

Autumn Budget Summary

30TH | OCTOBER | 2024

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Summary of the Chancellor's autumn budget.

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Taxes

- National Insurance contributions for employers will increase from 13.8% to 15% from April 2025.
- The threshold at which businesses start paying national insurance on workers' earnings will be lowered from £9,100 to £5,000.
- No extension on the freeze in income tax and national insurance thresholds.
- Lower rate for capital gains tax increased from 10% to 18%, with higher rate rising from 20% to 24%.
- Non-dom tax regime abolished.
- Inheritance tax thresholds will be frozen for a further two years until 2030.
- From April 2027, inherited pensions will be subject to inheritance tax.
- From April 2026, the first £1m of combined business and agricultural assets will continue to attract no inheritance tax at all, but for assets over £1m, inheritance tax will apply with 50% relief, at an effective rate of 20%.
- From the 2028/29 tax year, personal tax thresholds will be updated in line with inflation.

Wages, allowances and reliefs

- National minimum wage will rise by 6.7% to £12.21 from April 2025.
- The minimum wage for those aged 18 to 20 will rise by 16.3% to £10 an hour.
- The weekly earnings limit for those claiming carers allowance will increase to the equivalent of 16 hours per week at the national living wage.
- Introduction of a fair repayment rate meaning that the level of debt that can be taken from a household's monthly Universal Credit payment will reduce from 25% to 15%
- The state pension and pension credit standard will increase by 4.1% in the 2025/26 tax year.
- Employment allowance would be increased to £10,500 from £5,000.
- Business asset disposal relief will remain at 10% this year before rising to 14% in April 2025 and to 18% from 2026/27.
- Lifetime limit for business asset disposal relief maintained at £1m.
- 40% relief on business rates for the retail, hospitality and leisure industry in 2025/26 up to a cap of £110,000 per business.

Duty

- Introduction of a flat-rate duty on all vaping liquid from 2026.
- Renew the tobacco duty escalator at RPI +2%, increase duty by 10% on hand-rolled tobacco this year.
- Fuel duty of a 5p cut remains in place.
- Draught duty cut by 1.7%, taking a penny off pints in pubs.
- Air passenger duty to increase by 50% for private jet passengers.
- Air passenger duty to increase by no more than £2 for an economy flight.
- increase in the stamp duty land tax surcharge for second homes, known as a higher rate for additional dwellings, to 5% which will come into effect from 31st October 2024.

Education

- Core schools' budget will increase by £2.3bn in 2025.
- Business rates relief would be removed from April 2025.
- VAT levied on private school fees will come into effect at a 20% hike from January 2025.
- An additional £300m will be provided for further education.
- £1bn uplift will be given to fund special educational needs education.
- Tripling investment in breakfast clubs to fund them in thousands of schools.
- £6.7bn of capital investment to the Department for Education next year to tackle school buildings, including £1.4bn for the schools in the greatest need.
- Additional £2.1bn to improve school maintenance which will help schools deal with the RAAC concrete crisis.

Ministry of defence

- 2025 budget of £2.9bn.
- Further guarantee of military support to Ukraine of £3bn per year.

Key sector funding

- Nearly £1bn for the aerospace sector to fund vital research and development.
- Over £2bn to support the electric vehicle industry and develop Britain's manufacturing base.
- Up to £520m for a new Life Sciences Innovative Manufacturing Fund.
- £25m for the Northeast Combined Authority to invest in the Crown Works Studio site in Sunderland creating 8,000 new jobs.
- Over £20bn for government investment in research and development.

Transport and road improvements

- £3 bus fare cap will be extended to December 2025.
- Over £650m of local transport funding to "improve connections across the country in towns, villages and in rural areas.
- £1.3bn of funding will be delivered to improve connectivity in our city regions.
- £500m increase in road maintenance budgets to fix an additional 1 million potholes per year.

Public services

- £1.3bn in grant funding was announced to deliver essential services. This includes £600m to social care and £230m to tackle homelessness and rough sleepers.
- Greater Manchester and the West Midlands will be the first mayoral authorities to receive integrated settlements from next year.
- Additional funding to crack down on the organised gangs which target retailers.
- £25m was awarded to the Welsh Government next year for the maintenance of coal tips.
- £3.4bn to Scotland through the Barnett formula funding.
- The budget also provides £1.7bn to the Welsh Government and £1.5bn to the Northern Ireland executive in 2025/26.
- £1.8bn would be set aside to compensate victims of the post office horizon scandal.
- Funding to commemorate the 80th anniversary of VE and VJ Day next year, to honour those who have served a home and abroad.
- £2m will be put towards holocaust education.
- funding for 11 new green hydrogen projects across England and Scotland.
- Kick start of the warm homes plan with an initial £3.4bn over the next three years to transform 350,000 homes.



Health sector

- £22.6bn increase in the day-to-day health budget, and a £3.1bn increase in the capital budget before the end of 2025.
- £1bn of health capital investment will be given to address the backlog of repairs and upgrades across the NHS estate.
- A further £1.5bn for new beds in hospitals across the country.

Other announcements

- £11.8bn will be set aside to compensate victims of the infected blood scandal.

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