

20. SPRING STATEMENT 2019

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Property Services providing an update in relation to the announcements contained in the Chancellor of the Exchequer's Spring Statement 2019.

The Chancellor of the Exchequer delivered his Spring Statement to the House of Commons on 13 March 2019. As previously outlined by the Chancellor, the UK Government's approach had changed to a single fiscal event each Autumn with major tax and spending changes being made once a year. Therefore the Spring Statement was not a budget update, but provided a more general statement on the UK economy and the Office for Budget Responsibility (OBR) economic forecasts.

In summary the key economic announcements were as follows :-

- Since Autumn 2018 there had been a slowdown in economic growth both in the UK and globally. This had resulted in the OBR revising down its forecast for growth in 2019, with little change for the medium term. This was based on the assumption of a managed Brexit.
- Consumer Price Index (CPI) inflation was expected to be 2.1% in 2019 and then fall below the target of 2% in 2020 before rising to be back in line with target for the remainder of the period to 2022/23.
- The UK was borrowing less than forecast this year due to higher income tax receipts and lower debt interest costs
- Even with the downgrade to GDP growth the fiscal balance had improved. This was largely attributed to higher than expected income tax and national insurance receipts.

The revised projections compared to the Autumn Budget 2018 were outlined in the report.

The Head of Finance and Property continued to provide information on public service and public spending, the main implications for Scotland and the main implications for West Lothian.

It was recommended that the Council Executive :-

1. Note the latest economic position outlined in the Spring Statement 2019;
2. Notes the Chancellor's statement on future public spending and that a detailed spending review would be undertaken in 2019 and announced as part of the Autumn Budget 2019;
3. Agrees that the Head of Finance and Property Service should continue to report to Council Executive on relevant UK and Scottish

Government funding and spending announcements and provide quarterly horizon scan reports to the Partnership and Resources Policy Development and Scrutiny Panel (PDSP); and

4. Agrees that the Head of Finance and Property Services should ensure that information contained within the Spring Statements, Autumn Budgets and 2019 Spending Review was taken into account when updating the council's financial plans to 2022/23.

Decision

To approve the terms of the report