



A simple Spring Statement

The Chancellor's Spring Statement on 13 March was, as promised, a low-key event.

Last autumn, Mr Hammond announced he would have only one 'fiscal event' each year – an autumn Budget. The Spring Statement would become a response to revised projections from the Office for Budget Responsibility (OBR).

The Treasury has had to provide an economic commentary at least twice a year since the Industry Act 1975 was passed. Many Chancellors have taken this to mean they can have two Budgets a year – one formal Budget and another informal mini-Budget.

On 13 March the Chancellor stuck firmly to the principle of one annual fiscal event and did not announce any new spending or tax measures. It still took Mr Hammond 25 minutes to deliver his speech, however, owing to 13 new consultation papers.

Amongst the consultations were several focusing on the digital economy and the loss of tax revenue, particularly from traders based outside the UK. One paper will also review "the future role of cash", with hints that copper coins and the £50 note may not survive much longer.

The OBR's economic projections were marginally better compared to the Autumn Budget, but much worse than two years ago, before the Brexit vote. Unsurprisingly, the OBR's calculations suggest there will be very little scope for tax cuts. The government is forecast to borrow £21.4 billion in 2022/23, ending the period with a total debt of just under £1.9 trillion.

With so much red ink, if you want to cut your tax bill, acting yourself is more likely to deliver savings than waiting for the chancellor.

The value of tax reliefs depends on your individual circumstances.

Tax laws can change.

The Financial Conduct Authority does not regulate tax advice.