

Hunt expected to announce rise in national living wage

Chancellor Jeremy Hunt will announce a rise in the national living wage this week, Sky News understands.

Mr Hunt and Prime Minister Rishi Sunak will accept an official recommendation to increase the living wage from £9.50 an hour to about £10.40 an hour, according to news first reported in The Times.

The rise of nearly 10% would benefit around 2.5 million people, the newspaper said.

Among the other measures reportedly being considered are:

- Cost of living payments for eight million households worth up to £1,100
- Payments of £650 for those on means-tested benefits such as universal credit, £150 for disability benefit recipients, and £300 for pensioner households
- Freezing of thresholds for income tax, national insurance, VAT, inheritance tax and pensions savings
- Removing the requirement for local authorities to hold a referendum before increasing council tax by more than 2.99%, allowing them to raise significantly more money. The new threshold could be 5%, The Daily Telegraph reported

The moves are part of plans to cut spending by £33bn and raise taxes by £22bn to plug a black hole in the country's finances.

The government has already said that the poorest households will be prioritised, leaving wealthy and middle-income households to bear the greatest burden from tax rises.

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One of the main focuses will be energy costs, with changes to be made to the price guarantee announced in September by Mr Sunak's predecessor, Liz Truss.

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The price guarantee meant that a typical household would face energy bills of no more than £2,500 a year, but this could rise to as much as £3,100 from April – and even this would still leave taxpayers with a large bill.

There have also been hints that the autumn statement on Thursday could include benefits and pensions being increased in line with inflation – a move that will cost around £11bn.

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The triple lock on state pensions – which guarantees an increase in line with average earnings, inflation, or 2.5%, whichever is higher – was part of the Conservatives' manifesto in 2019.

But, as inflation soars past 10%, it has become increasingly expensive.

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Speaking to reporters accompanying him on his trip to the G20 summit in Bali, Mr Sunak said: "My track record as chancellor shows I care very much about those pensioners, particularly when it comes to things like energy and heating because they are especially vulnerable to cold weather.

"That's why when I announced support earlier this year as

chancellor we made extra provision for pensioners to receive up to £300 alongside their winter fuel payments to help them cope with energy bills over the winter.

“So I am someone who understands the particular challenge of pensioners.

“They will always be at the forefront of my mind.”