

Please see below a summary of the key headlines flowing from today's Budget statement.

### **Fiscal Position**

- Since 2010, growth has been higher than every large European economy, unemployment has halved, absolute poverty decreased, and 800 more people are in jobs for every day the Conservatives have been in office.
- Inflation fell from 11 percent in October 2022 to 4 percent in the 12 months to January 2024. The Office for Budget Responsibility (OBR) forecast shows it falling below the 2 percent target in May 2024.
- The average household has received £3,400 in cost-of-living support over the last 2 years, raising real household disposable income by 0.8 percent.
- The OBR forecast government debt as a percentage of GDP will fall in every year of the forecast to 94 percent by 2028/29, meeting the Government's first fiscal rule. Fiscal headroom against Government debt falling in 2028/29 will be £8.9bn.
- The second fiscal rule, for public sector net borrowing to be below 3 percent of GDP by 2028/29, will also be met, reaching a projected 1.2 percent in 2028/29.
- The OBR forecasts GDP to grow by 0.8 percent in 2024 and 1.9 percent in 2025.
- There are 900,000 current vacancies in UK businesses.
- Spending on public services has gone up in real terms since 2010, including NHS spending increasing by more than a third.
- Public sector productivity is below pre-pandemic levels by 6 percent.

### **Economy & Financial Services**

- Extend the repayment period for budgeting advance loans from 12 months to 24 months.
- Abolishing the £90 charge on debt relief orders.
- £500m for Household Support Fund to be continued at current levels for another 6 months
- Fuel duty 5p cut will be maintained for a further 12 months.
- Alcohol duty freeze extended until 1 February 2025.
- Planned legislation for full expensing to apply to leased assets.
- From April 1, increasing the VAT registration threshold from £85,000 to £90,000.
- £200m of funding to extend the Recovery Loan Scheme as it transitions to the Growth Guarantee Scheme.
- New powers for The Pensions Regulator and the Financial Conduct Authority to ensure better value from defined contribution (DC) pension schemes.
- Introducing new requirements for DC and local government pension funds to disclose publicly their level of international and UK equity investment.
- Proceed with the retail sale of the Government's NatWest shares.
- Explore how employees can amalgamate pension pots when they move jobs.
- Create a new British savings bond delivered by National Savings & Investment offering a fixed guaranteed rate for three years.
- Introduce the British ISA with an additional £5000 tax free allowance for investments in UK equity.
- Keep the planned growth in day-to-day spending of one percent in real terms.
- Announced a public sector productivity plan to increase efficiencies in the NHS, including funding the NHS Productivity Plan in full at a cost of £3.4bn, and prioritising proposals that deliver annual savings within five years equivalent to the total cost of investment required.

- Introducing excise duty on vaping products from October 2026 and announced a consultation on its design.
- One-off increase in tobacco duty from October 2026.
- One-off increase in rates of air passenger duty on non-economy flights.
- Abolish the furnished holiday lettings regime.
- Abolish stamp duty relief on the purchase of multiple dwellings in one transaction.
- Reduce the higher 28 percent rate of Capital Gains Tax on property to 24 percent.
- Reform the Child Benefit system so that the High-Income Child Benefit Charge will be based on household income rather than individual earnings and raise the threshold from £50,000 to £60,000.
- 2p cut to employee National Insurance, from ten percent to eight percent.
- Self-employed National Insurance will be cut from eight percent to six percent.

### **Retail, Trade & Employment**

- Alcohol duty freeze extended until 1 February 2025.
- From April 1, increasing the VAT registration threshold from £85,000 to £90,000.
- Duty on vaping products will be introduced from October 26 and a consultation will be published on its design.
- One-off increase in tobacco duty from October 2026.
- 2p cut to employee National Insurance, from ten percent to eight percent.
- Self-employed National Insurance will be cut from eight percent to six percent.
- The non-domiciled tax status will be scrapped and replaced with a residency-based system from April 2025, raising £2.7bn in tax revenue a year by 2028/29.
- Introduce the British ISA with an additional £5000 tax free allowance for investments in UK equity.

### **Levelling Up, Devolution & Housing**

- £1m for a memorial for Muslims who died in both world wars.
- North-East trailblazer devolution deal, potentially worth over £100m, with powers devolved to Buckinghamshire, Warwickshire and Surrey.
- £100m of levelling up funding to areas to support cultural projects.
- Expanding the long-term plan for towns to 20 new places. Each will get £20m of funding.
- £15m of new funding to the West Midlands Combined Authority.
- £5m to renovate local village halls.
- Set aside funding to support the SaxaVord UK Space Port in Shetland, an agri-food launch pad in Wales, and global trade opportunities for Northern Ireland.
- £300m in Barnett consequentials for the Scottish government.
- Nearly £170m in Barnett consequentials for the Welsh government.
- £100m in Barnett consequentials for the Northern Ireland Executive.
- £242m in investments in Barking, Riverside and Canary Wharf to build nearly 8,000 houses, as well as transforming Canary Wharf into a new hub for life science companies.
- £20m community led housing scheme.
- £165m over the next four years to increase the capacity of the children's homes estate.
- Abolition of the Furnished Holiday Lettings Regime.
- Abolition of Multiple Dwellings Relief.
- Reduction of the higher rate of property capital gains tax, from 28 percent to 24 percent.

