 4.0 percent of GDP in 2015/16, the final year for which the government has set departmental spending plans; and to reach a small surplus of 0.2 percent of GDP in 2018/19 and 1.0 percent in 2019/20.

16 The government's plan to consolidate public spending in the next parliament is reflected in the fiscal assumption that Total Managed Expenditure (TME) will fall in real terms in 2016/17 and 2017/18 at the same rate as between 2010/11 and 2014. The government's neutral assumption is that TME will be held flat in real terms in 2018/19. The Autumn Statement confirmed that the government intends to extend the neutral fiscal assumption to 2019-20, with TME held flat in real terms for a further year.

17 Accordingly, public sector current expenditure (PSCE) is forecast to reduce as follows:

2013/13	£317.5bn
2014/15	£316bn
2015/16	£316.3bn
2016/17	£299bn
2017/18	£287.9bn
2018/19	£282.9bn
2019/20	£279.7bn

18 In his 2013 Autumn Statement, the Chancellor advised that departmental spending would be reduced by £1bn a year over the next three years (2014-17). The Chancellor has now confirmed that the government will seek a further £10bn of efficiency savings by 2017/18.

19 Other key announcements included:

a) revisions to Stamp Duty, replacing the slab rate system with a variable incremental rate;

b) an extra £2bn a year for the NHS until 2020 and £1.2bn investment in GP surgeries, funded by income from bank fines;

c) a commitment to complete public service pension reforms, saving £1.3bn a year;

d) Small business rate relief will be doubled for another year to April 2016;

e) increasing the £1,000 business rates discount for shops, pubs, cafes and restaurants with a rateable value of £50,000 or below, to £1,500 in 2015-16;

f) National Insurance on young apprentices under the age of 25 to be abolished and employers will no longer pay National Insurance contributions for any employees or apprentices under the age of 21 on earnings up to the upper earnings limit;

g) Research and Development Tax Credit for small and medium companies will be increased to 230 percent and the credit for large firms to 11 percent from April 2015;

h) A 25 percent tax will be levied on profits generated by multinationals that are shifted out of the UK. This is set to raise £1bn over five years;

i) Inflation-linked increase in business rates will be capped at two percent, with a full review of the business rates system in 2016 after the General Election;

j) Theatre tax break extended to orchestras and a new tax credit for producers of children's TV and animation;

k) Support extended to small businesses with £500m of bank lending plus £400m government-backed venture capital funds which invest in SMEs;

l) £45m package of support for exporters, with a particular focus on emerging and growing markets in Africa, Asia and South America and first time exporters;

m) Expand tax relief on business investment in flood defences;

n) New and modern trains will be procured to replace the old ‘pacer’ carriages on Northern Rail and the Trans-Pennine Express;

o) £5.9bn will be invested into the UK’s research infrastructure over 2016-21 including a £2.9bn Grand Challenges fund (investment in research facilities of national significance) and £95m to take the lead in the next European mission to Mars (may be of benefit to Durham University with its world-class expertise in space sciences);

p) the government will work with local authorities and businesses on a local licensing simplification programme, with an expectation that, by 2018, every local authority will offer a single online application process where businesses only need register their details once.

Local authority funding

20 A more detailed report on the outcome of the local government financial settlement for 2015/16 is also on the agenda for this meeting of Cabinet.

21 More generally, Cabinet may wish to note that on 19 November 2014, the National Audit Office published its 2014 report on the financial stability of local authorities.

22 The report concluded that while local authorities have coped well with reductions in government funding, some groups of authorities were showing

clear signs of financial stress and that the Department for Communities and Local Government had a limited understanding of authorities' financial sustainability and the impacts of funding cuts on services.

23 The Office reported that the government will reduce its funding to local authorities by an estimated 28 percent in real terms between 2010/11 and 2014/15. Further planned cuts will bring the total reduction to 37 percent by 2015/16, excluding the Better Care Fund and public health grant.

24 Although there have been no financial failures in local authorities to date, a survey of local auditors showed that authorities are showing signs of financial pressure. Over a quarter of single tier and county councils had to make unplanned reductions in service spend to deliver their 2013/14 budgets and auditors were increasingly concerned about local authorities' capacity to make further savings, with 52 percent of single tier and county councils not being well-placed to deliver their medium-term financial plans.

Welfare reform

25 On 1 October 2014, the government launched a consultation on the funding of welfare assistance support in 2015.

26 Since the withdrawal of Social Fund support in 2013, local authorities have received funding to develop local welfare assistance schemes for the most financially vulnerable. However, from April 2015 the government intends that local welfare provision should be funded from general grant to local government, as opposed to an identifiable sum being made available specifically for that purpose.

27 The consultation sought views on three options:

a) Funding from existing local government budgets;

b) Separate visibility of local welfare provision funding;

c) Top slice Revenue Support Grant to fund a section 31 grant.

28 The government also invited consultees to come forward with other options for delivering and funding welfare provision.

29 On 26 November 2014, the National Audit Office published a report into the implementation and roll-out of Universal Credit.

30 It concluded that it was too early to determine if the Department for Work & Pensions (DWP) will achieve value for money in its implementation of the Universal Credit programme.

31 The report acknowledged that the delivery risks had been reduced since the implementation timetable was reset in early 2013. This had been achieved by significantly extending the timetable for introducing Universal Credit by two years to the end of 2019 and choosing a more expensive twin-track approach:

rolling-out its ‘live service’ using pre-2013 ICT assets, while at the same time developing a new ‘digital service’. However, the NAO identified that it was becoming increasingly unlikely that the DWP could transfer over one million tax credit claimants on to Universal Credit in April 2016 as planned without significant operational risks.

33 The report advised that the new programme was already six months behind schedule and that there are no contingency plans to deal with any delays in implementation. This prompted the NAO to warn that a further six-month delay could mean a £2.3bn loss in the societal benefits expected from moving people into work.

