

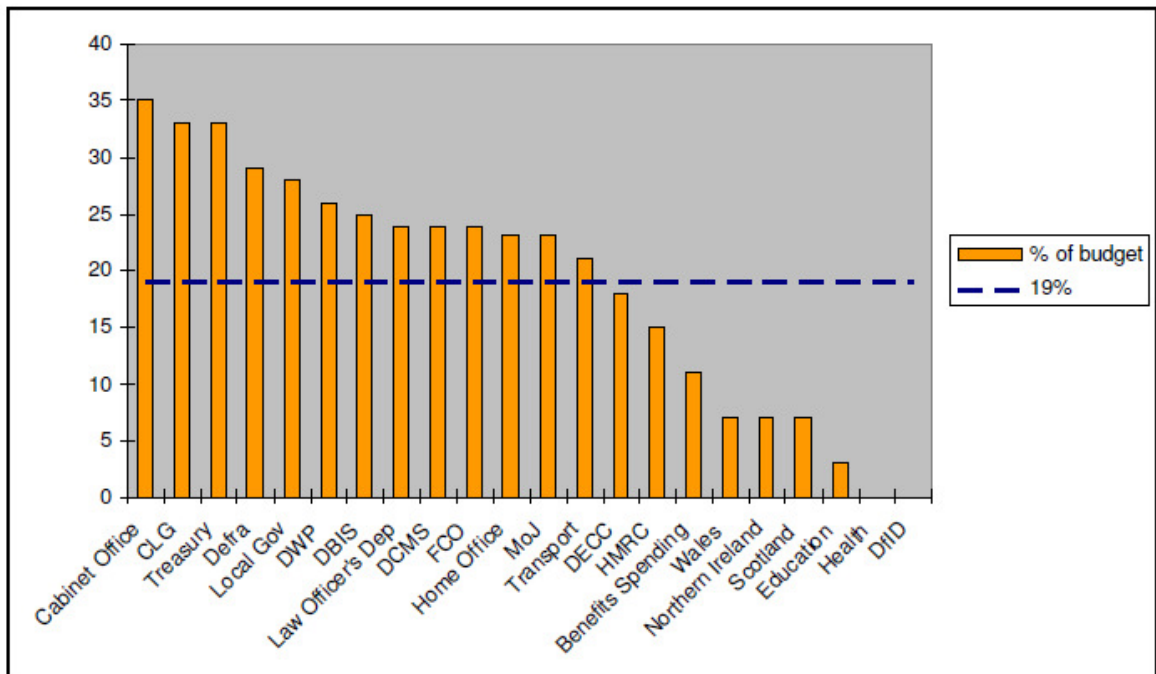
STATEMENT
20th October 2010

Welfare Cuts fund Whitehall

The Chancellor today announced £18 billion of welfare reductions by 2014/2015. The Government has previously stated that there must be a robust framework for spending control. The Spending Review now provides for reforms in Annually Managed Expenditure (AME). This is spending included in Total Managed Expenditure (TME) that has not traditionally fallen within Departmental Expenditure Limits (DELs). It includes social security, tax credits and public sector pensions. Significant elements of this expenditure now falls within the Spending Review, for example, £163.7 billion of the DWP's departmental AME. George Osborne said in June that the more the government could save on welfare costs the more it could continue other areas of government spending. Welfare reductions are in effect paying for Whitehall.

Departmental Resource Reductions

- The table below highlights departmental cuts.



For more information see our overnight brief.

-Ends-

For more information

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