Briefing Paper

Budget 2014 – The Implications for Local Government and Housing

April 2014

Introduction

The United Kingdom Government's Budget for 2014 was announced on 19th March 2014. Its main provisions were:

- Local Government – Additional funds for infrastructure including flood defences and highway maintenance.
- Housing - A package of measures to support house building.
- Welfare - Welfare spending across 26 benefits, including elements of the Universal Credit, is to be capped at £119.5billion from 2015/16. The government considers that restrictions on benefits, excluding payments to jobseekers and pensioners, are needed to keep government spending in check and protect Britain from future economic storms.
- Departmental Spending -£1billion in cuts in departmental spending first announced in last year's Autumn Statement for three years from 2013/14 will now form a permanent part of departmental spending plans.
- Public Sector Pay – Restraint will continue. The government considers that this is necessary to ensure that the government will run a total spending surplus in times of growth, which they believe they are on track to reach in 2018/19. This includes ensuring that employers meet the full costs of public sector pension schemes.
- Pensions and Savings – makes reforms to pensions and savings schemes that are designed to benefit savers.

The Chancellor said:

"I can confirm that in addition to the cuts this year and next, there will be cuts in the next Parliament too."

By the end of 2015 the United Kingdom economy is forecast to have grown by 5% less than projected in June 2010 (the Chancellor's first Budget). Therefore, borrowing will be around £190billion higher than projected in June 2010. United Kingdom debt is now expected to reach £1.5trillion in 2018/19, the highest ever in cash terms. The United Kingdom has had the weakest recovery to date of all its G7 partners, with the exception of Italy. The United Kingdom may be growing faster in one or two quarters but France, Canada, Germany and the US are now all above their pre-recession peaks

The government's deficit is forecast to be 6.6% of Gross Domestic Product in 2013/14, 5.5% in 2014/15 then falling to 0.8% by 2017/18 with a surplus of 0.2% in 2018/19. Borrowing is forecast to be £108billion this year and £95billion next year, leading to a surplus of almost £5billion in 2018/19.

The purpose of this briefing paper is to summarise the budget and its implications for local government and housing.

Local Government

The Chancellor announced an additional £140million for flood defence repairs and maintenance; and £200million is made available to repair potholes.

The government considers that housing, town-centre regeneration and public service reform are part of a single project that only local authorities have the strategic vision to lead. The 2014 Budget supports this approach and sets some foundations for taking it further

One element of that which will feel particularly relevant to local authorities is extra support for house building, with a £500million budget to provide financing to developers, a £150million budget to stimulate regeneration of housing estates and reform to the planning system to allow increase flexibility in change of use. This will include a consultation on a new retail class that will exclude pay-day loan and betting shops. These measures are all things that local government has called for and will welcome. They will give democratically elected local councils more freedom to stimulate house building thus providing homes for local people and a boost to local economies and will help them regenerate high streets in interesting new ways. Increasingly local authorities see their role not just as providers of services, but as curators of places, helping local people create places that are good to live in.

The most significant announcement, buried deep in the detail, might be the £100million support promised to Greater Cambridge to support transport and infrastructure initiatives through a Gain Share mechanism. This is a new sort of new relationship: central government supporting local government to innovate and allowing it to benefit.

In March 2014, Councils across England learned how much they would receive from the £183.5million the government has made available to help repair local roads damaged by severe weather. This is an emergency payment to help with road repairs following the wettest winter on record, and will pay for the repair of 3.3 million potholes.

In addition to this money, the Chancellor of the Exchequer announced in the budget that another £200million will be provided for pothole repairs in 2014/15. Transport Secretary Patrick McLoughlin said:

Damage to roads causes misery for drivers and local communities and the severe weather over the last few months has made the problem worse. This extra money will help make a real difference to the millions of road users and residents across England who rely on local roads, giving them safer and smoother journeys. The extra money is being distributed now to ensure that repairs can be started as soon as possible, so that the majority of the damage can be fixed ahead of the summer holidays.

116 local highway authorities in England received a share of the funding, along with a one-off payment to Transport for London to distribute to London Boroughs.

However, local authorities currently estimate they face a £10.5billion backlog of road repairs and that they need around £840million to repair this year’s damage.

An increase in the amount that the Public Works Loans Board can lend to local authorities from £70billion to £95billion was also announced.