34 In his Autumn Statement, the Chancellor also confirmed a number of further benefit changes to reduce welfare spending:

a) Working age benefits to be frozen for two years;

b) Migrants to lose unemployment benefits if they have "no prospect" of work after six weeks;

c) £3m to further extend pilots which join-up health and employment services to help unemployed benefit claimants with mental health conditions.

Queen’s speech

35 On 4 June 2014, the Queen presided over the State Opening of Parliament and delivered a speech which outlined the government’s legislative programme for the final session of parliament before the General Election later this year.

36 Compared with previous sessions, the programme was relatively limited, consisting of 11 new bills plus three further bills which have been published in draft form for pre-legislative scrutiny:

a) Small Business, Enterprise and Employment Bill (England and Wales);

b) National Insurance Contributions Bill (England, Wales, Scotland and Northern Ireland);

c) Infrastructure Bill (Mostly England);

d) Pension Tax Bill (England, Wales, Scotland and Northern Ireland);

e) Private Pensions Bill (England, Wales, Scotland and Northern Ireland);

f) Childcare Payments Bill (England, Wales, Scotland and Northern Ireland);

g) Modern Slavery Bill (England and Wales);

h) Social Action, Responsibility and Heroism Bill (England and Wales);

i) Service Complaints Bill (England, Scotland, Wales and Northern Ireland);

j) Serious Crime Bill (England and Wales - with certain provisions elsewhere);

k) Recall of MPs Bill (UK-wide);

l) Draft Governance of National Parks (England) and the Broads Bill (England only);

m) Draft Riot (Damages) Act Bill (England and Wales only);

n) Draft Protection of Charities Bill (England and Wales).

37 In addition, six bills were carried over from the 2013/4 parliamentary session:

a) Consumer Rights;

b) Criminal Justice and Courts;

c) Deregulation;

d) Finance;

e) High Speed Rail (London to West Midlands);

f) Wales.

38 Appendix 2 provides more detail on the bills in the legislative programme together with other government commitments included in the Queen's Speech.

Transformation Challenge Fund

39 On 12 September 2014, the government announced that County Durham Fire and Rescue Service working with the council and Durham Constabulary had been awarded £500,000 in 2014/15 from the Transformation Challenge Fund. The funding will help to extend the Total Home Safety project to provide outreach workers to visit vulnerable, isolated and elderly people to make sure they receive crime and safety advice and protection.

40 On 28 November 2014, the county was awarded a further £1.4m for 2015/16 towards the Durham Ask project, which seeks to transform the way local services are provided by encouraging and supporting local groups and organisations interested in taking over the ownership and management of some council services.

41 In the Autumn Statement, the government confirmed that it intends to continue with the Transformation Challenge Fund, and to build upon the work of the Transformation Challenge Panel, set up to look at service integration and transformation. It committed to developing the principles of service integration that underpin the Troubled Families programme, extending the approach to other groups of people with multiple needs.

Public procurement

42 On 16 October 2014 the government launched a consultation on the new power in the Small Business, Enterprise and Employment Bill to help small businesses gain better access to public sector contract opportunities.

43 The proposed enabling power would allow the government to introduce a range of measures to make procurement simpler and reduce barriers as the need arises. These measures would be introduced through secondary legislation at a future date and would impose duties on procuring authorities. At this stage the government is proposing introducing duties to:

a) exercise procurement functions in an efficient and timely manner;

b) make available, free of charge, information or documents, or processes necessary for any potential supplier to bid for a contract opportunity;

c) accept electronic invoices.

44 The consultation closed on 13 November 2014 and the government's response is expected later this year.

Economic growth and devolution

45 On 7 July 2014 the government confirmed a Local Growth Deal with the North East Local Enterprise Partnership (NELEP). This will provide £47.9m of additional funding for 2015/16 with a further £69.6m for 2016/17 to 2021.

46 This is in addition to £93.1m previously committed as part of Local Growth Deal funding for the area. The government also confirmed a provisional award of a further £78.7m of funding for projects starting in 2016 and beyond, taking the overall amount of Local Growth Deal funding allocated between 2015/16 to 2021 to £289.3m.

47 Specific projects in Durham benefiting from the award include:

a) Merchant Park 2, to support inward investment and supply chain development adjacent to Hitachi's new manufacturing plant in Newton Aycliffe;

b) Phase 3 of infrastructure development at NETPark;

c) Sector-based skills improvement via East Durham College;

d) Western Relief Road in Durham City;

e) Horden rail station.

48 0n 9 July 2014 the Communities and Local Government Select Committee published its report on devolution in England - the case for local government.

49 It called for the transfer of a range of tax raising powers to local authorities, including business rates, stamp duty, council tax and other smaller taxes and charges, along with greater flexibility to borrow for investment. It argued that

releasing groups of authorities in England - centred on large city and county regions - from the fiscal grip of Whitehall could re-energise local democracy, boost England's economic performance and lead to more balanced growth across the country.

50 In part, the government has responded to the call for greater devolution through its policy of encouraging the establishment of combined authorities in different parts of the country, most notably Greater Manchester, where the government has agreed to devolve a further £2bn to the combined authority, which will be led by a new directly-elected Mayor. While it was expected that the Chancellor would make significant announcements about further devolution in his Autumn Statement, he fell short of devolving significant powers and budgets, but said that his door was open to local areas which wanted to follow the lead of Manchester.

51 Instead, the Chancellor made a number of announcements intended to support the economic development of a 'northern powerhouse' to complement the capital. These included:

a) a further £1bn from the £12bn Local Growth Fund announced in Spending Round 2013 to be used to fund a second wave of Growth Deals;

b) £28m for a National Formulation Centre as part of the High Value Manufacturing Catapult based at NETPark, Sedgefield;

c) a new long-term investment fund, called the 'sovereign wealth fund' established from tax revenues from shale gas extraction in the north to fund reinvestment in local communities in the north;

d) £10m to support the expansion of the very best academy chains in areas of the north;

e) the possibility of extensions to Enterprize Zones;

f) tendering for Northern Rail and Trans-Pennine Express franchises to replace pacer carriages with modern trains.

