Title: Central Government Budget 2017
Summary: This note provides a summary of the key announcements in the Chancellor of the Exchequer's 2017 budget statement made on 8 March 2017

The 2017 Spring Budget announcement on 8 March 2017 outlined the government's spending and tax plans. Alongside the budget the Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook (EFO), containing its forecasts for the economy and public finances.

The key headlines are as follows:

Economy and Public Spending

 GDP grew by 1.8% in 2016. Growth forecasts are for GDP growth to be reasonably stable at between 1.6% and 2.0% per annum to 2021.
 Inflation (CPI) is expected to be 2.4% in 2017, falling back to 2.3% in 2018 and 2.0% from 2019 to 2021.
 The current account deficit is expected to narrow to 3.5% of GDP in 2017, and to continue to narrow to 2.0% of GDP in 2021.

Adult Social Care

 An additional £2 billion grant funding for social care will be made available to local authorities with £1 billion in 2017/18, £674m in 2018/19 and £337m in 2019/20. Confirmation of individual authorities' allocations is expected shortly.
 The expectation is that the funding should be spent on unmet pressures and on stabilising the care market.
 There will be targeted measures to help ensure those areas facing the greatest challenges make improvements, particularly in reducing delayed transfers of care between the NHS and social care services.
 The government will set out proposals for establishing a fair and more sustainable basis for adult social care in a green paper to be published later this year.

Business Rates

 Three further measures were announced (in addition to the £3.6 billion transitional relief scheme and the extension of the small business rates relief scheme) to help those affected by the 2017 revaluation, as follows.
 Any business losing small business rates relief will see the increase in their 2017/18 bill capped at £600.
 Pubs with a rateable value less than £100k will receive a £1,000 discount in 2017/18.
 Funding of £300m over 4 years to allow local authorities to offer discretionary relief to hard-hit businesses.
 Local authorities will be fully compensated for any loss of income as a result of these measures.
 The government will set out its preferred approach for more frequent revaluations in the autumn 2017 budget and will consult on this ahead of the next planned revaluation in 2022.

Devolution

 A Memorandum of Understanding has been agreed on further devolution to London. This includes exploration of locally delivered criminal justice services, piloting a new approach to infrastructure funding, and exploring greater local influence over careers and employment support services.
 The government is in discussions with Greater Manchester on future transport funding.

Infrastructure and Investment

 The budget sets out further detail of how the £23 billion National Productivity Fund (NPIF) will be invested. This includes digital infrastructure, 5G, full-fibre broadband and research and development.
 The NPIF also includes £690m for local transport to be competitively allocated to local authorities. £490m of this will be made available by early autumn 2017.

Taxation, Pensions and Savings

 The main rate of Class 4 NICs will be raised from 9% to 10% in April 2018 and to 11% in 2019. Taken alongside the abolition of Class 2 NICs announced in the autumn statement, only those self-employed individuals with profits over £16,250 will pay more NICs (since revoked)

Health and Education

 £320m will be invested in this parliament to help fund 140 new free schools, of which 30 will open by September 2020.
 A further £216m will be made available for investment in school maintenance.
 The current 'extended rights' to free school transport entitlement for children aged 11-16 is being expanded. Those children in receipt of free school meals or whose parents claim the maximum working tax credit will receive free transport to the nearest selective school in their area.
 From 2019-20 the number of programme hours of training for 16-19 year olds on technical education routes will be increased by more than 50%, including the completion of a high-quality work placement.
 From 2019-20 maintenance loans will be made available to students on technical education courses.