Housing

The chancellor announced a package of measures intended to support the building of 200,000 new homes, these included:

- Public Land – The Strategic Land and Property Review has identified scope to generate £5billion of receipts from land and property to support growth and drive efficiency, and Departments have already committed to release £3.5billion. The Government Property Unit will also increase its work with local areas on better use of public sector assets, linking with Growth Deals, the Strategic Land and Property Review and the One Public Estate pilots.
- Help to Buy – The equity loan scheme will be extended to March 2020 with an extra £6billion to help a further 120,000 households purchase a home. No changes to eligibility are being made. There are no changes to the Help to buy mortgage guarantee scheme that will end in December 2016.
- Builders' Finance Fund – Government will provide a £500million recoverable Builders Finance Fund to provide loans to Small & Medium Enterprise developers for sites of fifteen to 250 units. Funding is available in 2015/16 and 2016/17 and will unlock 15,000 housing units stalled due to difficultly in accessing finance.
- Estate Regeneration- Government will establish a £150million loan fund to kick-start the regeneration of some of the 'worst' housing estates, with expressions of interest invited from private sector developers. Some expressions of interest have already been made through the Greater London Authority. Funding is available from 2015/16 to 2018/19 with repayment expected over 15 to 20 years (max).
- Custom Build - Government will consult on a new 'Right to Build' to give custom builders a right to buy a plot from councils. Government will be seeking a small number of councils to act as vanguards to test the model. A new £150million Serviced Plots loan fund (2014/15 to 2018/19) will help to provide up to 10,000 serviced plots for custom build. Councils will need to work with contractors or builders to access the fund. The Government will also look to make the Help to buy equity loan scheme available for custom build.
- Garden Settlements - A new Garden Settlement will be built in Ebbsfleet, selected because of its high-speed rail link to London, housing pressures in the south east and local support. Government will consult on an urban development corporation for the area to unlock up to 15,000 new homes – with up to £200million capital being made available. The UDC's proposed mandate will be to work with local councils, developers, and residents, to support and accelerate the development. Government will also, by Easter, publish a prospectus seeking expressions of interest for other locally-led garden cities.

Other housing measures included:

- Support for mortgage interest (SMI) will remain at its current higher level until 31st March 2016
- Changes to the way that high value properties registered as being owned by companies are treated in the tax system, this includes a higher 15% of stamp duty on qualifying properties worth more than £500,000. The measure is designed to prevent the use of company ownership as a way of avoiding stamp duty payments
- The troubled families programme will be expanded early to include an extra 40,000 families

Eric Pickles, Secretary of State for Communities & Local Government said:

"This year's Budget shows how house building is central to our long-term economic plan, with measures to get Britain building and support to help hard-working people realise their dream of home ownership.

"Today's multi-billion package will boost house building, particularly on brownfield land, create new jobs and allow up to an additional 120,000 aspiring homeowners to buy a home.

"The moves will get workers back on site across the country, including at large sites like Ebbsfleet, help smaller builders to restart work on stalled developments, and make sure people who want to build their own home can."

Welfare

The welfare cap will increase by the projected levels of inflation to £122billion in 2016/17, £124.6billion in 2017/18 and £126.7billion in 2018/19. Under the Budget plans, if spending on the benefits included in the cap – that include Disability Living Allowance, Employment and Support Allowance and Child Benefit – goes above 2%, then ministers will need the approval of Parliament. The Chancellor said:

"Never again should we allow its costs to spiral out of control and its incentives to become so distorted that it pays not to work… In future, any government that wants to spend more on benefits will: have to be honest with the public about the costs, need the approval of Parliament, and will be held to account by this permanent cap on welfare."

Parliamentary approval was secured for the cap in a vote in March 2014 and it will form part of the government's new Charter for Budget Responsibility this autumn.

Pensions and Savings

The Budget announced radical measures to help savers at all stages of their lives and to give people greater freedom over how they access their pension savings. It introduced the most fundamental change to the way people access their pensions in almost a century, supports households to save through a package of measures including reforming the ISA into a New ISA (NISA) with a significantly higher annual limit and cutting savings tax.

