

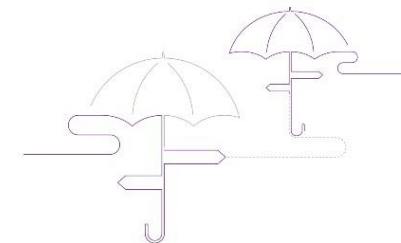
2015 Summer Budget – Key Announcements



WELFARE & SKILLS

Moves to reduce dependence on tax credits & social housing subsidies

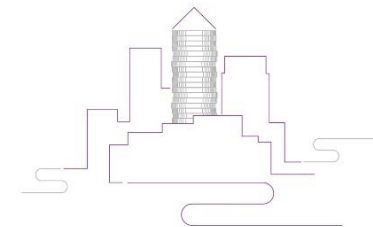
- The cap on household benefits is reduced to £23,000 in London and £20,000 elsewhere in England, **to incentivise working rather than remaining on benefits while reflecting variations in the cost of living.**
- Social housing rents reduced by 1% a year for four years, but local authority and housing association tenants earning above £40,000 in London and £30,000 in the rest of England will have to pay market rate rents. **Critics argue it may drive families on average incomes out of their homes.**
- Child Tax Credits and Universal Credit limited to 2 children for claimants after April 2017, with exceptions for multiple births.



BUSINESS & FINANCIAL SERVICES

Conservatives take more people out of tax

- Introduction of a compulsory living wage of £9 per hour by 2020 for over 25s. **Small businesses will receive assistance in meeting extra costs through a reduction in Corporation Tax to 18% by 2020. The Office for Budget Responsibility estimates 60,000 jobs could be sacrificed by 2020 as a result, but also says that it expects 1 million extra jobs to be created during the same period.**
- The personal tax allowance will be raised to £11,000 a year, with the higher threshold raised to £43,000. **Both announcements have secured the broad endorsement of the Labour Party.**
- Permanent non-dom status is to be abolished as part of a clampdown on tax evasion.



EDUCATION & HEALTH

Higher education slashed while NHS remains ring-fenced

- Maintenance grants for university students scrapped and replaced with loans from 2016-17, **to move burden away from taxpayers while protecting students from low income backgrounds.**
- Spending on the NHS in England will increase by £10 billion per annum in real-terms by 2020-21, and public sector workforces will receive a pay award of 1% per year for four years, **in an attempt to show that the Conservatives will protect the NHS.**



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