

Circulation:

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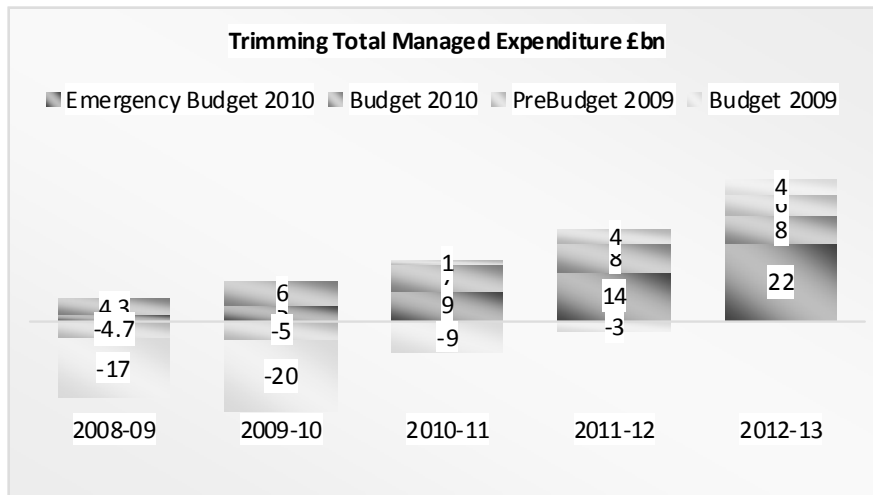
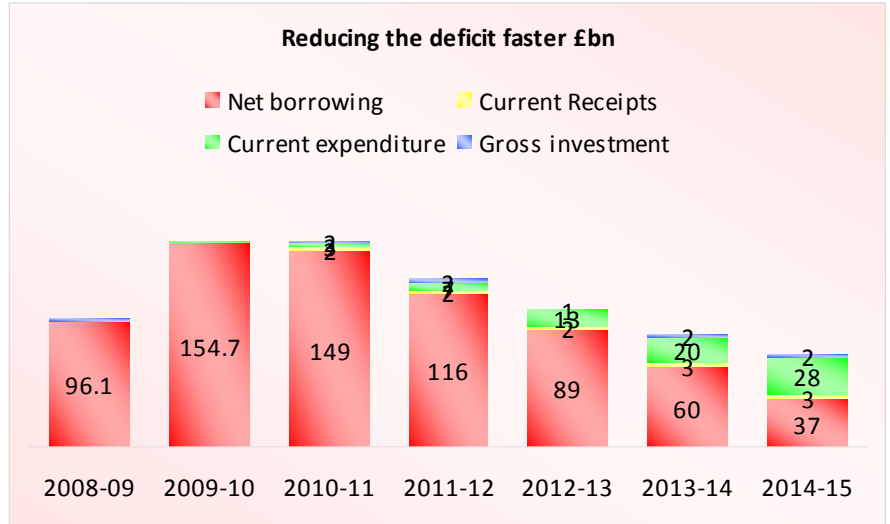
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Emergency Budget 2010

The chancellor has signalled his intentions to speed up cutting the deficit. Alastair Darling had previously announced plans to halve the deficit by 2014-15; George Osborne wants it to reduce it by three quarters by 2014-15.

The bulk of increased fiscal tightening will come from public spending.

Comparing the budget 2010 with the emergency budget by 2014-15 £31 billion of the £33 billion extra deficit reduction measures will be from cutting public expenditure, mainly from current rather than capital



budgets.

Spending plans have been revised downwards again meaning by 2012-13 public expenditure will be £22 billion less than under the Budget 2010 which was £8 billion less than the PreBudget 2009 which was £6 billion less than the Budget 2009 which was £4 billion less than the PreBudget 2008. However the cuts announced on Tuesday are larger than those announced than those over the whole of the past 2 years.

The previous chancellor's cuts

mainly fell on capital expenditure (£11 billion for 2013-14 in the Budget 2009) leaving the current chancellor little wriggle room in cutting anywhere but current expenditure.

Before today it was thought capital intensive budgets like Defra and Transport would face the axe however now as £20 billion is being taken from the budget 2010's current departmental expenditure departments like the home and foreign office will not avoid the cuts.

