

# The Coalition Government

## Introduction

One year on, the Government has completed a quarter of the commitments made in its five-year Coalition Agreement and is well on the way to completing two-thirds of the total. From the Emergency Budget and tough new spending plans, to the Bank Levy and the introduction of the Pupil Premium, the Government believes the right decisions have been taken in the national interest. More detail on progress to date is shown in the sections below.

But there is a lot more work to be done. As a five-year government, the focus of the Coalition is on the long-term issues that have held Britain back for generations. Many of them involve questions about sustainability: from the eradication of a crippling budget deficit, to the reform of welfare, pensions, immigration, university fees and the NHS. This Government is tackling them.

In the four years ahead, the Coalition is more determined than ever to be a different kind of government: more transparent, more open and more willing to listen as it seeks to rebalance Britain's economy, repair Britain's society and rebuild trust and accountability in Britain's politics.

## Strengthening the economy: cutting the deficit, supporting growth

### We have:

- put in place new spending plans to deal with the Government's unprecedented budget deficit and eradicate the structural current deficit over the next five years – this is the Government's fiscal mandate. Independent forecasts from the Office for Budget Responsibility show that we are currently on track to achieve this mandate one year early;
- set out a plan to boost jobs and growth, including a £1.4 billion regional growth fund and a green investment bank, over £30 billion for transport projects such as Crossrail and high-speed rail, a national infrastructure plan to unlock £200 billion of public and private sector investment, £200 million for Technology and Innovation Centres, and rolling out superfast broadband;
- committed to cracking down on tax avoidance. The Spending Review announced an investment of £900 million to tackle tax avoidance, evasion, fraud and debt, bringing in an additional £7 billion a year in tax revenues by 2014/15. The March 2011 Budget announced the introduction of measures which will raise around £4 billion over the current Parliament, balancing long-term improvements to the anti-avoidance framework with targeted measures to prevent particular schemes spreading;
- funded every English council to introduce the first ever Council Tax freeze. For the first time since its introduction, all local authorities have either reduced or frozen Council Tax;
- introduced a new Bank Levy on 1 January 2011, which will raise around £2.5 billion a year, totalling over £10 billion over the course of this Parliament;
- committed the UK's biggest high street banks to lend more to British businesses this year, including £76 billion to small and medium-sized enterprises;
- cut the main rate of Corporation Tax for all businesses;
- funded the creation of 250,000 more apprenticeships over the next four years.

## Modernising public services: cutting bureaucracy, supporting people

### **We have:**

- converted more than 350 schools to academies since September 2010. Half a million children now go to academies;
- received more than 300 proposals for Free Schools by making it possible for talented and committed teachers, charities, parents and education experts to open them;
- protected spending on the NHS to guarantee real-terms increases in each year of this Parliament;
- introduced proposals to help the NHS meet the twin challenges of rising demand of an ageing population and the increased cost of better treatments. We are currently listening to NHS staff and others to see how we can improve our plans to cut bureaucracy, give staff greater freedom to create better services and put more power in the hands of patients to have more choice over their healthcare;
- cut the burden of bureaucracy imposed by Whitehall on local government and given local authorities greater financial freedom. We have abolished the Comprehensive Area Assessment and Home Information Packs and are closing Government Offices for the Regions;
- helped communities across England and Wales hold their local police force to account by giving them access to monthly street-level crime and anti-social behaviour data through the police.uk website;
- committed to putting in place measures to sustain the Post Office and its nationwide network, including ensuring that it can offer a wider range of services.

## Raising aspiration: supporting families, promoting opportunity

### We have:

- raised the personal Income Tax allowance to lift 1.1 million of the lowest paid workers out of Income Tax, and raised Capital Gains Tax to make sure that the wealthiest pay their fair share;
- introduced the Pupil Premium to help schools support disadvantaged pupils. This means that schools get £430 of extra funding for each pupil known to be eligible for free school meals or in care for longer than six months. Funding will rise to £2.5 billion by 2014/15;
- introduced a fairer system for funding university education and established a new £150 million National Scholarship Programme to help bright students from poorer backgrounds go to university. Graduates on the lowest incomes will pay less than they do now and nobody will have to pay fees until they have graduated and are earning more than £21,000;
- committed resources to increase overseas development assistance to 0.7% of gross national income from 2013, in line with the UK's international commitments to help the very poorest in the world;
- controlled immigration by introducing an annual cap for non-EU economic migrants, while ensuring that we can still attract talent from around the world to help us grow our economy;
- ended the detention of children for immigration purposes and developed a new, compassionate process for returning families with children who have no right to remain in the UK;
- started reforming the welfare system to make sure that work always pays. We have introduced a benefits cap to make the system fairer and launched the largest single welfare to work programme in nearly a century;
- restored the earnings link for the basic state pension from April 2011, with a triple guarantee that pensions will be raised by whichever is highest: average earning increases, price increases or 2.5%;
- protected key benefits for older people including bus passes, TV licences, free NHS prescriptions and a permanent increase in the Cold Weather Payment from £8.50 to £25 per week.

## Political reform: protecting rights, promoting freedom

### **We have:**

- introduced the legislation for five-year, fixed-term parliaments;
- held a referendum on reforming the voting system;
- established a boundary review to create fewer and equal-sized parliamentary constituencies;
- introduced the Protection of Freedoms Bill which will roll back the state, restore civil liberties and make the state more accountable to citizens;
- scrapped the identity card scheme, which will save £86 million over the next four years, as well as the ContactPoint database and the next generation of fingerprint biometrics in passports.