# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **The UK Budget 2023** |
| **DATE**  | **14 March 2023** |
| **BY** | **Rebecca Evans MS, Minister for Finance and Local Government** |

Tomorrow, the Chancellor of the Exchequer will present his Budget to Parliament. Due to planned strike action within the Senedd Commission and Civil Service, I will issue a Written Statement setting out the implications for Wales on Thursday 16 March rather than on the day of the Budget.

This Statement sets out the Welsh Government’s three priorities for the UK Budget: increasing support for households in the cost of living crisis; increasing funding for public services; and investing to boost growth in the economy across the UK.

The economic situation in the UK continues to be very challenging. The UK Government needs to do more to mitigate the deteriorating financial position of households as a result of the continuing cost of living crisis, the impact of which is falling disproportionately on disabled people, Black, Asian and Minority Ethnic groups, women, carers, and those with young children.

With the cost of energy price support now significantly less than anticipated, the Chancellor should maintain the Energy Price Guarantee at £2,500 from April. He should also review the Windfall Tax to remove loopholes so that energy production companies are not able to retain so much of their record profits.

I have called on the UK Government to take further practical actions to make a real difference to those hit hardest. While the Chancellor has announced an end to the ‘prepayment penalty’, he should go further in his Budget by seeking to abolish standing charges on pre-payment meters, as well as increasing Local Housing Allowance rates and funding for Discretionary Housing Payments, and providing support for credit unions.. Alongside these actions, the UK Government should implement an additional one-off payment for all people on means tested benefits to provide relief against continued rising prices. It should also abolish the Benefit Cap and Two Child Limit as well as making changes to the Universal Credit deduction policy, to ease pressures on the most financially vulnerable households.

In addition to taking steps to support households, the Chancellor should use this opportunity to increase public spending to ensure public sector workers are paid a fair wage and services are able to respond to post-Covid pandemic pressures and the cost of living crisis.

The Budget also needs to focus on boosting growth across the UK. There is a wealth of opportunity in Wales for UK Government investment to support enterprise and productivity, including rail, renewable energy and research and development. The UK Government should invest in innovative programmes which help minimise our reliance on fossil fuels and contribute towards our Net Zero ambitions, such as tidal, offshore wind and nuclear energies, as well as providing support to decarbonise the steel industry. It should also consider investment in opportunities which could contribute to economic growth and Net Zero through the research and development sector, such as semiconductors and radio-diagnostic and radio-medicines, which could also help reduce NHS waiting times.

The UK Government should commit to the completion of the electrification of the rail network between Cardiff and Swansea, including the Vale of Glamorgan lines, which should form part of a rolling programme of electrification across Wales. The delay to the only section of the HS2 project that would have increased connectivity with Wales re-affirms that this is an England-only project and does not benefit Wales. The UK Government must commit to review the categorisation of this £100 billion investment as an England and Wales project and provide the Welsh Government with its £5 billion share of consequential funding.