

NEWS BRIEF

Presented by **Crendon Insurance Brokers Ltd**

Spring Statement 2018 Highlights

On 13 March, Philip Hammond, Chancellor of the Exchequer, delivered his Spring Statement to Parliament.

Even though the projections for growth and borrowing were not as aggressive as economists had predicted, Hammond was optimistic about the forthcoming year. 'Forecasts are there to be beaten, as a nation we did it in 2017'.

Key Numbers

- The 2018 UK economy growth forecast was revised from 1.4 per cent to 1.5 per cent, which is slower than most other G7 economies, except for Italy and Japan. The government estimates that the economy will continue to grow at a slightly slower rate for the next three years before ramping up in 2022.
- The unemployment rate is close to a 40-year low with the government predicting over 500,000 additional people in work by 2022.
- The government will allocate £1.5 billion to departments and devolved administrations to prepare for Brexit in 2018-19.
- The government confirmed that the final amount that the United Kingdom expects to pay to divorce from the EU will be €41.4 billion (roughly £37.1 billion).

Highlights for Businesses and Individuals

- **The National Living Wage will rise from £7.50 to £7.83, and the National Minimum Wage rates will increase as well in April.** With these rises, the government predicts that wages will rise faster than prices over the next five years.
- **The government's plan of increasing the amount of homes by an average of 300,000 a year by the mid-2020s is well under way.** The government shared its progress on its ambitious housing project:
 - The government is working with 44 areas on their bids into the £4.1 billion Housing Infrastructure Fund.

- The government has pledged £220 million to the Housing Growth Partnership, which provides financial support specifically for small housebuilders.
- The government has pledged £1.67 billion in order for London to begin building an additional 27,000 affordable homes by the end of 2021-22.

- **The government is working on revisions to the tax system to provide 'fairer' taxation of multinational digital businesses.**
- **The government is reconsidering the role of cash in a digital economy.** As digital technology becomes even more prevalent, the government wants to make sure that it can effectively support people and businesses that use digital payments while ensuring that those who need to are able to still pay with cash. In addition, the government is working on methods to prevent the use of cash to evade tax and launder money.
- **The government is accepting bids from cities across England for £840 million to improve transport.** Originally announced in the Autumn Budget 2017, the government pledged £1.7 billion to improve transport and gave the first half to combined authorities with mayors.
- **The government will give £20 million to businesses and universities to research ways to reduce the impact of plastics on the environment.** In addition, the government is working on how best to use the tax system to encourage responsible use of plastic.
- **The government has pledged £95 million for full-fibre broadband.** The first wave of funding for the Challenge Fund will launch with 13 areas across the United Kingdom receiving full-fibre broadband.

For more details, read the full Spring Budget [here](#).