Planning reform proposals

52 On 5 June 2014, the Infrastructure Bill was introduced to the House of Lords, setting out a range of proposals including reforms to increase efficiency in the planning system as follows:

a) making changes to the procedures in the Planning Act 2008 for handling minor changes to existing development consent orders (DCOs) for nationally significant infrastructure projects (NSIPs). It would also simplify the processes for making significant changes;

b) allowing the examining authority, (a panel of planning inspectors who consider DCO applications), to be appointed earlier on in the process, immediately after an application has been accepted;

c) allowing the examining authority panel to comprise only two inspectors; and

d) allowing certain types of planning conditions to be regarded as discharged if a local planning authority has not notified the applicant of their decision within a set time period.

53 In the Autumn Statement, the Chancellor announced a number of further reforms to the planning system including:

a) the publication of new data on local authorities' performance in meeting their statutory duty to process smaller planning applications within eight weeks;

b) the government's intention to work with industry and local authorities to test whether more can be done to support the approval of small sites in the planning system;

c) increasing the minimum performance threshold for making decisions on major planning applications on time to 50 percent and keeping under review the speed of decisions on major applications;

d) publishing proposals for consultation with the Budget in 2015 on making the Compulsory Purchase Regime clearer, faster and fairer, with the aim of bringing forward more brownfield land for development;

e) the publication of revised guidance on the process for establishing the principle of development and the government will consult on a faster process for reaching agreement, considering how timescales for agreement could be introduced, and improving transparency on the use of section 106 funds.

Transport funding

54 On 11 July 2014, the government announced that it will provide £64m towards schemes in the latest round of its Local Sustainable Transport Fund, with Local Enterprise Partnerships investing over £100m of the funding they received as part of the Local Growth Fund. Further match funding will take the value of the package to over £440m.

55 The county was awarded £3.98m against total programme costs of £33.79m for the Walk To project and £840,000 against total project costs of £3.1m for the Durham Local Motion to Work.

56 In the run-up to the Autumn Statement, the government confirmed £1.5bn for 84 roads projects in England, including improvements to the A19 in Tees Valley, the A1(M) western by-pass at Team Valley and the partial duelling of the A1 in Northumberland (a project which has been announced on a number of occasions before).

57 The roads investment forms part of a £15bn strategy to improve infrastructure, which also included £100m to improve cycling provision at 200 key locations across the network, as well as a commitment to cycle-proof any new schemes being developed, a £300m environmental fund to mitigate carbon emissions and serious noise pollution and £100 million to unlock future growth and housing developments.

Social mobility and poverty issues

58 On 20 October 2014, the Social Mobility and Child Poverty Commission published its second annual State of the Nation report for 2014.

59 The Commission reported that some progress had been made in addressing social mobility and child poverty but that the country faced a challenge to prevent Britain becoming a permanently divided society.

60 Progress has been made against the child poverty targets in the Child Poverty Act 2010 and relative child poverty was at its lowest level for 30 years, with absolute child poverty was close to record low levels.

61 While the pace of the economic recovery was faster than expected, with GDP exceeding its pre-recession peak and employment increasing, real wages were still falling and jobs were becoming less secure. The Commission concluded that different parts of society were having different experiences of recovery with big variations by age, income, family type and region.

62 The Commission made 12 recommendations for consideration by the next government:

a) Supplement the existing child poverty targets with new measures to give a more rounded picture of poverty and publish a new timescale for achieving them;

b) Ensure that welfare reforms and fiscal policies protect the working poor from the impact of austerity, including empowering the Office for Budget Responsibility to report on each Budget’s impact on poverty and mobility;

c) New focus in the early years on ensuring children are school ready at age five, with 85 per cent of children school ready by 2020 and all by 2025;

d) A national parenting campaign to be launched to help more parents become excellent parents, funded by removing childcare tax breaks from families where at least one parent earns over £100,000 per year;

e) Higher pay to get the best teachers into the worst schools in deprived areas of the county through a new Teachers’ Pay Premium and new pay grades commissioned from the Teachers’ Pay Review Body;

f) End illiteracy and innumeracy among primary school leavers by 2025 and a new focus on quality careers advice, character development and extra-curricular activity in secondary schools;

g) Closing the attainment gap between poorer and better-off children to be a priority for all schools so that by 2020 more than half of children entitled to free school meals are achieving five good GCSEs rising to two-thirds by 2025;

h) Long-term youth unemployment to be ended by 2020 through a package of measures including half of all larger workplaces providing apprenticeships and a new ‘day one’ support service to help unemployed young people straight back into work or education;

i) Britain to become a Living Wage country by 2025 at the latest, underpinned by a new national pay progression strategy and an expanded role for the Low Pay Commission;

j) More shared ownership options for young people to get on the housing ladder and longer-term tenancies to become the norm for families with children in the private rented sector;

k) Universities to use the removal of the student numbers cap to significantly close the access gap so that by 2020 they are aiming to admit 5,000 more students from a free schools meals background, with Russell Group universities aiming to admit 3,000 more state school students who have the grades but currently do not get the places;

l) Unpaid internships to be ended – through legislation if necessary – by 2020.

63 On 9 October 2014, the Competition and Markets Authority published proposals to increase price competition between payday lenders and help borrowers get a better deal.

64 The use of payday lenders has grown significantly since the recession and concerns have been expressed about responsible lending practices within the industry and the impact they have on personal debt amongst financially vulnerable people.

65 The Authority’s key proposals relate to measures to encourage the development of a high quality price comparison sector for payday loans, so that consumers make more informed decisions and choices if and when they choose pay-day finance. Its principal proposals include:

a) measures to promote the use of effective price comparison websites;

b) a recommendation to the Financial Conduct Authority (FCA) to take steps to improve the disclosure of late fees and other additional charges;

c) a recommendation to the FCA to work with lenders and other market participants to help customers shop around without unduly affecting their ability to access credit;

d) a recommendation to the FCA to take further steps to promote real-time data sharing between lenders;

e) a requirement for lenders to provide existing customers with a summary of the cost of borrowing;

f) a recommendation to the FCA to take steps to increase transparency around the role of lead generators.