Measures include:

- Reductions to taxes by increasing the level of the tax-free personal allowance further, from £10,000 to £10,500 in April 2015
- Providing £140million of new funding to repair flood defences that have suffered damage in the recent severe flooding, and providing £200million to establish a potholes challenge fund
- All tax restrictions on pensioners' access to their pension pots are to be removed, ending the requirement to buy an annuity
- The taxable part of a pension pot taken as cash on retirement to be charged at normal income tax rate, down from 55%
- An increase in total pension savings people can take as a lump sum to £30,000
- A new Pensioner Bond paying 'market-leading' rates, available from January to over-65s, with possible rates of 2.8% for one-year bond and 4% for three-year bond - up to £10,000 to be saved in each bond

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Public Sector Efficiency and Departmental Budgets

The Chancellor announced that there will be further efficiencies to the public sector, continuing with the Government's initiative to cut public spending. The Chancellor highlighted that by 2014/15, departments across Whitehall will be saving £20billion a year compared with spending levels in 2009/10. The 2013 Spending Round identified over £5billion of additional efficiency savings in 2015/16. The Chancellor announced that the Chief Secretary to the Treasury, Danny Alexander, will be working with the Cabinet Office to set out a new regime of efficiency savings in departments and will report back in time for the Autumn Statement 2014.

As for Departmental budgets, there is no change from previous announcements: the Departmental budgets for Communities and Local Government will be £16.6billion in 2013/14, £13.8billion in 2014/15 and £12.1billion in 2015/16 with its capital budget at £3.8billion in 2013/14, £5.1billion in 2014/15 and £3.5billion in 2015/16. The Departmental budget for Work and Pensions will be £7.2billion in 2013/14, £7.8billion in 2014/15 and £6.2billion in 2015/16 with a capital budget of £200million per year in each financial year.

Other Announcements

The fuel duty rise planned for September 2014 will not happen. A £7billion package to cut energy bills, including £18 per ton cap on carbon price support was announced that is predicted to save medium-sized manufacturers £50,000 and families £15 a year.

The government will provide a £270million guarantee for Mersey Gateway Bridge, a new toll bridge between Runcorn and Widnes, crossing the River Mersey and Manchester Ship Canal. This scheme had been given the go-ahead some time ago, but the budget announcement confirms the funding arrangements and will allow construction to begin.

As widely trailed, the Budget documents confirm the Government's request that the HS2 Company draw up plans for the line to reach Crewe by 2027, some six years earlier than planned.

The government has also offered to extend the feasibility study on possible improvements to the A1 north of Newcastle further north into Scotland, if the Scottish government will match fund the costs of this study.

Other infrastructure announcements include £20million for repairs to Cathedrals.

There will be legislation to give the Welsh government tax and borrowing powers to fund infrastructure needs, including improvements to the M4.

Reactions to the Budget:

Homes & Communities Agency

The Homes and Communities Agency is in a strong position to deliver the new investment detailed by the Chancellor, according to Chief Executive Andy Rose. He said:

"Once again Government has put a strong emphasis on housing in the Budget. In our role as Government's housing delivery agency, we welcome today's announcement by the Chancellor of up to £7billion total investment to support delivery of thousands of new homes, which builds on the Spending Round announcement of £3.3billion for affordable housing.

"The likely role for the Homes & Communities Agency builds on our expertise, the success of our existing programmes and proven track record of delivery, and on our effective regulation.

"The Budget reiterates Government's commitment to the housing sector. Investment in housing meets the needs and aspirations of homeowners and provides choice for renters. It is also a key driver of local economic growth, creating jobs in construction and the wider supply chain, and helping employers to attract the staff they need, as well as stimulating buying activity in the local economy. We will work with the Department for Communities & Local Government and our partners on the details of the new programmes and to maximise their impact.

"We also welcome the commitment to quantify housing and growth ambitions for public land by the next Autumn Statement. Disposal of land is core business for the Homs & Communities Agency – we are already increasing the amount of public land for development, speeding up existing development and re-starting stalled schemes and we are on track to bring forward enough land by 2015 for more than 16,000 homes."

<u>Local Government Association</u>

The Local Government Association considers that the national housing shortage and lack of jobs for young people are two of the most pressing issues facing the country today. They therefore consider that the Chancellor is right to treat these issues in this year's Budget and that extra support announced for home buyers and small builders along with additional funding for apprenticeships are positive steps. They consider that more urgency is needed, however, if the Government is going to unlock fully the potential of councils to support the building of affordable housing, deliver economic growth and tackle youth unemployment.

The Local Government Association would like to see the further lifting of the Housing Borrowing Cap, government providing comprehensive funding for repairing potholes and devolving tax and spending powers to English local authorities, in the same way that these powers are being given to Wales and Scotland. They point out that while the Budget has not brought further cuts to local government, it does not change the fact that the next two years will be the toughest yet for people who use and rely upon the services that councils provide. The Association states that:

"Among other issues, more funding is needed to improve our transport network and to remove any uncertainty around the support for the much-needed reforms to the adult social care system. By next year, central government funding for councils will have been cut by 40% during this Parliament. As the economy improves people will increasingly start to question why councils are having to reduce and withdraw from providing the services that underpin people's daily lives. If we are to avoid an upturn in the economy coinciding with a decline in public services, we need nothing less than a fundamental reform of the way the public sector works and an honest reappraisal of how public services are provided and paid for in post-austerity Britain."

