

# Possible cuts to fix UK finances



UK finance minister *Jeremy Hunt* (left) has reversed most of former Prime Minister *Liz Truss's* (right) £45 billion (€52bn) of unfunded tax cuts. He needs to raise as much as £40bn (€46bn) to plug a hole in public finances



## ■ Government savings:

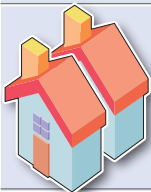
Hunt has called on all departments to cut budgets by up to **15%**



■ **Pensions:** Under “triple lock,” state pensions increase by highest of **earnings**, **inflation** or **2.5%**

**Inflation:** At **10.1%**, pension bill will increase by some **£25bn** (€29bn) – Office for Budget Responsibility

■ **Pension cuts:** Pension and welfare payments could be linked to **average earnings** rather than **inflation**, saving **£6bn** (€7bn) a year



■ **Infrastructure:** Chancellor could cut back **£11bn** (€12.6bn) project to build affordable new homes, and parts of HS2 high-speed railway



■ **Banks:** Hunt could reverse plan to cut surcharge on bank profits from **8% to 3%**



■ **Bank reserves:** British banks hold around **£947bn** (€1,086bn) of reserves at Bank of England and receive interest at **2.25%**. Paying interest on only **£100bn** (€115bn) of reserves could save up to **£45bn** (€52bn) a year



■ **Foreign aid:** Britain – among leading donors to poor nations – could freeze aid at **0.5%** of GDP instead of rising to planned **0.7%**, saving **£3.5bn** (€4bn)