



The Chancellor of the Exchequer, Jeremy Hunt, presented the Autumn Statement to Parliament on the 17th November 2022.

This Autumn Statement follows Kwasi Kwarteng's September 'mini-Budget' which Mr Hunt effectively cancelled on becoming Chancellor, and takes place against a backdrop of talk of a return to austerity at the same time as the UK seems to be on the verge of a long recession and [RPI inflation](#) is at its highest since December 1980.

Earlier this year, following Rishi Sunak's Spring Statement, a full Budget was expected to take place this autumn, but it now seems that 2022 will join 2019 as the only years in the last two centuries without a full UK Budget.

This snapshot gives you a summary of the key points announced by the Chancellor from the dispatch box. More details are available from [GOV.UK](#).

Introduction

The Chancellor says the plan outlined in the Statement is "to tackle the cost of living crisis and rebuild our economy" and his priorities are stability, growth, and protecting public services through having a shallower downturn and higher long-term growth.

There is no change to the Bank of England's inflation remit which remains that inflation should be close to 2% in the medium term. Liz Truss had indicated this would be changed when she was Prime Minister.

OBR Economic Forecasts

The OBR expects that the economy will fall into recession and living standards will fall 7% over the next two years.

- **Growth**
 - 2022: +4.2%
 - 2023: -1.4%
 - 2024: +1.3%
 - 2025: +2.6%
 - 2026: +2.7%
 - 2027: +1.2%
- **Consumer Price Inflation (CPI)**
 - 2022: 9.1%
 - 2023: 7.4%
 - 2024: 0.6%
 - 2025: -0.8%
 - 2026: 0.2%
 - 2027: 1.7%
- **Public sector net borrowing**
 - 2022/2023: 7.1%
 - 2023/2024: 5.5%
 - 2024/2025: 3.2%
 - 2025/2026: 2.8%
 - 2026/2027: 2.9%
 - 2027/2028: 2.4%
- **Unemployment**
 - 2022: 3.7%
 - 2023: 4.1%
 - 2024: 4.9%
 - 2025: 4.7%
 - 2026: 4.3%
 - 2027: 4.2%

Tax

- There will be no change to the headline rates of tax.
- The threshold for the Additional Rate of Income Tax will reduce from £150,000 to £125,140 from April 2023.

- The Income Tax personal allowance and higher rate threshold together with National Insurance and Inheritance Tax (IHT) thresholds will remain unchanged until April 2028.
- The dividend tax allowance will reduce from £2,000 to £1,000 in April 2023 and then to £500 in April 2024.
- The Capital Gains Tax (CGT) annual exempt amount will reduce from £12,300 to £6,000 in April 2023 and then to £3,000 in April 2024.
- The Stamp Duty changes announced in the 'mini-Budget' will now be temporary and end on 31 March 2025.
- The windfall tax on the energy industry is to be expanded and increased from 25% to 35% in January 2023 and there will be a new temporary 45% levy on electricity generators.
- Electric vehicles will stop being exempt from Vehicle Excise Duty from April 2025.
- Local councils in England will have additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% a year from April 2023. In addition, councils with social care responsibilities will be able to increase the adult social care component by up to 2% a year.
- Business rates in England will be updated in April 2023 to reflect changes in property values since the last revaluation in 2017 with a package of targeted support over five-years to support businesses as they transition to their new bills.

Welfare, Work and Pensions

- Help with energy bills is to continue after April 2023, but it will be less generous. A household using a typical amount of gas and electricity will pay £3,000 a year up from £2,500 as the Energy Price Guarantee rises.
- The National Living Wage is to increase from £9.50 to £10.42 an hour for people over age 23 from 1 April 2023. The National Living Wage for under twenty-threes will also be increased by around 10%.
- State Pensions and state benefits to be updated by 10.1% in April 2023 in line with inflation.
- The benefit cap will be raised by 10.1% from April 2023.
- There will be targeted support with the cost of living for those on low incomes, disability benefits and pensioners. Additional payments of £900 will be paid to those on means-tested benefits, £300 to pensioner households and £150 to people on disability benefits.
- Rent increases in the social rented sector will be capped at 7%.
- The Government's Review of the State Pension age is to be published in April 2023.

Social Care

- Social care reforms including the £86,000 cap on personal care costs to be delayed by two-years to October 2025.

Local Government

- New devolution deals mean there will be an elected mayor in Suffolk and proposals for mayors in Cornwall, Norfolk and an expanded mayoral deal in the north-east of England.
- 'Trailblazer' devolution deals with Greater Manchester and the West Midlands Combined Authorities are to come into force by early 2023, which will devolve powers such as skills, transport and housing. These deals are to be a blueprint for other areas in England to follow.

Regulation

- The Government is to review retained EU law to identify changes that can be made in what are seen as the key growth industries: digital technology, life sciences, green industries, financial services and advanced manufacturing.

IMPORTANT

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