

# 2017 Budgets –Highlights

## Economy

- UK second-fastest growing economy in the G7 in 2016
- Growth forecast for 2017 upgraded from 1.4% to 2%
- But GDP downgraded to 1.6%, 1.7%, 1.9% in subsequent years, then 2% in 2021-22
- Inflation forecast to rise to 2.4% in 2017-18 before falling to 2.3% and 2.0% in subsequent years
- A further 650,000 people expected to be in employment by 2021

## Public borrowing/deficit/spending

- Annual borrowing £51.7bn in 2016-17, £16.4bn lower than forecast. Borrowing forecast to total £58.3bn in 2017-18, £40.6bn in 2018-19, £21.4bn in 2019-20 and £20.6bn in 2020-21.
- Public sector net borrowing forecast to fall from 3.8% of GDP last year to 2.6% this year, then 2.9%, 1.9%, 1% and 0.9% in subsequent years, reaching 0.7% in 2021-22.
- Debt rose to 86.6% this year, but will fall to 79.8% in 2021-22

## Education

- £300m to support 1,000 new PhD places and fellowships in STEM (science, technology, engineering and maths) subjects
- Free school transport extended to all children on free school meals who attend a selective school
- Increased investment in schools of £216m
- New T-Levels to be introduced to give parity for technical education
- Number of hours of training for technical students aged 16 to 19 to be increased by more than 50%, including a high-quality, three-month work placement
- Transformation Plans to proceed

## Health

- £100m to place more GPs in accident and emergency departments for next winter
- Additional £325m to allow the first NHS Sustainability and

## Housing/infrastructure/transport/regions/science

- Transport spending of £90m for the north of England and £23m for the Midlands to address pinch points on roads
- £270m for new technologies such as robots and driverless vehicles, £16m for 5G mobile technology & £200m for local broadband networks

## Pensions and savings

- Reduction in tax-free dividend allowance for shareholders from £5,000 to £2,000 from April 2018

## Social care

- An extra £2bn for social care over next three years, with £1bn available next year
- Long-term funding options to be considered but so-called " death tax" ruled out

## Taxation - Business

- £435m for firms affected by increases in business rates
- £300m hardship fund for small businesses worst affected
- Pubs with rateable value of less than £100,000 to get a £1,000 discount they pay
- Any business losing existing relief will not pay more than £50 a month
- A tax avoidance clampdown totalling £820m to include action businesses converting capital losses into trading losses, tackle abuse of pension schemes and introduce UK VAT on roaming telecoms services the EU
- Review of taxation of North Sea oil producers

## Taxation - Personal

- The main rate of Class 4 National Insurance contributions to increase from current rate of 9% to 10% in April 2018 and 11% in April 2019, raising £145m a year by 2021-22 at an average cost of 60p a week to affected

## Taxation - Alcohol, tobacco, gambling and fuel

- A new minimum excise duty on cigarettes based on a packet price of £7.35
- No increases in alcohol or tobacco duties on top of those previously announced
- Vehicle excise duty rates for hauliers and the HGV Road User Levy frozen for another year

## Women

- New funding totalling £20m to support the campaign against violence against women and girls
- A further £5m committed to project to celebrate the centenary of women first getting the vote, and to educate young people about its significance
- Funding of £5m to support people returning to work after a career break