



# ARK Feature

## The Autumn Budget: Public Voices, Fiscal Choices

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On 30 October 2024, Rachel Reeves announced the Autumn Budget. This was historic as it was the first Budget from a female Chancellor of the Exchequer. It was also notable in being the first Budget from a Labour government since 2010, and reflected the party's political approach to redistribution, tax and spending.

While many of the headline announcements were relevant across the United Kingdom (UK), others related solely to England. There were specific announcements for Northern Ireland which included £18.2 billion being allocated to the Northern Ireland Executive in 2025/26, inclusive of £1.2 billion for day-to-day spending and £270 million for capital and infrastructure investment. This reflects an increase in funding which Hilary Benn, Secretary of State for Northern Ireland, stated was “the biggest real terms settlement for Northern Ireland since devolution”. Decisions on the allocation and spending of the settlement now rest with the Northern Ireland Executive. The Autumn Budget has other implications for Northern Ireland including a rise in funding for areas such as policing and security; supporting schools to transform to integrated status; and confirmation of the Mid South West and Causeway Coast and Glens City Deals on regeneration to promote economic development and growth in rural regions (Northern Ireland Office, HM Treasury and The Rt Hon Hilary Benn MP, 2024).

In autumn 2023 the *Northern Ireland Life and Times (NILT)* survey asked a representative sample of 1,200 adults aged 18 years and over their opinions towards the role government should, or should not, play in implementing redistributive economic policies. The questions specifically addressed the reduction of income differentials, ‘tax and spend’ decisions, and the provision of a guaranteed income for all. This ARK Feature explores the responses to these questions, within the context of the Autumn Budget in 2024.

### Reducing income differentials

Overall, a slight majority (57%) of NILT respondents in 2023 felt that the government has a responsibility to reduce the differences in income between people with high incomes and those with low incomes. While the level of support differed little between males (55%) and females (60%), larger differences were evident according to age. For example, 73 per cent of those aged 18-24 years agreed that it is the government's responsibility to reduce income differentials compared with 51 per cent of those aged 65 years or over. When analysed by political party affiliation, Sinn Féin supporters (78%) were most likely to support this as a responsibility of government, compared with DUP (Democratic Unionist Party) supporters (36%), who were least likely to support this.

### Tax and spend

The Autumn Budget 2024 was publicly perceived as being one of tax rises, with the increased tax revenue of £40 billion being allocated to fund the NHS and other public services. For example, in England, around one third of the tax revenue is to be spent on Health and Social Care, and 13 per cent is allocated to the Department for Education (Keep et al., 2024). These figures will not affect spending on public services in Northern Ireland, as these are devolved matters, and are within the remit of the Northern Ireland Executive.

The UK Government argued that this was a budget that was intended not to harm ‘working people’, which was further emphasised through the intention to increase the personal tax thresholds in line with inflation from 2028-29. Instead, the burden of the tax increases fall on employers and businesses. For example, there was an increase in the rate of National Insurance contributions for employers, but not in the level of contributions to be paid by employees.

Opinion among NILT respondents on 'tax and spend' was mixed, with similar proportions (37%) supporting and opposing the idea that the government should increase taxes and allocate more to health, education and social benefits. Males were more supportive than females of the government increasing taxes if allocated to spending on these public services (45% and 29% respectively). There were also differences in opinion according to age, with those aged 65 years or over being the most supportive of this approach (50%). However, ten per cent of those aged 18-24 years were unsure how to answer this question. DUP supporters were least likely to agree to government taxing and spending in this way – 25 per cent were in favour, while 51 per cent were not. However, the views of Sinn Féin supporters (47% agreed; 29% disagreed) and Alliance supporters (48% agreed; 28% disagreed) show greater support for intervening in this way.

## Increase in minimum wage

The Budget included a rise in the minimum wage. An increase of 6.7 per cent in the National Living Wage for people aged 21 years or over, from £11.44 to £12.21 per hour was announced. In addition, the National Minimum Wage for those aged 18 to 20 years will increase from £8.60 to £10.00 (an increase of 16.3%), and for those under 18 years, a rise from £6.40 to £7.55 (a rise of 18%) will be implemented as part of a long-term plan to move towards a 'single adult rate'. The increases to minimum wage are set to take effect across the UK from April 2025.

Among respondents to the 2023 NILT survey, there was majority support (59%) for the idea that the government should provide everyone with a guaranteed basic income. Females were slightly more in favour of this than males (62% and 56% respectively). Support was highest among the youngest age group (72% of those aged 18-24 years) and lowest (53%) among those aged 35-44 years. A clear majority of Social Democratic and Labour Party (SDLP) supporters (72%) and Sinn Féin supporters (71%) were in favour of a guaranteed basic income. However, a lower proportion of Alliance (57%), DUP (53%), and Ulster Unionist Party (UUP) (42%) supporters were in favour of this intervention.

Hayward and Rosher (2024) analysed responses to the questions on economic policy addressed in this ARK Feature according to the political leaning (left or right) of respondents. They found that in this regard NILT respondents generally hold views that are commonly considered as left-leaning, and that nationalists were more likely to be on the left than unionists or those aligning with neither.

## What next?

The findings from the 2023 NILT survey indicate majority support for government intervention to reduce income differentials and to provide a guaranteed basic income. However, the situation was not clear cut in relation to increasing taxes to spend on specified public services, with similar proportions of respondents agreeing and disagreeing with this suggestion. Furthermore, the NILT data clearly show differences in views according to age, and, more particularly, by political party affiliation.

The increased funding provided in the Budget for Northern Ireland is welcomed but it will not address the years of underfunding in health, education and infrastructure, to name but a few. The onus is therefore on the government in Northern Ireland to use this increased budget effectively for the good of its citizens. However, in an Executive made up of four, often competing parties, this is unlikely to be straightforward. As Hayward and Rosher (2024) succinctly argue, the party political system in Northern Ireland often results in economic issues being viewed as subordinate to constitutional preferences and identities.

## References

**Hayward, K. and Rosher, B. (2024)** *Does Northern Ireland lean Left or Right?*, ARK Research Update 154. <https://www.ark.ac.uk/ARK/sites/default/files/2024-06/update154.pdf>

**Keep, M., Harari, D., Booth, L. and Brien, P. (2024)** *Autumn Budget 2024: A summary*. House of Commons Library. <https://researchbriefings.files.parliament.uk/documents/CBP-10124/CBP-10124.pdf>

**Northern Ireland Office, HM Treasury and The Rt Hon Hilary Benn MP (2024)** *A Budget to fix the foundations and deliver change for Northern Ireland (Press Release)*. <https://www.gov.uk/government/news/a-budget-to-fix-the-foundations-and-deliver-change-for-northern-ireland>

## About the authors

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