66 The Authoirty believes that its proposals would help stimulate greater price competition in a market, where many borrowers currently do not shop around due to the difficulties in accessing clear and comparable information on the cost of borrowing, and also make it easier for new entrants to become

established and challenge existing suppliers by offering better deals for borrowers.

67 On 11 November 2014, the FCA confirmed the price cap structure to control excesses in the payday lending sector:

a) An initial cost cap of 0.8 percent per day - this lowers the cost for most borrowers. For all high-cost short-term credit loans, interest and fees must not exceed 0.8 percent per day of the amount borrowed;

b) Fixed default fees capped at £15 – this protects borrowers struggling to repay. If borrowers do not repay their loans on time, default charges must not exceed £15. Interest on unpaid balances and default charges must not exceed the initial rate;

c) Total cost cap of 100 percent – this protects borrowers from escalating debts. Borrowers must never have to pay back more in fees and interest than the amount borrowed.

68 As a result of the controls, from 2 January 2015, no borrower will ever pay back more than twice what they borrowed, and someone taking out a loan for 30 days and repaying on time will not pay more than £24 in fees and charges per £100 borrowed.

Care Act 2014

69 The Care Act 2014 received Royal Assent on 14 May 2014. It represents the most significant reform of care and support in more than 60 years, putting people and their carers in control of their care and support. For the first time, the Act will put a limit on the amount people aged 65 and over will have to pay towards the costs of their care (£72,000).

70 In August 2014 the Department of Health undertook a consultation on the draft regulations and guidance associated with the Care Act. The consultation focused on the changes that will come into effect from April 2015.

71 The consultation received over 4,000 responses from many different sources. The response document, published on 23 October 2014 set out the government response to the consultation, and summarised changes to the regulations and guidance as a result of the consultation.

72 The Department of Health have made changes that include clarifying the guidance on adult safeguarding and revising the eligibility criteria to focus on outcomes and better address social isolation.

73 The second phase of the reforms under the Act will be the implementation of the cap on care costs, the extended means test, and a new appeals system from April 2016. A second consultation is expected shortly.

74 As part of the June 2013 Spending Review, the government announced that they would make £335m of national funding available to local authorities in 2015/16 so that they can prepare for reforms being implemented as part of

the Care Act 2014. £50m of this relates to capital monies already included in the Better Care Fund, leaving £285m 'new burdens' funding.

75 Since the announcement of the above funding the Department of Health issued a further consultation on two options for distributing the Care Act funding to local authorities, both of which result in a reduction in the proportion of the £285m that Durham will receive. Option 1 would result in an allocation of £2,786,645 which is a reduction of £565,355 or 16.87 percent and option 2 would result in an allocation of £2,639,594 which is a reduction of £712,406 or 21.25 percent. Durham submitted a response to this consultation.

76 Cabinet received a report in relation to the implementation of the Care Act in Durham at the Cabinet meeting on 15 October 2014.

Integration of health and social Care

77 The £3.8bn Better Care Fund (formerly the Integration Transformation Fund) was announced by the government in the June 2013 Spending Round, to ensure a transformation in integrated health and social care. The Better Care Fund is a pooled budget which will be deployed locally on health and social care initiatives from 2015/16. Local authorities were required to submit their Better Care Fund plans to NHS Area Teams in April 2014 and following an assurance process Durham submitted its final plans on 19 September 2014. As a result of a change of policy of the £1.9bn NHS contribution to the BCF, £1bn will remain within the BCF, but will now be either commissioned by the NHS on out-of-hospital services or linked to a reduction in total emergency admissions to ensure that the risk of failure for the NHS in reducing emergency admissions is mitigated.

78 In December 2014 Durham's Better Care Fund Plan was formally approved.

Criminal Justice and Courts Bill

79 At the time of writing and subject to its parliamentary progress, the Criminal Justice and Courts Bill was expected to receive Royal Assent by the end of 2014. The Bill makes wide-ranging reforms to the justice system as well as targeted provisions to protect the public better and reduce reoffending.

80 The Bill will:

- deliver a package of sentencing and criminal law reforms that properly punish serious and repeat offenders and better protect victims and the public;
- put education at the heart of youth custody, giving young offenders the tools they need to turn their backs on crime.

Transforming Rehabilitation

81 The Ministry of Justice 'Transforming Rehabilitation' programme of probation reforms sets out proposals for reforming the delivery of offender services. The

split of probation services into two new organisations was completed on 1 June 2014 and currently exists as:

- a new public sector National Probation Service (NPS) dealing with all those who pose the highest risk of serious harm to the public;
- 21 regional public sector Community Rehabilitation Companies (CRCs) managing all other offenders.

82 The nature of the working relationship between the new National Probation Service and the Community Rehabilitation Companies continues to evolve.

83 The programme of reform continues at speed with tight and challenging deadlines in place. The Ministry of Justice are now in the implementation phase of these changes. Forthcoming key milestones include:

- completion of the competition process by the end of 2014;
- contract Package Areas awarded and ownership of the Community Rehabilitation Companies transferred in to private ownership. (January – March 2015).

Anti-Social Behaviour, Crime and Policing Act

84 The Anti-social Behaviour, Crime and Policing Act 2014 has introduced simpler, more effective powers to tackle anti-social behaviour that provide better protection for victims and communities. The powers contained within the Act came into effect on 20 October 2014.

85 The new community trigger and community remedy will empower victims and communities, giving them a greater say in how agencies respond to complaints of anti-social behaviour and in out-of-court sanctions for offenders.

86 The Act will simplify the way in which groups can be dispersed by police, premises can be closed where drug misuse is causing nuisance in the neighbourhood and public spaces can be protected by simplifying the banning of alcohol or gating off alleyways.

