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NOTE VERBALE 018

The Permanent Mission of the United Kingdom of Great Britain and Northern Ireland presents its compliments to the Office of the United Nations High Commissioner for Human Rights (OHCHR).

The Permanent Mission refers to the letter and questionnaire on recent adjustments of public expenditure and the impact on those living in extreme poverty, elaborated by the Independent Expert in the field of human rights and extreme poverty, Ms Magdalena Sepúlveda.

As requested, the attachment contains a consolidated response from the various UK Government departments involved in the issues raised in the questionnaire. We would like to draw your attention to the fact that, given the broad areas covered by the questionnaire, we have also included a number of weblinks with further details.

The Permanent Mission of the United Kingdom of Great Britain and Northern Ireland avails itself of this opportunity to renew to the Office of the United Nations High Commissioner for Human Rights the assurances of its highest consideration.



**UNITED KINGDOM MISSION
GENEVA**

2 February 2011

OHCHR REGISTRY

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The October 2011 Spending Review set out how the Coalition Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability at a time of continuing uncertainty in the global economy and put Britain's public services and welfare system on a sustainable long term footing.

The Coalition Government inherited one of the most challenging fiscal positions in the world. Last year, Britain's deficit was the largest in its peacetime history – the state borrowed one pound for every four it spent. The UK currently spends £43 billion on debt interest, which is more than it spends on schools in England. As international bodies such as the IMF and OECD have noted, reducing the deficit is a necessary precondition for sustained economic growth. Failure to take action now would put the recovery at risk and place an unfair burden on future generations.

The Spending Review made choices. Particular focus was given to reducing welfare costs and wasteful spending. This has enabled the Coalition Government to prioritise the NHS, schools, early years provision and the capital investments that support long term economic growth, setting the country on a new path towards long term prosperity and fairness.

As a result of these choices, departmental budgets other than health and overseas aid will be cut by an average of 19 per cent over four years

The Spending Review sets out departmental spending plans for the four years until 2014-15 and further savings and reforms to welfare, environmental levies and public service ensions.

The Spending Review confirms key components of the Coalition Agreement setting out the Government's objectives and priorities for the Parliament, including commitments to:

- provide an NHS that is free at the point of use and available to everyone based on need not the ability to pay, with total NHS spending increasing in real terms in each year of the Parliament, including funding for priority hospital schemes;
- uprate the basic State Pension by a triple guarantee of earnings, prices or 2.5 per cent,
- whichever is highest, from 2011, while bringing forward the date at which the State Pension Age will start to rise to 66 to 2018 in order to ensure this is fiscally sustainable; and
- spend 0.7 per cent of GNI on overseas aid from 2013.

The Spending Review also secures an increase in the schools budget every year in real terms and additional early years provision for disadvantaged children, as well as meeting Britain's key security and defence commitments. Beyond this, the Spending Review aligns the allocation of public resources with the Government's overall objectives as set out in the Coalition Agreement.

These prioritise:

- spending that promotes long term economic growth, introducing structural reforms to enable a private sector led recovery and building a low carbon economy; and
- fairness and social mobility, providing sustained routes out of poverty for the poorest.

These priorities are underpinned by radical reform of public services to build the Big Society where everyone plays their part, shifting power away from central government to the local level.

The UK Government is committed to ensuring that the decisions taken across the public sector are as transparent, accountable and fair as possible.

A new methodology has been developed to understand the impact of spending decisions on households. This has been combined with existing and long standing analysis of the impacts of taxes, benefits and tax credits on households.

The following links provide access to a full list of documents that outline in detail the Government's spending review plans and potential impacts:

- The Spending Review document that published in October (http://www.hm-treasury.gov.uk/spend_index.htm) gives the best overview of the Government's public spending plans and includes details of the changes made to social security.
- The Budget sets out the Government's fiscal strategy in more detail and details of the changes to social security (http://www.hm-treasury.gov.uk/junebudget_documents.htm).

We hope that the information on the website is sufficient to answer your questions in detail and would of course be very happy to answer any further questions or explain our policy in more depth if required.