

NEWS BRIEF

Presented by Crendon Insurance Brokers Ltd

2015 Autumn Statement Highlights

On 25th November, George Osborne, Chancellor of the Exchequer, delivered his Autumn Statement to Parliament. Osborne reviewed UK economic performance, set spending plans for the next four years and detailed important changes to taxation.

Key Numbers

- The Office for Budget Responsibility (OBR) has predicted a GDP growth of 2.4 per cent in 2015, 2.4 per cent in 2016 and 2.5 per cent in 2017. Additionally, the OBR estimates that there are 31.1 million Britons currently employed, and, by 2020, that number should rise to 32.2 million.
- Over the next five years, the government will invest £4 trillion in priority programmes such as the NHS, defence and housing.
- The government predicts that within the next four years, the deficit will be eliminated, and there will be a surplus of £10 billion by 2019/2020.
- The government will borrow £8 billion less than forecasted—yet the tax credit taper rate and income threshold will remain unchanged. Additionally, the income rise disregard will be reduced to £2,500.
- Based upon the current figures, the government will achieve its goal of £12 billion per year in welfare savings by 2019/2020.
- The government will increase the annual amount spent on the NHS by £10 billion—raising the total to more than £500 billion by 2020. This increase will help fund operations, treatments, medical tests and the construction of new hospitals.

Highlights for Businesses and Individuals

- **A rise in the basic state pension:** Beginning in April 2016, the basic state pension will rise to £119.30 per week.
- **A reduction in the cost of green improvements:** Beginning in April 2017, a new, cheaper energy supplier obligation will come into force in an effort to reduce carbon emissions. This is predicted to lower the annual energy bill cost by £30 from 2017.
- **Details released about the Apprenticeship Levy:** The Apprenticeship Levy will come into force in April 2017, at a rate of 0.5 per cent of an employer's pay bill. Additionally, the levy will only affect employers that earn at least £3 million annually.
- **Expanded flood protection for homes:** The government will spend an estimated £2.3 billion on more than 1,500 flood defence schemes across the country.
- **Motorists will no longer be able to get cash compensation for minor whiplash claims:** To reduce the number of fraudulent whiplash claims, the government is ending the right to cash compensation. Additionally, more injuries will be allowed to go through small claims court and the upper limit for these claims will be increased to £5,000. These changes are expected to reduce the annual cost for motor insurance policies by £40.

The key numbers and highlights listed here are just a brief overview. For more detail, read the Chancellor's full Autumn Statement 2015 at www.gov.uk/government/news/spending-review-and-autumn-statement-2015-key-announcements.