Counter Terrorism and Security Bill

87 The Counter Terrorism and Security Bill received its first reading in Parliament on 26 November 2014. The Bill has been presented in response to the growing threat of a terrorism attack which has led to the government raising the UK Threat Level to severe; meaning that an attack is highly likely.

88 The Bill is expected to proceed at pace and enacted at the earliest opportunity.

89 The Bill has seven parts and is designed to reduce the terrorism threat to the UK by giving new powers to the police to help stop people travelling overseas to fight for terrorist organisations and to manage their return to the UK. It will strengthen law enforcement agencies' ability to monitor and control the actions of those in the UK who pose a terrorist threat and enhance the

government's ability to combat the underlying ideology that feeds, supports and sanctions terrorism.

Children and Families Act

90 The Special Educational Needs and Disabilities (SEND) reforms form part of the Children and Families Act 2014 and came into force on 1 September 2014.

91 The reforms change the way parents and children with SEND and young people up to age 25 with SEND receive support from local authorities. A new 0-25 years coordinated assessment process and single Education, Health and Care Plans (EHCs) have replaced Statements of Special Educational Needs (SEN). Local authorities and their partners (including health colleagues) work together to identify needs and joint processes are in place to commission and purchase goods and services for children and young people with SEND. Young people and parents of children who have EHC Plans now have the option of a Personal Budget giving greater independence, choice and control over their support. The reforms also require local authorities to publish the 'local offer' which clearly sets out the services available for children and young people with SEND.

92 Durham's Local Offer was launched on 1 September 2014. Guidance has also been developed for schools and services about the content of their own Local Offer.

Schools and early years funding

93 On 17 July 2014, the government confirmed its Fairer Schools Funding Arrangements for 2015/16.

94 In March, when the Department for Education consulted on a proposal to provide additional funding to the least fairly funded authorities in 2015/16, it proposed first to ensure that all local authorities will be funded at least at the same cash level per pupil as in 2014/15; and then to allocate an additional £350m for 2015/16 to fund schools in the least fairly funded authorities.

95 Accordingly, Durham will receive an increase in funding of 1.7 percent, which is estimated to be £4.7m, based on October 2013 pupil numbers.

96 On 23 October 2014, the Department for Education confirmed £50m of early years premium funding to help disadvantaged three and four year old children.

97 Schools, nurseries and childminders will be given up to £300 for every three and four year-old from a low-income family to help prevent them falling behind before they start school. Nurseries will have the freedom to decide how to use the funding to help children learn and develop, for example by appointing more qualified staff or specialists in activities like speech and language to give an extra focus on basic skills.

98 The government also announced that seven areas will share a £1m pot to trial the new support for two year olds ahead of national roll-out next April.

Consultations

99 Since the last report to Cabinet in May 2014, the government has opened 203 consultations and calls for evidence. Appendix 3 details the consultations and calls for evidence which are currently open (as at 9 December 2014).

Implications

100 The government's policy proposals have many implications for the county and the council, its role and function and the way it works with and relates to local communities and strategic partners. Below, we provide a commentary against the strategic themes of the Council Plan and County Durham Sustainable Community Strategy.

Altogether better council

101 The Autumn Statement re-confirmed the government's intention to maintain its austerity programme beyond 2015/16. Total managed expenditure is forecast to reduce over the next three years and to be held flat in 2019/20 as well as 2018/19 as announced in the 2014 Budget.

102 Whereas initially, the government suggested that it would reduce the deficit through a programme of 80 percent spending reductions and 20 percent tax increases, the Chancellor is now focussing efforts on maximising spending cuts as opposed to increasing taxes.

103 If the government maintains its pledge to protect spending on schools and the NHS, the cuts for other public services would be on a scale never seen before. The Office for Budget Responsibility calculated that spending per head in real terms in 2019/20 on the public sector minus health and schools would be £1,290, or 57 percent less than in 2009/10.

104 The Institute for Fiscal Studies[1] (IFS) has forecast that the government will need to make a further £55bn worth of cuts by 2020 in addition to the £35bn already made. It described these as spending cuts on a 'colossal scale', which will take total government spending to its lowest level as a proportion of national income since before the last war. The Institute estimates that £21bn of welfare cuts will be needed by 2020 to avoid other government departmental budgets being cut further.

105 In addition to having to manage spending reductions on an unprecedented scale, the uncertainty in how council services will be funded is set to continue given the proposed review of business rates, which will also look at the

[1] http://www.ifs.org.uk/uploads/publications/budgets/as2014/as2014_johnson.pdf

collection and administration of business rates revenue as well as the rating and taxation system itself.

106 While the £1.9m the county secured through the Transformation Challenge Fund is very welcome, it represents a further extension of the 'challenge fund' approach, where the council has to compete for funding against other areas, whereas in the past it would have been funded on the basis of need.

107 Again, this increases uncertainty, but also the amount of cost and resources involved in securing funding for the council and the county.

Altogether wealthier

108 The confirmation of Local Growth Deal (LGD) funding for the NELEP is welcome and will help to fund important projects in the county including the further development of investment and employment around the new Hitachi plant and the continuing development of NETPark.

109 However, to put the award in context, the total amount of LGD funding allocated between 2015 to 2021 at £289.3m, compares with annual funding of One North East at £250m.

110 Some government announcements will help to progress the strategic programme to regenerate the county. For example, funding has been confirmed for the Western Relief Road in Durham City, which is a major infrastructure proposal included in the County Durham Plan and the Durham City Masterplan. In addition, the high value manufacturing catapult project at NETPARK stands to benefit from the £28m investment in the National Formulation Centre.

111 However, the continuing squeeze on welfare spending will continue to have a disproportionate impact on the county, given the large number and high proportion of benefit claimants in the county. Working age benefits are to be frozen for two years and the household benefits cap reduced by £3,000, at a time when low income households are having to contend with rising prices for essential items such as food, energy and housing.

112 In addition, the consultation on the funding of welfare assistance in 2015 seemed to be based on the premise funding will be cut, leaving welfare assistance to be funded from wider local government budgets.