<u>Chartered Institute of Public Finance & Accountancy</u>

The Chartered Institute of public Finance & Accountancy points out that the public sector suffered further cuts in the Chancellor's budget as he confirmed that he would take another £1billion out of public funding through additional changes to public sector employee pensions; and that this comes in addition to his decision to permanently take away £1billion of government departments' underspends, some of which would have been money held back as a contingency. Both of these measures come on top of the already announced cuts to Government spending.

The Institute points out that the 'welfare cap' only covers a third of welfare spending, as spending such as the state pension and debt costs will remain outside the cap.

In the view of the Institute, the Chancellor's ability to balance this budget is critically dependent on the future path of interest rates. Government interest payments on United Kingdom debt are forecast to be around £59billion in 2015/16, more than the budget of the Department for Education. Since the financial crisis interest rates have been at an historic low. Given our current level of debt a 1% increase in government bond yields would add around £8billion per annum to annual debt interest by 2018/19.

An increase would also put pressure on household budgets – a 1% increase in mortgage rates would increase the average mortgage bill by around £1,000 a year. That would impact on people's disposable incomes, limiting growth and in turn the Government's revenue projections.

Rob Whiteman, Chief Executive, said:

"It is welcome that this budget has focused on hard pressed savers and those approaching retirement, however a great deal of these measures have come at the expense of front line services with £2billion taken out of future funding by the Chancellor today.

"Meanwhile the Government is underestimating the needs of local authorities with small measures on roads, loans and house-building which, while welcome, do not go nearly far enough. If we are to repair the damage done to our roads properly, and build the infrastructure we need for growth, we must see much more constructive and far reaching measures from Government.

"The announced cap to welfare spending could also be problematic as it excludes the majority of welfare spending and is only likely to come into full effect during an economic downturn which will put pressure on local services at a time when budgets are tight and people and communities are at their most vulnerable."

<u>National Housing Federation</u>

National Housing Federation chief executive David Orr welcomed the focus on housing and the announcement of a new garden city, but said that the Budget is 'a missed opportunity' to boost housing supply. He said measures like Help to Buy are likely to stimulate demand for housing but the Budget does not go far enough to boost the supply of homes needed to meet that demand. He said:

"The Chancellor says the 23% increase in house building is not enough and we agree with him. While he has taken some steps - like a new garden city - to increase supply, we were disappointed that he did not include measures to deliver homes more quickly, at little or no cost to the tax-payer.

"An effective release of public land for house building, increasing the borrowing capacity of housing associations and extending Government guarantees to back financing for new development, would all have made a significant and immediate boost to the supply of affordable homes.

"While the extension of Help to Buy will assist some people to buy their own home in the short term, in the long term it risks fuelling a house price bubble. The longer that the new build housing market is dependent on Government intervention, the more difficult it will be for them to withdraw in future years.

"It will be hard for the Government to demonstrate Help to Buy will generate new homes being built that would not have already been developed. It is not the most effective way of using public investment and is far too small an amount to address the crisis."

Mr Orr welcomed the announcement of the new garden city in Ebbsfleet, but warned that it will only make a difference if it is the first of many. He said:

"The new homes in Ebbsfleet must not merely replace homes that would have been built elsewhere."

Chartered Institute of Housing

Following the budget announcement, the Chartered Institute of Housing issued the following statement:

"Historically we know that small and medium sized builders have played a critical part in delivering new homes. We have been calling for government to introduce measures to support SME builders to increase the role they can play in addressing our national housing crisis. Following the credit crunch small builders have found it more difficult to access finance and government moves to help them get building by providing £525m of support are welcome.

"If we are going to build the number of homes that we need to solve the housing crisis, garden cities and other new developments are going to be a huge part of the mix. The Chancellor's announcement of the Ebbsfleet garden city and developments in Barking, Riverside and Brent Cross is a welcome recognition of this. We hope this is start of things to come and that we will see more major announcements that will contribute to the supply of new homes.

"The Chancellor's decision to extend Support for Mortgage Interest payments is an important recognition that many homes owners will still be recovering from the effects of the recession and need continued government support to remain in their homes.

