

HM Treasury Structural Reform Plan Monthly Implementation Update	December 2010
---	----------------------

(1) Actions due to be completed in December 2010

Action	Status
Final report into reducing the cost of delivery for major infrastructure projects	Complete
Produce a Government paper examining rebalancing the Northern Ireland economy including examining potential mechanisms for changing the corporation tax rate in Northern Ireland	Not complete
Agree and implement EU Capital Requirement Directive 3	Delayed until 1 January
Analyse consultation responses and develop final details of Bank Levy scheme	Complete

(2) Actions due to be started by end of December 2010

Action	Status
Legislate to secure a statutory Office for Budget Responsibility (OBR) through the Budget Responsibility and National Audit Bill (end Jul 2011)	Work ongoing
OBR role refined in consultation with Treasury Ministers and in Parliament (end Mar 2011)	Work ongoing
Ongoing reforms to tax system to improve the sustainability of the tax yield (end Apr 2015)	Work ongoing
Launch independent commission to undertake fundamental structural review of public service pension provision, led by Lord Hutton (end Mar 2011)	Work ongoing
Confirm detailed implementation plan for the increase in employee contributions announced at the Spending Review, in response to the recommendation in the interim report of the Independent Public Service Pension Commission (end Mar 2015)	Work ongoing
Fully implement Clear Line of Sight reforms, which ensure that departmental plans, estimates and expenditure outturns are reported in a consistent manner (end Apr 2011)	Work ongoing
Implement Phase 1 of Project OSCAR to develop replacement for the COINS database and deliver improvements to data quality and process (end Apr 2012)	Work ongoing
Introduce additional measures to raise the tax yield, including: (end Apr 2011) <ul style="list-style-type: none"> - Increase capital gains tax from 18% to 28% for those liable to income tax at the higher and additional rates - Change tax rules for furnished holiday lettings to ensure that they are fully compliant with EU law and are better targeted at businesses that are run commercially 	Work ongoing
Reform pension tax relief (end Apr 2011)	Work ongoing
Review effectiveness of the raising of the stamp duty threshold for first time buyers (ongoing)	Work ongoing
Reform Controlled Foreign Company rules and consult with business on taxation of intellectual property (end Apr 2012)	Work ongoing

Office of Tax Simplification review of tax reliefs to identify those that should be repealed or simplified in order to support the Government's objective for a simpler tax system (Mar 2011)	Work ongoing
Office of Tax Simplification to publish initial findings on areas for simplifying the tax system for small businesses, easing administration and reducing uncertainty for small businesses, including review of IR35 (end Mar 2011)	Work ongoing
Publish and update, a National Infrastructure plan setting out the Government's long term priorities for infrastructure in the UK and deliver the actions set out in the plan (ongoing)	Work ongoing
Publish Government's response to <i>Financing a private sector recovery</i> consultation and work with BIS to help businesses, particularly SMEs, access suitable financing (Mar 2011)	Work ongoing
Promote a Europe 2020 strategy for faster growth and higher employment (end 2020)	Work ongoing
Legislate in Finance Bill 11 (reforms to the Climate Change Levy) to introduce a carbon price floor mechanism in 2013 (end Apr 2012)	Work ongoing
Work with Department for Environment, Food and Rural Affairs (DEFRA) and Department of Energy and Climate Change (DECC) to investigate options available to help those in remote rural areas with the cost of fuel (end Mar 2012)	Work ongoing
Introduce connected sustainability reporting from 2011/12 (bringing together reporting on expenditure and carbon reduction, waste management and the use of finite resources) (end Mar 2011)	Work ongoing
Explore the potential to replace Air Passenger Duty with a per - plane duty (end Mar 2011)	Work ongoing
Taking forward the conclusions of the review of the control and use of accumulated and future revenues from the Fossil Fuel Levy in Scotland (end 2012)	Work ongoing
Review the taxation of non-domiciled individuals (ongoing)	Work ongoing
Review "vulture fund" legislation (end Jun 2011)	Work ongoing
Work to accelerate the process in relieving Heavily Indebted Poor Countries of their debt (end Apr 2015)	Work ongoing
Support reform of global institutions such as the International Monetary Fund (IMF) in order to increase the involvement of developing countries (end Apr 2015)	Work ongoing
Consider with the Bank of England how to include housing costs within the CPI inflation target (end Jan 2012)	Work ongoing
Review alcohol taxation to tackle problem drinking (end Mar 2011)	Work ongoing
Make the case for a smaller, better value for money EU Budget in the upcoming negotiations for the 2014-2020 Financial Perspective. Make the case for using the European Investment Bank as a mechanism for converting increasing proportion of EU financing towards loan financing and away from direct grants (end 2012)	Work ongoing
Make the case for value for money through annual EU Budget negotiations (ongoing)	Work ongoing
Negotiate between the European Council and the European Parliament, leading to agreement on the Budget for 2011 (end Nov 2010)	Work ongoing
Protect the UK abatement (ongoing)	Work ongoing
Work with the Scotland Office and Her Majesty's Revenue and Customs (HMRC) to implement the relevant proposals of the Calman Commission (end Jul 2011)	Work ongoing
Launch independent review into fair pay in the public sector led by Will Hutton, to address pay disparity (end Mar 2011)	Work ongoing
Establish an independent Banking Commission into banking structural reform, working with BIS (end Sep 2011)	Work ongoing
Further financial regulation policy development, taking into account responses to consultation (end Feb 2011)	Work ongoing
FSA led revision of remuneration code (end Jan 2011)	Work ongoing

Develop other measures with potential to bear down on unacceptable remuneration including consideration of Financial Activities Tax (end Apr 2015)	Work ongoing
Deliver the commitments of the G20 to raise and implement new global standards (ongoing)	Work ongoing
Develop, negotiate and implement EU financial services legislation on regulatory reform and completing the single market, in particular on capital, derivatives and crisis management (ongoing)	Work ongoing
Work with the Home Office and other departments to establish the Economic Crime Agency (ongoing)	Work ongoing
Establish the Independent Commission on Equitable Life Payments (end Jan 2011)	Work ongoing
Legislate to introduce Equitable Life payment scheme through Equitable Life Payments Bill (end 2011)	Work ongoing
Through the Consumer Financial Education Body (CFEB), deliver a national financial health check and free national financial advice service, funded through a levy on the financial services sector (end May 2011)	Work ongoing
Undertake a joint review with BIS of consumer credit and personal insolvency in the UK, including developing measures to address unfair bank charges (end May 2011)	Work ongoing

(3) Explanation of missed deadlines

Deadline missed	Reason
Produce a Government paper examining rebalancing the Northern Ireland economy including examining potential mechanisms for changing the corporation tax rate in Northern Ireland.	The Government is continuing to discuss this matter with the Northern Ireland Executive and expects to publish this paper shortly.
Agree and implement EU Capital Requirement Directive 3.	The EU Capital Requirement Directive 3 was implemented on 1 January 2011.

The status of deadlines missed from previous reports is:

Deadline missed	Status	Reason
Office of Tax Simplification – interim report published on tax reliefs.	Complete	The OTS interim report was published on 13 th December 2010.
Negotiate between the European Council and the European Parliament, leading to agreement on the Budget for 2011.	Complete	The EU's budget for 2011 was adopted on 15 December, and has been limited to a 2.9% increase from 2010 levels.
Interim report published by independent Will Hutton Review into fair pay in the public sector.	Complete	The Hutton Review of Fair Pay was published on 1 December 2010.