

## Spring Statement 2018 Highlights



Chancellor Philip Hammond unveiled his first Spring Statement today.

He had been clear from the start that this statement would simply give an overview of the health of the economy, and it did just that. Unlike the Budget, it did not introduce immediate tax changes or spending announcements.

His theme, as was the case with the Autumn Budget, is “building a Britain fit for the future and an economy that works for everyone”.

The Spring Statement consultation documents can be found [here](#).

### **Key Announcements from the Statement:**

#### **Public finances**

- The economy has grown annually since 2010
- Unemployment has fallen, and 3 million more people are in work since 2010
- The economy grew by 1.7% in 2017
- The OBR has tweaked its GDP forecasts – growth has been upgraded for this year, but downgraded towards the end of the Parliament
- The OBR now predicts the UK to grow by 1.5% in 2018, 1.3% in 2019, 1.3% in 2020, 1.4% in 2021 and 1.5% in 2022
- It also expects inflation to fall back to its 2% target in the next 12 months

- Borrowing is forecast to be to £45.2bn this year; £4.7bn lower than forecast at the Autumn Budget
- The predicted borrowing figures are: 2.2% in 2017-18, 1.8% in 2018-19, 1.6% in 2019-20, 1.3% in 2020-21, 1.1% in 2021-22, 0.9% in 2022-23
- National debt is due to be 77.9% in 2022-23 – “the first sustained fall in debt for 17 years”
- The OBR expects that there will be another 500,000 people in work by 2022 – 100,000 fewer than predicted in November
- There will be another spending review in 2019

### Progress since Autumn Budget 2017

- Over £1.5 billion allocated to departments and devolved administrations to prepare for **Brexit** in 2018-19 – part of the £3 billion to be spent over two years announced at Autumn Budget 2017
- An ambitious plan to tackle the UK’s **housing challenge** and build the homes the country needs – an investment programme of at least £44 billion over the next five years
- Helping households with the **cost of living** – the National Living Wage will rise to £7.83 in April, while the tax-free personal allowance will rise to £11,850 then too
- Helping **businesses** – by bringing forward the next business rates revaluation to 2021
- Improving **transport** in English cities – inviting bids from cities across England for £840 million to improving local transport
- Improving the UK’s **digital connectivity** – allocating the first wave of funding for the £190 million Challenge Fund to help roll out full-fibre to local areas

### Consultations launched:

- [Reducing single-use plastic waste through the tax system](#)
- [Allowing Entrepreneur’s Relief on gains made before dilution](#)
- [Cash and digital payments in the new economy](#)
- [Financing growth in innovative firms: Enterprise Investment Scheme knowledge-intensive fund consultation](#)
- [VAT, Air Passenger Duty and Tourism in Northern Ireland](#)
- [VAT registration threshold: call for evidence](#)
- [Taxation of self funded work related training](#)
- [Extension of security deposit legislation](#)
- [Online platforms’ role in ensuring tax compliance by their users](#)
- [Alternative method of VAT collection – split payment](#)

Please keep in touch with Lansons:



Email [publicaffairs@lansons.com](mailto:publicaffairs@lansons.com)



Subscribe to our quarterly [e-newsletter](#)



Follow Lansons on [LinkedIn](#)



Follow and tweet us at [@LansonsLatest](#)