113 Both the council and the Association of North East Councils (ANEC) responded to consultation, requesting that funding be continued, given the help and support being provided. The council is currently considering options for how it could continue to provide assistance beyond March 2015, should the current funding end.

Altogether Healthier

114 The Care Act will have significant implications for local authorities in the coming years. New duties will be placed on local authorities from April 2015 (care and support duties) and April 2016 (new financial duties).

115 Nationally and locally, concerns have been raised in terms of the timescales and financial challenges the Care Act presents.

116 The reforms are expected to create an increased demand for adult social care services. It is expected that there will be an increased demand for financial and care and support assessments from self-funders (people who currently fund their own care), carers, young people who will have social care needs after they reach 18 and prisoners, including people in approved premises and on bail.

117 Due to the number of prisons in County Durham the introduction of the duty to meet the social care needs of prisoners will have an impact on resources. The short timescales for the introduction of this duty also presents a challenge to the authority.

118 The Care Act implementation is taking place at the same time as unprecedented financial reductions in local government, placing additional pressures on the council while it works to meet the requirements of the Medium Term Financial Plan.

119 With regards to the Better Care Fund, the County Durham Better Care Fund has been split into the following seven work programmes:

- **Short term intervention services** which includes intermediate care community services, reablement, falls and occupational therapy services;
- **Equipment and adaptations** for independence which includes telecare, disability adaptations and the Home Equipment Loans Service);
- **Supporting independent living** which includes mental health prevention services, floating support and supported living and community alarms and wardens;
- **Supporting Carers** which includes carers breaks, carer’s emergency support and support for young carers;
- **Social inclusion** which includes local coordination of an asset based approach to increase community capacity and resilience to provide low level services;
- **Care home support** which includes care home and acute and dementia liaison services;
- **Transforming care** which includes maintaining the current level of eligibility criteria, the development of IT systems to support joint working and implementing.

Altogether Safer

120 The Transforming Rehabilitation Programme aims to reform local delivery of probation services and effective probation and offender management services in the county need to be maintained during the transition process.

121 Durham Tees Valley Probation Trust's contract with the Ministry of Justice ended on 31 May 2014. Probation staff have been identified and aligned to either the National Probation Service or the Community Rehabilitation Company and the migration and splitting of probation services and systems over the weekend of 1 June 2014 went smoothly and with no disruption to services.

122 The public sector Community Rehabilitation Company will provide probation services until the end of January 2015 (this date is still flexible), before a mobilisation phase transferring over to the new private Community Rehabilitation Company contract provider by March 2015.

123 On 29 October 2014 the Ministry of Justice announced the list of 'Preferred Bidders' for each of the 21 Contract Package Areas. In the Durham Tees Valley area, the 'Preferred Bidder' status for the Community Rehabilitation Company has been won by ARCC (Achieving Real Change in Communities) Community Interest Company. The preferred bidder status means that ARCC are now the only supplier with whom Ministry of Justice is in talks to arrange the CRC contract within Durham Tees Valley. Once the preferred bidder stage has concluded, the final offer will be presented and the contract awarded.

124 The Counter Terrorism and Security Bill places a general duty on specified authorities, including local authorities, police, prisons, probation, further and higher education, NHS Trusts/Foundation Trusts and clinical commissioning groups, who must, in the exercise of its functions, have due regard to the need to prevent people from being drawn into terrorism.

125 The Contest Silver Group in County Durham has strong and robust arrangements in place to take forward counter terrorism work and this new duty will put these existing arrangements on a statutory footing requiring local areas to:

- understand the terrorist ideology and the threat and risk this presents to the local area;
- ensure front-line staff understand 'prevent' and are able to recognise when an individual shows potential signs of being vulnerable to radicalisation and what to do about it;
- provide early intervention so that those most at risk are given support at an early stage.

126 Since 2009 the Contest Silver Group has undertaken significant awareness raising activity and the council has been at the forefront of this work delivering training and producing e-learning materials for front-line staff across a number of organisations. However, there is still more to do to in order to fully embed 'prevent'.

127 Local Authorities are to become the 'responsible local authority' required to put in place, chair and manage a multi-agency group/panel that will receive referrals of those who are suspected of being vulnerable to radicalisation. Local arrangements, called 'Channel' have been in place since 2008 and have been led by Durham Constabulary, however, there will be implications in terms of raising staff awareness, developing local procedures and resourcing and managing the panel. Although it is anticipated at this stage that the number of referrals will be small, delivering specialist interventions could be challenging for the local authority. It will be important that criteria for receiving a referral to the Channel process is maintained in order that the panel deal only with individuals who are vulnerable to being drawn into terrorism.

Altogether Better for Children and Young People

128 The Children and Families Act has changed the authority's processes for providing for children with Special Educational Needs and Disabilities, and also assessments for children turning 18. This could result in an increase in the number of assessments carried out, which would increase pressure on the council and NHS services.

Implications for partnership working

129 Given the scope of government reforms, the council continues to work with partners to ensure that we achieve the aims of the sustainable community strategy.

130 The County Durham Partnership considers these policy implications reports alongside Cabinet and Corporate Issues Overview and Scrutiny Committee. Emerging government policy and legislation have been taken into consideration, as the partnership refreshed the sustainable community strategy for the county, which was considered by Cabinet on 19 March 2014.

Conclusions

131 Since the coalition government was formed in 2010, it has embarked on a major programme of public service reform.

132 In the initial years of this government, the pace of policy announcements and reforms was intense. However, compared with previous policy implications reports to Cabinet, it is apparent that the government has made fewer major policy announcements. In part, this reflects the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. However, in recent months, we have started to see some announcements which begin to shape the policy landscape in the run-up to this year's General Election.

133 Of particular note is the Autumn Statement and the initial indication around the scale of further austerity cuts to come over the next five years if government policy remains the same. This could have significant financial implications for the council and its partners in future years and for our poorer

communities, given the proposed freeze in overall welfare spending and the tightening of the household benefits cap.

