



Budget at a glance

George Osborne makes £12 billion in cuts to the £220bn welfare budget

CHANCELLOR OF THE EXCHEQUER

Key points of Chancellor's speech

National living wage: Minimum pay of **£9 per hour** by 2020 – pay rise for 2.5 million people

Public sector: Pay awards will be limited to **1% a year** for next four years

Income tax: Personal allowance up from **£10,600** to **£11,000**. Higher rate threshold from **£42,835** to **£43,000**. Tax rates remain unchanged

Corporation tax: Cut to **19%** in 2018 and **18%** from 2020

Working-age benefits: Frozen for four years. New cap of **£20,000** a year outside London and **£23,000** in capital. Cap will affect 89,000 households and save **£1.67bn** over five years

Earn or learn: Housing benefit for those aged between 18-21 to be abolished, exceptions for vulnerable people

Pay to stay: Households earning more than **£40,000** a year in London and **£30,000** elsewhere to pay closer to market rates for their rented public housing. Current subsidies are worth up to **£3,500** per year

Fuel duty: Frozen. MOT on new vehicles extended from 3 to 4 years

Excise duty: Duty based on emissions in first year for new cars from 2017, and three bands thereafter. Rate in "standard" band will be **£140** – less than current average of **£166**. Tax used to improve roads

Inheritance tax: Additional **£175,000** transferable allowance for family home – **£1 million** tax free on death of last parent

Dividend tax credit: Replaced by tax-free allowance of **£5,000** of dividend income – one million people will see tax cuts

TV licences: Cost for over-75s to be met by BBC, saving **£650m**

NHS: Further **£8bn** in addition to **£2bn** already provided earlier this year

Northern powerhouse: More powers for Greater Manchester, Leeds, Liverpool and Sheffield

