



AUTUMN BUDGET 2023

OVERVIEW

On 22nd November 2023 the Chancellor, Jeremy Hunt, delivered the Autumn Budget. The key announcements, and how they affect you, are summarised below.

INDIVIDUALS

- National insurance – rate of Class 1 NICs paid by employees cut from 12% to 10% from 6th January 2024, main rate of Class 4 NICs, paid by the self-employed, cut from 9% to 8% from 6th April 2024.
- The National Minimum Wage for 18 to 20-year-olds rises from £7.49 to £8.60 an hour
- The National Minimum Wage for under-18s will rise from £5.28 to £6.40 an hour
- The apprentice rate goes up from £5.28 to £6.40 an hour
- National living wage – raised from £10.42 per hour to £11.44 from April 2024. Applicable to those aged 21 or over, after an extension of the rate to 21 and 22 year olds.
- Triple lock retained, the new state pension will rise to £221.20 per week (around £11,502 annually) in April 2024, an increase of 8.5%.
- Local Housing Allowance for private renters through housing benefit or universal credit increased to 30% of local market rents in 2024/25.
- Self Employed no longer have to pay Class 2 NICs. Those with profits under £6,725 and others who pay Class 2 NICs voluntarily to get access to contributory benefits including the State Pension, will continue to be able to do so. The weekly rate they pay will be frozen at £3.45 for 2024-25, rather than rising by CPI to £3.70.
- Welfare reforms, including a strengthening of work search requirements designed to increase employment (including mandatory work experience for people who do not find a job within 18 months).
- A number of benefits will rise by 6.7% in April, in line with the rate of rising prices.
- Freezing small business rates multiplier for business in 2024/25.
- Freeports – extending the duration of tax reliefs available from 5 to 10 years.
- Investment zones – extending the programme from 5 to 10 years. Three new zones were announced: Greater Manchester, West Midlands and East Midlands.
- Alcohol duties – freeze alcohol duties until 1st August 2024 and delay the annual uprating decision to the 2024 Spring Budget.
- The existing Research and Development Expenditure Credit (RDEC) and SME schemes will be merged, with expenditure incurred in accounting periods beginning on or after 1st April 2024 to be claimed in the merged scheme.

BUSINESSES

- Current 75% business rates relief for eligible retail, hospitality and leisure properties extended for one year in 2024/25.
- Capital Allowances ‘full expensing’ made permanent. This allows businesses to offset investment in items such as new IT equipment and factory machinery against tax after utilising available AIA.

ECONOMY

- Investment of an extra £4.5bn between 2025 and 2030 in manufacturing.
- Approx. £1m will be assigned to aerospace companies and businesses working on green technologies.