



This Budget more than any of the Osborne Budgets that went before it had one eye on the election. Previous Budgets focused on protecting the older generation, and again today we saw this with the confirmation of more pension flexibility for those people with annuities. However the younger so-called 'jilted generation' also featured on two key fronts – first of all, with employers national insurance contributions waived for under 21s and an additional waiver for employers hiring apprentices next year; and secondly with the Help to Buy ISA, through which first time buyers will receive a bonus of up to £3,000 for saving for a deposit. While this is welcome and will undoubtedly be attractive to many first time buyers, in Northern Ireland it is perhaps less economically significant than in the South East of England, as the issue with the local housing market is that there are too many potential home movers in negative equity or with not enough equity to move.

As in previous Budgets, the Chancellor has continued his theme of raising the personal allowance. Given that Northern Ireland has lower average incomes than the rest of the UK, an increasing number of individuals locally will be taken out of income tax altogether.

Over the next 24 hours, the media headlines around the Budget are likely to focus on populist measures like the beer duty reduction and the Help to Buy ISA. However, attention will quickly return to the public finances. While these are improving, as the Chancellor highlighted today, the challenges of reducing our debt burden and cutting public expenditure remain. Indeed, there are an additional £12 billion in welfare spending cuts included in the Budget, which will bring further financial and political challenges for Northern Ireland in particular. While the pace of austerity appears to have eased relative to the Autumn Statement back in December, people should be under no illusion – the UK faces a second Parliament of fiscal pain. Effectively, the 2015 General Election has acted as a speed camera for the pace of austerity, and after May the austerity accelerator will have a heavy right foot on it again. Regardless of who wins the next election, a second emergency Budget is expected in June. Public spending growth is not expected to return until 2019-20.

UPDATE (0803 19th March 2015): View and download Richard Ramsey's full analysis of the Budget 2015 [here](#).

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