

[News story: Spring Statement 2018: what you need to know](#)

The Spring Statement gives people and businesses certainty and stability to plan for the future

Major tax or spending changes will now be made once a year at the Budget in the Autumn.

The Spring Statement:

- gives an update on the overall health of the economy and the Office for Budget Responsibility (OBR) forecasts
- gives an update on progress made since [Autumn Budget 2017](#)
- invites people and businesses to give views on changes the government is considering

Economy and fiscal forecasts

The economy continues to grow, continues to create jobs and continues to beat expectations

The economy has grown for five consecutive years, and exceeded expectations in 2017.

The OBR has increased their forecast for growth this year.

Year GDP growth forecast

2018 1.5%

2019 1.3%

2020 1.3%

2021 1.4%

2022 1.5%

Manufacturing has had the longest period of expansion in 50 years.

Employment has increased by 3 million since 2010, which is the equivalent of 1,000 people finding work every day. The unemployment rate is close to a 40-year low. There is also a joint record number of women in work – 15.1 million. The OBR predict there will be over 500,000 more people in work by 2022.

The OBR expect inflation to fall over the next 12 months, and wages to rise faster than prices over the next five years.

The UK's public finances have reached a turning point, with borrowing down and the first sustained fall in debt for 17 years

Borrowing has fallen by three-quarters since 2010. In 2009-10 the UK borrowed £1 in every £4 that was spent. The OBR expect that we will borrow £1 in every £18 this year.

Debt will start falling as a share of GDP next year.

Year	UK debt (% of GDP)
2017-18	85.6%
2018-19	85.5%
2019-20	85.1%
2020-21	82.1%
2021-22	78.3%
2021-23	77.9%

Even so, the UK's debt remains too high, equal to around £65,000 per household. This makes the economy vulnerable to future shocks. It also imposes a significant burden on future generations.

The cost of debt interest payments is around £50 billion each year – more than the amount spent on the police and armed forces combined.

The government has a balanced approach to get debt falling while funding our vital public services, keeping taxes low, and investing in Britain's future.

Progress since Autumn Budget 2017

Over £1.5 billion allocated to departments and devolved administrations to prepare for Brexit in 2018-19

It is 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 was announced at Autumn Budget 2017, putting us on track to raise the supply of homes to 300,000 a year on average by the mid-2020s.

Spring Statement confirms that we are getting on with the job:

- we are working with 44 areas on their bids into the £4.1 billion Housing Infrastructure Fund to help build the homes that the country needs
- the Housing Growth Partnership, which provides financial support for small housebuilders, will be more than doubled to £220 million
- London will receive £1.67 billion to start building a further 27,000 affordable homes by the end of 2021-22

To help people getting onto the housing ladder, stamp duty for first-time buyers of homes under £300,000 was abolished at Autumn Budget 2017, with buyers of properties up to £500,000 benefitting from the change. An estimated 60,000 first-time buyers have benefitted so far.

Helping households with the cost of living

In April 2018 the National Living Wage will rise to £7.83, worth £600 extra a year for a full-time worker. National Minimum Wage rates for under 25s and apprentices will also rise – the largest increase in youth rates in 10 years. Over 2 million people are expected to benefit from April's increases.

The tax-free personal allowance – the amount you earn before you start paying income tax – will rise to £11,850 from April 2018. This means that in 2018-19, a typical taxpayer will pay £1,075 less income tax than in 2010-11.

Helping businesses by bringing forward the next business rates revaluation to 2021

At Autumn Budget 2017 it was announced that business rates revaluations will take place every three years, rather than every five years, following the next revaluation. This makes bills more accurately reflect the current rental value of properties.

Spring Statement 2018 [announces](#) that the next revaluation, currently due in 2022, will be brought forward to 2021. This will mean businesses can benefit from the change to three-year revaluations earlier, with the first taking place in 2024.

Improving transport in English cities

£1.7 billion was announced at Autumn Budget 2017 for improving transport in English cities. Half of this was given to Combined Authorities with mayors. The government is now inviting bids from cities across England for the remaining £840 million.

Improving the UK's digital connectivity

Autumn Budget 2017 launched a £190 million Challenge Fund to help roll out full-fibre to local areas – providing the fastest, most reliable broadband to more homes and businesses. Spring Statement 2018 allocates the first wave of funding, providing over £95 million for 13 areas across the UK.

Inviting views on future changes to the tax system

Reducing single-use plastic waste through the tax system

Disposable plastics like coffee cups, plastic cutlery and foam trays damage our environment. The government is determined to take further action, and is [seeking views](#) on how best to use the tax system to encourage the responsible use of plastic.

Some of the money raised from any tax changes will be used to encourage the creation of new, greener products and services. In addition, £20 million from existing budgets will be given to businesses and universities to research ways to reduce the impact of plastics on the environment.

Making sure multinational digital businesses pay a fair share of tax

Digital businesses create value in a unique way, relying on the participation and engagement of their users. This is not always reflected in where such multinational businesses pay tax on their profits.

The government has [set out its thinking](#) on how the tax system can change to give a fair result for digital businesses.

Seeking views on the role of cash in the new economy

Digital technology has changed the way people shop, sell, and save. While cash will continue to be an important method of payment, more people are moving towards digital payments every year.

The government is [seeking views](#) on what more it can do to:

- support people and businesses who use digital payments
- ensure that those who need to are able to pay with cash
- prevent the use of cash to evade tax and launder money

Supporting people to get the skills they need

Improving people's skills benefits both individuals and the wider economy. To support upskilling and retraining, the government is [seeking views](#) on extending the current tax relief to support self-employed people and employees when they fund their own training.