

Spring Statement

Plain English March 2025

Rachel Reeves is UK Chancellor which means she decides what money the government spends.

Today she gave the Spring Statement 2025 to tell us what she has decided.

Welfare changes

People who apply for health related universal credit from April next year will get less money (about half).

People under 22 will not be able to claim incapacity benefit.

People who already get health related payments will get the same money unless they have a serious health condition (they get more).



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Universal Credit will rise to £106 every week by 2030 instead of £107.

It will be more difficult for people to get Personal Independence Payment from November next year.

To get Personal Independence Payment in November 2026 you have to score 4 points on at least 1 daily living task and at least 8 points for all daily living tasks.

Planning for growth

The Office of Budget Responsibility (OBR) calculate how well our economy is doing in the UK.

The OBR say that our economy will grow less this year, 1 percent.

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But for the next 4 years our economy will grow by nearly 2 percent.

This has increased since the first government budget and means the UK will have more money in general.

Inflation means that things cost more. OBR says it will probably be more this year but will go back to 2 percent (the government's target).

Housing

The OBR says that changes to planning rules mean there will be 170 thousand more new homes over the next 5 years.

This is one of the reasons that our economy will grow.



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Spending

The government made a rule that they would balance spending with taxes.

The OBR says that there is a 54 percent chance that without changes they will miss this target.

The UK national debt is money that our country has borrowed.

The OBR also says that there is a 51 percent chance that the UK national debt is going to go down.

The Chancellor says that they have been affected by higher debt costs.



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Defence

The government is going to spend 2.2 billion pounds more on our armed forces on top of 2.9 billion extra

The government is going to spend less on overseas aid by 0.2 percent. This aid helps people suffering war or natural disasters.

Public services

The government is going to spend less on public services (like health, education and transport).

The cost of running government departments must go down by 15 percent by 2030.

Around 10 thousand government administration jobs might be lost.