134 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.

135 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes, which have been taken into account in the refresh of the County Durham Sustainable Community Strategy and the council plan and supporting service plans, as considered by Cabinet at its meeting of 19 March 2014.

Recommendations

136 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the government's reforms.

Background papers

Cabinet, 7 May 2014, Implications for Durham County Council of the Government's policy programme

Contact: Kevin Edworthy Tel: 03000 268045

Appendix 1: Implications

Finance – The government's decision to continue with its austerity programme will have on-going financial implications for the council, which will have to continue to reduce spending within its medium term financial plan.

Staffing – No specific implications have been identified.

Risk – Individual assessments of the risks associated with specific policy proposals are undertaken as a matter of course in council project planning and management.

Equality and Diversity – Equality impact assessments will be undertaken on individual policy proposals the council develops in response to the government's reforms.

Accommodation – No specific implications have been identified.

Crime and Disorder – No specific implications have been identified.

Human Rights – No specific implications have been identified.

Consultation – No specific implications have been identified.

Procurement – No specific implications have been identified.

Disability Discrimination Act – No specific implications have been identified.

Legal Implications – A number of the government policy changes outlined above, place new statutory duties on the council and change the regulatory framework in which it operates. The council considers the legal implications of all decisions it takes.

Appendix 2: Legislative programme outlined in the Queen’s Speech 2014

Small Business, Enterprise and Employment Bill (England and Wales)

Small firms will be given fair access to government and other public sector procurement. A register of beneficial ownership will outline who owns and controls British companies. There will be tougher penalties for firms flouting minimum wage rules and "abusing" zero hours contracts. A new statutory code for pub tenancies will be created, with an adjudicator to rule on disputes between publicans and pub owners. Childcare regulations will be made more flexible. Highly paid public sector workers will be prevented from claiming redundancy and returning to the same line of work within 12 months.

National Insurance Contributions Bill (England, Wales, Scotland and Northern Ireland)

The way national insurance contributions are collected from the self-employed will be simplified. Revenue and Customs will be given new powers to enforce payments in tax avoidance cases. Targeted anti-avoidance rules will be introduced to determine whether arrangements are designed to avoid or minimise national insurance payments.

A legislative timetable is to be developed so that the bill takes effect from April 6, 2016 (for the 2015-2016 tax year onwards).

Infrastructure Bill (Mostly England)

The Highways Agency will be turned from an executive agency into a government-owned company, with a shake-up of its funding. The process of applying for a development consent order (DCO) for building projects of national significance will be simplified and speeded up. The Homes and Communities Agency will be able to assume control of land directly from other government quangos. Subject to the outcome of a consultation, developers will be able to run shale gas pipelines under people's land without their permission. Energy firms will have to pay a levy to fund a beefed-up market regulator. A new "super agency" for the North Sea will be set up. Construction firms will be able to "offset" the carbon emissions of new homes after they have been built, to meet zero carbon standards due from 2016. ‘Species Control Orders’ would be introduced to control non-native species that threaten infrastructure, biodiversity and the water environment. On planning, the Bill will allow for some planning conditions to be discharged should local planning authorities fail to notify developers within a certain time period and the responsibilities of the Land Registry would be extended, with statutory responsibility for local land charges register and local land charges searches transferred to it.

Pension Tax Bill (England, Wales, Scotland and Northern Ireland)

People aged 55 and over with defined contribution pensions will be able to withdraw their savings as they wish, subject to marginal rates of income tax and scheme rules. No-one will be required to buy a guaranteed lifetime annuity with their pension pot and all other existing restrictions on accessing entitlements will be lifted. New measures will be introduced to prevent exploitation for tax purposes.

Private Pensions Bill (England, Wales, Scotland and Northern Ireland)

New "defined ambition" collective pension schemes will be launched as an alternative to other existing options. This would allow thousands of people to pay into the same scheme and share the risk. All those approaching retirement who have defined contribution pensions will be entitled to guidance. Pending the outcome of a consultation, the government will have the power to ban people transferring out of private and unfunded public defined benefit schemes.

Childcare Payments Bill (England, Wales, Scotland and Northern Ireland)

A new tax-free childcare subsidy worth up to £2,000 a year per child will be introduced in the autumn of 2015. All parents with children under the age of 12 will be eligible, if they are in paid work, earn less than £150,000 a year and meet other eligibility criteria including conditions relating to the number of hours they work, age, residency and other sources of government support.

For every £8 paid by parents towards the cost of childcare, the state will provide a £2 top-up. The existing employer-supported childcare scheme will be repealed.

Modern Slavery Bill (England and Wales)

Existing criminal offences relating to slavery will be consolidated into one piece of legislation. Those convicted of the most serious offences, including trafficking, could get life sentences while others will be subject to restrictions on their movements and activities. The courts will be able to order offenders to compensate their victims, and powers on asset confiscation will be strengthened. An anti-slavery commissioner will be established to coordinate the response of law-enforcement agencies. Victims of slavery who are forced to commit an offence will not be treated as criminals. It will be made easier for the authorities to act when they suspect criminal activities are taking place on board vessels at sea. Statutory guidance on victim identification and victim services will also be provided by the Bill and with an enabling power for child advocates to support child victims of trafficking.

Social Action, Responsibility and Heroism Bill (England and Wales)

People who are sued after intervening in emergencies or acting to protect the safety of others will have new legal defences. When considering negligence and breach of duty cases, courts will have to consider the "wider context" of defendants' actions, including whether they behaved responsibly and "for the benefit of society" or had taken "heroic action" to help people in danger with no regard to their own safety.

Service Complaints Bill (England, Scotland, Wales and Northern Ireland)

The commissioner who investigates complaints against members of the armed forces will be given added powers. A revamped ombudsman will be able to look into whether grievances have been handled properly and to be able to overturn a decision to exclude a complaint. They will also be able to recommend actions to the authorities. New powers will allow charitable donations to continue to be made to organisations supporting the armed forces in Scotland, Wales and Northern Ireland.

