
Your Handy November 22nd 2023 Autumn Statement Summary



Chancellor Jeremy Hunt has unveiled the contents of his Autumn Statement in the House of Commons.

It sets out the government's tax and spending plans for the year ahead, affecting the take-home pay and household budgets of millions of people, as well as setting out how much will be spent on key public services.

Jeremy Hunt says the government will deliver a plan to tackle the cost of living crisis and rebuild the UK economy. The chancellor says his priorities are stability, growth and public services, and is providing "fair solutions" despite taking "difficult decisions".

Here below is a summary of the main measures. [You can read the full speech here.](#)

Autumn Statement key points

Taxation and wages

- Main rate of National Insurance cut from 12% to 10% from 6 January, affecting 27 million people
- Class 2 National Insurance - paid by self-employed people earning more than £12,570 - abolished from April
- Class 4 National Insurance for self-employed - paid on profits between £12,570 and £50,270 - cut from 9% to 8% from April
- Legal minimum wage - known officially as the National Living Wage - to increase from £10.42 to £11.44 an hour from April
- New rate to apply to 21 and 22-year-old workers for the first time, rather than just those 23 and over

Benefits and pensions

- Universal Credit and other working-age benefits in England and Wales to increase by 6.7% from April, in line with September's inflation rate
- Local Housing Allowance rates - which determine the level of housing benefit and Universal Credit people receive to pay rent in Great Britain - to be unfrozen and increased to 30% of local rents
- Work Capability Assessment to be reformed to reflect availability of home working after Covid pandemic
- Funding of £1.3bn over the next five years to help people with health conditions find jobs
- Further £1.3bn to help people who have been unemployed for over a year
- Claimants in England and Wales deemed able to work but who refuse to seek employment to lose access to their benefits and extras like free prescriptions
- State pension payments to increase by 8.5% from April, in line with average earnings
- Consultation on whether savers get the right to pick the pension scheme their employer pays into - possibly allowing them to have one pension pot for life

Economy and public finances

- Chancellor's package includes 110 measures aimed at boosting economic growth
- The independent Office for Budget Responsibility (OBR) expects the economy to grow by 0.6% this year and 0.7% next year, rising to 1.4% in 2025; then 1.9% in 2026; 2% in 2027 and 1.7% in 2028
- It forecasts that headline inflation - the rate prices are rising - will fall to 2.8% by the end of 2024 and to the Bank of England's 2% target rate in 2025
- Underlying debt forecast to be 91.6% of GDP next year; 92.7% in 2024-25; 93.2% in 2026-27; before declining to 92.8% in 2028-29
- Borrowing forecast to fall from 4.5% of GDP in 2023-24; to 3% in 2024-25; 2.7% in 2025-26; 2.3% in 2026-27; 1.6% in 2027-28 and 1.1% in 2028-29

Business and infrastructure

- "Full expensing" tax break - allowing companies to deduct spending on new machinery and equipment from profits - made permanent
- The 75% business rates discount for retail, hospitality and leisure firms in England extended for another year
- Households living close to new pylons and transmission infrastructure to get up to £1,000 a year off energy bills for a decade
- Funding of £4.5bn to attract investment to strategic manufacturing sectors, including green energy, aerospace, life sciences and zero-emission vehicles
- Some £500m over the next two years to fund artificial intelligence innovation centres
- Financial incentives for investment zones and tax reliefs for freeports extended from five years to 10 years, with new investment zones announced for the West Midlands, East Midlands and Greater Manchester, as well as Wrexham and Flintshire

Other measures

- All alcohol duty frozen until 1 August next year
- Duty rate on tobacco products increases by 2% above RPI inflation; hand-rolling tobacco rise 12% above RPI
- Fuel duty wasn't mentioned so remains 52.95p per litre for petrol and diesel, after the chancellor announced a 5p per litre cut for 12 months in March
- Up to £7m over next three years for organisations like the Holocaust Educational Trust to tackle antisemitism in schools and universities
- Funding of £5m for Imperial College and Imperial College Healthcare NHS Trust to set up Fleming Centre to work on health innovations

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www.carbonaccountancy.co.uk

Carbon Accountancy Ltd | +44 20 7710 5300 | 80–83 Long Lane, London EC1A 9ET
| www.carbonaccountancy.co.uk