### Health & Social Care

- £45m for research by medical charities, including £3m for Cancer Research UK.
- Fund the NHS productivity plan in full with £3.4bn investment and an extra £2.5bn to help reduce waiting times.
- Duty on vaping products will be introduced from October 26 and a consultation will be published on its design.
- One-off increase in tobacco duty from October 2026.

### Welfare & Equalities

- Abolishing £90 charge for debt relief orders
- £500m for Household support fund to continue current levels for another 6 months
- Guarantee for the childcare providers rate who deliver the 15/30-hour childcare offers.
- £105m over 5 years to build 50 new free, SEND schools.
- Reform the Child Benefit system so that the High-Income Child Benefit Charge will be based on household income rather than individual earnings and raise the threshold from £50,000 to £60,000.

### Children, Education & Skills

- Guarantee for the childcare providers rate who deliver the 15/30-hour childcare offers.
- £165m to increase the capacity of the children's homes estate, reducing the cost of unregistered providers.
- £105m over 5 years to build 50 new free, SEND schools.
- Reform the Child Benefit system so that the High-Income Child Benefit Charge will be based on household income rather than individual earnings and raise the threshold from £50,000 to £60,000.

### Transport & Infrastructure

- Fuel duty 5p cut will be maintained for a further 12 months.
- Planned legislation for full expensing to apply to leased assets.
- Long term funding settlement for the Future Development Corporation in Cambridge at the next spending review, with £10m for transport and health infrastructure.
- £270m for advanced manufacturing, to be spent on innovative automotive and aerospace R&D projects.
- A one-off adjustment to rates of Air Passenger Duty on non-economy flights to account for high inflation.

### Energy, Utilities, Climate & Rural Affairs

- The government has reached an £160m agreement with Hitachi to purchase the Wylfa site in Anglesey and the Oldbury site in South Gloucestershire, which will be vital in delivering the UK's nuclear ambitions.
- Great British Nuclear will begin the next stage of the SMR process with companies having to June to submit tender responses.
- Up to £120m more will be allocated to the Green Industries Growth Accelerator to build supply chains for new technology such as offshore wind and carbon capture.
- Extend the energy profit levy, the "Windfall Tax", to 2029 to raise an additional £1.5bn.

- Abolish the energy profit levy if the energy market price falls back to a historic norm for a sustained period.

### **Defence & International Development**

- Defence spending will rise to 2.5 percent of GDP when “fiscal conditions allow”.
- Public service productivity drive announced.
- £26m to the Office for Veterans’ Affairs to underwrite the bid for Birmingham to host the Invictus Games in 2027.

### **Justice & Home Affairs**

- £1m for a memorial for Muslims who died in both world wars.
- Public service productivity drive announced.
- £75m to roll out violence reduction units and hotspot policing schemes across the UK.
- £230m for technology deployment to speed up police response times.
- £170m to fund non-court resolutions in family law.

### **Culture, Media & Sport**

- £100m of levelling up funding to areas to support cultural projects.
- £26.4m of funding for the National Theatre to upgrade its stages.
- £1bn in additional tax relief for creative industries over the next 5 years.
- Increased tax relief for visual effects by 5 percent.
- Removal of the 80 percent cap on visual effects costs on audiovisual expenditure credits.
- 40 percent relief for film studios in England gross business rates until 2034.
- Introduce a new tax credit for UK independent films with a budget of less than £15m.
- Make permanent the 45 percent tax relief for touring and orchestral productions and 40 percent for non-touring productions.
- Abolish furnished holiday lettings regime.
- £26m to the Office for Veterans’ Affairs to underwrite the bid for Birmingham to host the Invictus Games in 2027.

### **Science, Innovation & Technology**

- Planned legislation for full expensing to apply to leased assets.
- Long term funding settlement for the Future Development Corporation in Cambridge at the next spending review, with over £10m for transport and health infrastructure.
- In April, the first Investment Zones in the North of England & the Midlands will be launched.
- £270m for advanced manufacturing, to be spent on innovative automotive and aerospace R&D projects.
- £45m for research by medical charities, including £3m for Cancer Research UK.