"However, we are disappointed that the Chancellor did not choose to use the tax system to incentivise standards in the market rented sector. This sector is the fastest growing of all tenures it is vital that we take steps to ensure more consistent standards. For many people living in the market rented sector quality and standards are too often left too chance. Changing the tax system would reward landlords for doing the right thing, whilst not costing the government any additional money.

"We need to build 250,000 homes a year to keep up with our growing population, but we've been failing to reach that target for decades – the result is a housing crisis in which millions of people are being denied access to a decent home at a price they can afford. In his Budget speech the Chancellor claimed that the measures he announced would deliver 200,000 new homes, including the 120,000 homes supported by the extension of Help to Buy equity loans. This would be an important step along the road to addressing out housing crisis, but it still leaves us with much to do."

Commenting on the house building announcement, Grainia Long, chief executive of the Chartered Institute of Housing, said:

"If we are going to build the number of homes that we need to solve the housing crisis, garden cities and other new developments are going to be a huge part of the mix.

"The chancellor's announcement of the Ebbsfleet garden city and developments in Barking, Riverside and Brent Cross is a welcome recognition of this. We hope this is start of things to come and that we will see more major announcements that will contribute to the supply of new homes."

<u>London</u>

Mayor of Hackney and Chair of London Councils, Jules Pipe said:

"The Chancellor's statement is inadequate in the context of London's housing crisis. However, finally there is recognition of the acute challenges London is facing. The capital's population is set to increase to over nine million by 2021, meaning 800,000 homes are needed to meet both existing and future demand.

"Polls show that affordable housing is consistently the top concern for Londoners. Housing is not only an issue for London's rising numbers of homeless, or the young families and professionals struggling to rent, but is vital to the UK-wide economy.

"Business in London is increasingly looking for reassurance that government is tackling its concerns about affordability for their employees.

"Local government is a key partner in delivering the homes London needs. The failure to devolve real power is hampering local government's ability to build homes and create jobs and growth.

"The announcements will only scratch the surface of dealing with the long term and daunting scale of London's housing shortage. The government needs to do much more.

"It is disappointing that the Chancellor did not take this opportunity to scrap the Treasury's block on councils investing in building new homes, when backed up by a stable funding stream. Lifting this Housing Borrowing Cap would create 60,000 new homes and 19,000 new jobs, adding 0.6 per cent to GDP, and further stimulate competition in the construction market.

"But the Chancellor's announcement of half a billion pounds of finance to small house builders is a welcome move. We know that just 27 companies are responsible for around 70 per cent of the housing starts in London. Yet 20 years ago, around two-thirds of housing was built by companies employing fewer than 500 people.

"Encouraging small businesses into the market would provide more competition and foster the right environment to deliver badly-needed homes. Early and constructive engagement with local government is absolutely essential to ensure support is finding its way to where it will make the biggest impact."

<u>Scotland</u>

The Scottish Government's discretionary budget is being cut by nearly 11% in real terms over the five year period to 2015/16.

Independence is the only way Scotland can properly create opportunities and secure the investment in public services and the economy Scotland needs, Scotland's Finance Secretary John Swinney said following the United Kingdom Chancellor's final budget before the referendum. Whilst the budget included some welcome but overdue support for key Scottish industries, Mr Swinney said it had failed to meet Scotland's needs and showed that there were significant cuts still to come from Westminster.

Commenting on the Chancellor's Budget, John Swinney said:

"Scotland is a wealthy country and we can more than afford to be independent. In each of the last 33 years Scotland has paid more in tax per head than the United Kingdom and in the last five years Scotland would be £1,600 per head better off than the United Kingdom – money that could have been invested in the economy, in public services and reducing debts.

"This was Westminster's last chance to show it could create opportunity for Scotland and reject the diet of austerity. Once again Westminster has failed to deliver for Scotland. This budget confirms a further squeeze on public spending and a further austerity plan.

"The £63million added to the Scottish budget today is small beer compared to the significant cuts Scotland has faced since 2010. The Chancellor is planning a further £37billion of cuts across the United Kingdom over the next two years and tens of billions to come afterwards. These cuts would be worse still if Scotland does not vote for independence and Westminster takes the knife to the Barnett formula.

"The reality is Westminster has presided over the weakest recovery in living memory, and since the downturn began the United Kingdom has had the weakest performance of any G7 country outside of Italy. United Kingdom public sector debt is now set to reach £1.5trillion, its highest level in history, confirming that the Chancellor's economic strategy has failed.