Serious Crime Bill (England and Wales - with certain provisions elsewhere)

The laws on recovering criminal assets will be strengthened. The scope of serious crime prevention orders will be extended. A new offence of knowingly participating in an organised crime group will be created. The possession of "paedophilic manuals" will be made a criminal offence. There will be tougher sentences for cybercriminals and those disabling computer systems. A new offence of causing psychological harm to children through parental neglect will be created. Habitual as well as permanent residents of the UK will be liable for prosecution for female genital mutilation. Those suspected of attending terrorist training camps abroad, such as in Syria, and other acts preparatory to terrorism will be liable for prosecution in the UK.

Recall of MPs Bill (UK-wide)

Voters will be able to trigger a by-election where an MP has committed serious wrongdoing and 10% of their registered constituents have signed a petition over an eight-week period. The "recall" process would be triggered if an MP is convicted of an offence and receives a custodial sentence of less than 12 months and when the Commons agrees to such a process.

Draft Governance of National Parks (England) and the Broads Bill (England only)

It would allow direct elections to be held for key positions in England's 10 National Park Authorities and the Broads Authority, which manages the Norfolk and Suffolk Broads. It would enable parish councils to choose their representatives on the authorities from a wider group of candidates.

Draft Riot (Damages) Act Bill (England and Wales only)

The system for compensating individuals and businesses that have been victims of criminal damage and financial loss as a result of riots would be modernised. Subject to consultation, damage to vehicles would be covered, but there would be a cap on payments to very large businesses and their insurers. It would establish a riot-claims bureau.

Draft Protection of Charities Bill (England and Wales)

Subject to the outcome of a consultation, the powers of the Charity Commission would be strengthened to tackle those abusing the rules and presenting a "known risk".

Carried-over bills

In addition, six bills were carried over from the 2013/4 parliamentary session:

- Consumer Rights
- Criminal Justice and Courts
- Deregulation
- Finance
- High Speed Rail (London to West Midlands)
- Wales

Other commitments

The government also re-affirmed its commitment to a number of other measures, including:

- **Plastic bag carrier charge** - from October 2015, the government intends to introduce a 5p charge on all single-use plastic carrier bags in England. The government has stated that it expects retailers to donate the proceeds of the charge to good causes through a voluntary agreement.
- **Updated Charter for Budget Responsibility** - the government is currently reviewing its fiscal policy objectives and mandate and intends to present an updated Charter for Budget Responsibility to Parliament alongside the 2014 Autumn Statement later this year. (It was subsequently confirmed that consultation will take place in early 2015.)
- **ISAs and Premium bonds** - it was announced in the Budget that the overall ISA limit would be increased to £15,000 as of July 1 2014. From April 2015, the starting rate of savings income tax will be lowered from 10 per cent to zero and the band to which it applies will also be extended.
- **Welfare cap and reform** - the government reaffirmed its commitment to a new cap on the overall benefits bill, with any further increase subject to Parliamentary approval.
- **Housing supply and Housing ownership** - the Queen’s Speech reaffirmed the commitment to extend the Help to Buy scheme to 2020 through a £6bn fund announced in this year’s Budget. The Speech confirmed that delegated legislation would be introduced in the new session to allow for a new garden city in Ebbsfleet. Delegated legislation will also be amended to reform the change of use rules to make it easier for empty buildings to be converted into productive use.
- **Apprenticeships** - the government has committed to increasing the total number of apprenticeship places to two million by the end of the new session. It was also

announced that the third phase of the Trailblazers apprenticeship standards redesign would be announced in September.

- **Education** - the government will be investing over £7bn from 2015 to 2021 to ensure that the supply of free school places meets need. New GCSE and A level courses will be linear with exams at the end of the course. The new qualifications will be phased in from 2015 to 2017. From September 2014 every child in reception, year one and year two in state-funded schools will receive free school meals.
- **Scottish independence** - the government re-affirmed its belief that United Kingdom should be kept together and its commitment to provide Scotland with greater fiscal responsibility through implementation of the Scotland Act 2012.
- **Northern Ireland** - the government reiterated that it remained on course to make a final decision on the potential devolution of corporation tax powers no later than the Autumn Statement 2014.
- **International relations** – the government reaffirmed its commitment to reform the European Union, including its proposal of a ‘red’, ‘yellow’ and ‘green’ card system to strengthen the role of national parliaments when the Commission makes new proposals. The government reaffirmed its commitment to improve the humanitarian situation in Syria and confirmed that the transition of lead security responsibility to the Afghans was on track for completion by the end of 2014.
- **Climate change** - the commitment to reduce emissions by 80 per cent was reaffirmed.
- **Transferable tax allowance for married couples** - from 2015/16 a new transferable tax allowance for married couples and civil partnerships will be available, worth up to £210 per couple. It is currently being legislated for in the Finance Bill 2014.
- **Electricity market reform** - it was confirmed that the Contracts for Difference and Capacity Market mechanisms, introduced in the Energy Act 2013, would be implemented by the end of the year through delegated legislation.

Appendix 3: : Government current consultations and calls for evidence

Consultation	Government Department	Closing date
Update to the draft river basin management plans	Environment Agency	10/04/2015
Open consultation: Reforming environmental guidance and information obligations	Department for Environment, Food and Rural Affairs	31/03/2015
Standard Rules Consultation No. 12 – new and revised standard rule sets	Environment Agency	06/03/2015
Funding for children and young people with SEND	Department for Education	27/02/2015
Guidance for Enforcement Authorities and Food Businesses on the Use of Private Water Supplies in Primary Production in relation to Regulation (EC) No 852/2004	Food Standards Agency	18/02/2015
The Food Law Code of Practice (England) Review	Food Standards Agency	04/02/2015
Waste classification and assessment - technical guidance WM3	Environment Agency	03/02/2015
Confidentiality and information sharing for direct care - Guidance for health and care professionals	Department of Health	31/01/2015
Draft flood risk management plans	Environment Agency	31/01/2015