


UK Budget 23 March 2011

Families in Edinburgh will be worse off because of  Chancellor George Osborne's Budget while the banks get a tax cut this year, Labour MP for Edinburgh South, Ian Murray, said today.

Ian said:

"George Osborne's reckless policies to cut too deep and too fast are hurting families here in Edinburgh.

"In this Budget the Tories have confirmed the banks will get a tax cut this year while 1000s of families in Edinburgh will see their child benefit frozen and will pay an average extra £450 in VAT this year. And families earning as little as £26,000 are set to lose their tax credits next year too.

"But while their plan is definitely hurting all the signs are that it's not working either. The VAT rise and cuts which go too deep and too fast are driving up unemployment again and the independent budget watchdog says inflation will be higher and the economy will grow more slowly this year and next.

"That's why borrowing will actually be higher after this Budget than before. So these reckless plans will make it much harder to get the deficit down. It doesn't make sense."

Ian added:

"On petrol prices the government should have gone further in this Budget. Across Scotland the average cost of a litre of unleaded is now 132.4p – up from 121.6p in December before the Tory VAT rise. George Osborne should have listened to Labour and reversed the VAT rise on petrol, which is adding £1.35 to the cost of filling up a 50 litre tank.

"And he should have listened to Labour and repeated the bank bonus tax this year, to help young people into work, build

thousands of affordable homes and boost business investment. That's the fair things to do and would help to get our economy moving again and get people into work to help get the deficit down.

"It's now clear that George Osborne's plan is hurting, but it's not working. For the sake of our economy, our young people and the future of our great city the Conservative-led government needs to think again and get a plan B that puts jobs and growth first – before it's too late."

Ed Balls MP, Labour's shadow chancellor, said:

"These cuts are too deep and too fast. Labour would be halving the deficit steadily over four years – not trying to cut it further and faster than any other major economy in the world.

"There have got to be some tough choices to get the deficit down too. But you can't get the deficit down if the economy isn't growing strongly and you're throwing hundreds of thousands of people out of work.

"What we really need is a plan for jobs and growth to help people in Edinburgh and help get the deficit down. Ian Murray and I will be campaigning together for that in Westminster and urging the government to change course."

Commenting on Chancellor George Osborne's Budget statement, the Federation of Small Businesses' (FSB) Scottish Policy Convenor Andy Willox OBE, said:

"Scottish small businesses are looking to Westminster as well as prospective Holyrood administrations for strong plans to grow Scotland's small business economy.

"The FSB in Scotland welcomes some of the Chancellor announcements, looks forward to examining the details but believes more could be done to help small businesses create jobs.

On fuel:

“The spiralling cost of fuel isn’t just a headache for small businesses, it’s harming their ability to plan the growth of their businesses and take on employees.

“It is obvious that the Chancellor has listened to the FSB regarding the cost of fuel, we look forward to seeing the price stabilise at the pump and, hopefully, drop. The key question is whether or not it will stabilise at a level sustainable for Scottish small businesses.

On an HMRC tax relief mileage allowance increase:

“This is a significant a move in the right direction and many of Scotland’s self-employed will feel the benefits.

On a small business regulation moratorium:

“62 per cent of Federation of Small Businesses (FSB) members in Scotland have seen the cost of red tape increase in the last four years. Three in 10 say it’s one of the main barriers to business success.

“While some regulation originates north of the border, many of our members will be pleased with the Chancellor’s announcement. While this moratorium is in place, is this not an opportune moment to ensure that all future regulation doesn’t tie our members in knots?

“We look forward to more progress in this area so our members spend more time doing work and less time doing paperwork.”