

# [BEIS in the Autumn Statement](#)

Yesterday (Thursday 17 November), the Chancellor delivered his [Autumn Statement](#) to the House of Commons, announcing a raft of measures aimed at ensuring the UK's economic stability, continuing growth, and providing support to the most vulnerable.

The Chancellor highlighted how the government's priority is to tackle inflation and prevent it eating into the paycheques and savings of people across the country, while eliminating disruption to business growth plans.

Among the key measures that BEIS will be charged with delivering is an uplift in the National Minimum Wage and the largest ever cash increase in the National Living Wage – helping protect over 2.5 million of the lowest-paid workers in the UK against the rising cost of living.

As well as continuing to support households with their energy bills by extending the Energy Price Guarantee, the Autumn Statement also prioritised boosting the UK's energy independence and efficiency. This includes an investment in Sizewell C and the creation of a new taskforce for energy efficiency.

The Chancellor also outlined how innovation would be crucial to unlocking economic growth, announcing that the government will be protecting £20 billion in research and development investment in 2024 to 2025.

Business Secretary Grant Shapps said:

We are doing everything we can to support the most vulnerable in these challenging times, and this Autumn Statement builds on the measures already in place to protect businesses and consumers over the coming months.

From delivering the biggest increase yet to the National Living Wage, to supporting businesses and households from rising costs and investing in innovative new technologies, we are prioritising stability and growth to ensure the UK can prosper.

Among the BEIS policies announced in the Autumn Statement include:

## **Energy support**

### **Energy Price Guarantee**

The Energy Price Guarantee is a scheme which limits the unit price households pay for electricity and gas across the UK. It brings a typical household energy bill in Great Britain down to the equivalent of around £2,500 per year (for the period of 6 months) from 1 October 2022 to end of March 2023 (with

equivalent support in Northern Ireland (NI)); and then to around £3,000 per year for a typical household in Great Britain from April 2023 to April 2024 (again with equivalent support in NI).

The government will consult on amending the scheme as soon as is feasible after April 2023 so that those who use very large volumes of energy have their state support capped, whilst the vast majority of households can continue to benefit. This proposal is intended to ensure taxpayers do not subsidise all of the energy usage of those households with extremely high usage. This consultation will explore the best ways to ensure that vulnerable high energy users, such as those with medical requirements, are not put at risk.

## **New approach from April 2024**

The government will develop a new approach to consumer protection in relation to energy, which will apply from April 2024 onwards. It will work with consumer groups and industry to consider the best approach, including options such as social tariffs, as part of wider retail market reforms. The objectives of this new approach will be to deliver a fair deal for consumers, ensure the energy market is resilient and investable over the long-term, and support an efficient and flexible energy system.

## **Alternative fuel payments**

The government will double the level of support for households that use alternative fuels, such as heating oil, liquefied petroleum gas (LPG), coal, or biomass, to heat their homes to £200. This support will be delivered as soon as possible this winter. The government will provide this payment to all Northern Ireland households in recognition of the prevalence of alternative fuel usage in Northern Ireland. The government will also provide a fixed payment of £150 to all UK non-domestic consumers who are off the gas grid and use alternative fuels, with additional 'top-up' payments for large users of heating oil based on actual usage.

## **Energy Efficiency Taskforce**

The government will form a new Energy Efficiency Taskforce, charged with driving improvements in energy efficiency to bring down bills for households, businesses, and the public sector. The taskforce will support a new ambition to reduce energy demand from buildings and industry by 15% by 2030. New government funding worth £6 billion will be made available from 2025 to 2028, in addition to the £6.6 billion provided in this Parliament.

## **Energy security**

### **Electricity Generator Levy**

To help offset the costs of energy bill support schemes as well as vital public services, the government will be introducing a new temporary tax of 45% on certain electricity generators in the UK, called the Electricity

Generator Levy. The levy, replacing the Cost Plus Revenue Limit, will be used to raise revenue from generators receiving extraordinary returns from higher electricity prices and will help fund the unprecedented package of support for energy bills the government is offering.

From January, the Energy Profits Levy on oil and gas companies will also increase from 25% to 35%, bringing the headline tax rate for the sector to 75% helping raise revenue, recognising their continued high profits. The Energy Profits Levy is applied to total profits rather than a measure of extraordinary returns and will come on top of other additional taxes applied to oil and gas production in the UK.

## **Sizewell C**

Plans for the new plant at Sizewell C continue. Subject to final approvals, contracts are expected to be signed with relevant parties, including EDF, in the coming weeks. The project will create 10,000 highly skilled jobs for the area and provide reliable, low-carbon, power to the equivalent of 6 million homes for over 50 years. The government's £700 million investment is the first state backing for a nuclear project in over 30 years and represents the biggest step in the UK's journey to energy independence.

## **Backing business and workers**

### **National Living and Minimum Wage increases**

Over 2 million of the lowest-paid workers in the UK will receive a pay rise, as the National Living Wage rate is increased by around 10%, its largest ever cash increase. These generous increases will support workers across the UK with the rising cost of living and provide added certainty for businesses for the year ahead. The National Minimum Wage, which is designed for younger workers, also receives a generous rise that protects their employment prospects. The new rates, recommended by the Low Pay Commission, an independent body with worker and business representatives, will come into force in April 2023.

### **Digital Markets Competition & Consumers Bill**

The Digital Markets Competition & Consumers Bill will be brought forward in the third Parliamentary session to reform the UK's digital markets, competition and consumer laws, strengthening public and business confidence in the power of free markets, and provide new powers to the Digital Markets Unit. In doing this, consumers' hard-earned cash will be further protected from scams and rip-offs, markets will become more competitive and dynamic, meaning consumers get the very best deals, and a new regime will be introduced to address the far-reaching market power a small number of very powerful tech firms have on the market.

# Unleashing innovation

## Research and development

Investing in R&D is absolutely vital to help the economy and businesses grow. The government will ensure £20 billion in research and development investment is protected in 2024 to 2025, to help unlock growth across the UK. R&D tax reliefs will also be reformed, to ensure that taxpayers' money is spent as effectively and efficiently as possible.

## Made Smarter

The government will extend the Made Smarter Adoption programme to the East Midlands, supporting more small and medium manufacturing firms in boosting their productivity, efficiency, and resilience through adopting advanced industrial digital technologies, including robotics and automation, additive manufacturing, and AI. The extension follows the positive feedback the Made Smarter Adoption programme has already received in the North East, West Midlands, North West, and Yorkshire and the Humber.

## Catapult Network

Funding for the Catapult Network, which promotes research and development through business-led collaboration, will increase by 30% compared to the last 5-year funding cycle. This £1.6 billion investment will provide SMEs access to world-leading facilities, expertise, skills, and equipment; accelerating innovation clusters and stimulating additional private sector investment in R&D across the UK.

## Background information

In full, the National Living and Minimum Wage increases are:

- National Living Wage (23+) to increase 9.7%, from £9.50 to £10.42
- National Minimum Wage (21-22) to increase 10.9%, from £9.18 to £10.18
- National Minimum Wage (18-20) to increase 9.7% from £6.83 to £7.49
- National Minimum Wage (under 18) to increase 9.7% from £4.81 to £5.28
- Apprenticeship National Minimum Wage to increase 9.7% from £4.81 to £5.28
- Accommodation offset to increase 4.6% from £8.70 to £9.10. The accommodation offset is the maximum amount of value for provision of a workers' accommodation that can count towards National Minimum Wage pay

The Low Pay Commission, an independent body with worker and business representatives recommends the rates to the government every year. The government has accepted the Low Pay Commission's rate recommendations in full.