

Budget 2016

Economic Headlines

£10bn surplus by 2019-20



Despite borrowing running at £21.4bn in 2018-19, the Chancellor predicts the following year he can amass a £10.4bn surplus - **a £30bn turnaround in just one year.**

Growth forecasts revised



The OBR has **downgraded growth in 2016 by 0.3% to 2.0%**, whilst predicting it will remain sluggish over the Parliamentary term.

Inflation target fixed



A **CPI inflation target of 2%** continues for the monetary policy committee, with the Bank of England asked to remain extra-vigilant to economic instability.

Key Policy Announcements

Sugar levy on soft drinks



A surprise announcement after the government found itself under pressure from the medical community to act on obesity. The revenue raised will fund sports and the education budget.

Extra schools funding



£500m cash injection will ensure poorly funded schools benefit from the new **National Funding Formula** more quickly.

£730m for offshore wind



The government intends to hold three auctions for **"less-established" renewable technologies** this Parliament, for projects generating in 2021-26.

Duty on beer, cider & whisky frozen



By resisting the temptation to increase alcohol duty, Osborne has shown political nous, and will hope this can boost the Government's popularity in advance of the **EU referendum.**

Green light for HS3 & Crossrail 2



Following recommendations the National Infrastructure Commission, the Chancellor has announced a spate of transport improvements, including the **£27 billion Crossrail 2** update that will create a link between north and south London.

Reform to business rates



From 2017, over **600,000 small business will be exempt from business rates** entirely as HMT look to redress the balance between the high street and online retailers.