"Despite the Chancellor's claims of improved economic performance by the end of next year, the United Kingdom economy is now expected to have grown by 5% less than he projected when he first came to office – forcing him to borrow an additional £190bilion beyond his original forecast.

"While I welcome the Chancellor's choice of whisky as his referendum tipple, sticking with the Westminster system will leave Scotland with a severe hangover.

"The changes on APD simply do not go far enough to solve the problems faced in Scotland and with independence we will reduce rates of APD by 50% with a view to abolishing them completely when conditions allow.

"Help for savers and pensioners is long overdue but with real incomes being squeezed very few families in Scotland will be able to take full advantage of what is on offer.

"And with the welfare cap set to include pensions credit and savings credit which currently offer real help to poorer pensioners and will continue in an independent Scotland the Chancellor's claims to protect pensioners do not stack up."

The Scottish Federation of Housing Associations said it is disappointed with the Chancellor's decision to consolidate a proposed cap on welfare. They consider that the cap doesn't acknowledge that policies such as the controversial bedroom tax will 'actually end up costing the public purse more'. The group says this is partly because the under-occupancy policy it risks forcing social tenants into the private sector where rents are higher, and partly due to the extra costs for councils and housing associations. Maureen Watson, the head of policy, is now calling on the Government to exclude housing benefit from the envelope of welfare benefits being capped.

She said:

“The Scottish Federation of Housing Associations’ recently published research on the real cost of the ‘bedroom tax’ for Scottish housing associations and co-operatives estimates the total real cost over the first three years of the policy to be £79million. Scotland’s housing associations and co-operatives provide affordable rented housing in communities across the country – a place to call home and a place to build a life. In the face of the evolving welfare reforms and the continuing cap on welfare spending, housing associations and co-operatives remain determined to ensure that every possible help is given to tenants to maintain their tenancies and to keep rents affordable. However, the environment for tenants and housing providers is becoming increasingly challenging and costly. The Scottish Federation of Housing Associations will continue to press the United Kingdom Government to repeal the ‘bedroom tax’ that is still very much with us. It is an incompetent and unfair policy.

“We are also disappointed to see that the opportunity has yet to be taken by either the Chancellor of the Exchequer or the Secretary of State for Scotland to respond to the Scottish Government's request for consent to raise the cap on Discretionary Housing Payments. Scotland's housing associations and their tenants are keen to see the additional monies identified by the Scottish Government for ‘bedroom tax’ mitigation, but we need the uncertainty removed. We should have had arrangements in place by now. We are only days away from the start of the new financial year.”

Wales

Since 2010, the Welsh Government’s budget has been cut by 10%. In addition, there has been a 31% cut in real terms to the Welsh capital budget between 2009/10 and 2015/16.

Jane Hutt, Minister for Finance in the Welsh Government said:

“The United Kingdom Government’s Budget is another missed opportunity for Wales and does nothing to boost economic growth. As the Office of Budget Responsibility say, the measures announced by the Chancellor today will have a negligible effect on annual Gross Domestic Product growth.

“Since 2010, we have seen record-breaking cuts to the Welsh budget – by 2015/16, it will be 10% lower than when the current UK Government came to office in 2010. This Budget delivers some small increases, but also brings significant additional burdens – it gives with one hand, but takes away with the other.

“The Chancellor has given Wales an additional £36million over the next two years. But at the same time we are being forced to find at least £70million from our Budget to cover public sector Pension costs.

“This Government’s top priority is creating jobs and boosting economic growth. The employment statistics published earlier today show that unemployment in Wales is now lower than in England, Scotland and Northern Ireland – a clear example that the Welsh Government’s policies are working.

“For us to build on this further we needed this Budget to deliver a significant capital investment boost. This has not happened. However we will continue to use the resources we have available to us to invest in our Wales Infrastructure Investment Plan priorities."

However, the Minister welcomed confirmation that the Wales Bill would be published and said it was an important step forward that will take Wales closer to gaining the vital borrowing powers needed to invest in Wales' infrastructure and added:

"The publication of the Wales Bill… is an important step forward and will take us closer to gaining the vital borrowing powers we need to invest in Wales' infrastructure.

"The increased support for childcare would be positive for working families but I would urge the United Kingdom Government to bring their plans forward now.

"The energy package announced will be good news for energy intensive industries and Welsh households who will see welcome reductions in energy bills. The First Minister has been calling for this support for some time. We're pleased the United Kingdom Government has listened."

Adrian Waite
April 2014

About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

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