

## Spring Statement 2019: Brexit Dominates

Amidst the on-going Brexit debate the Spring Statement did not dominate the headlines as it normally might have done. Indeed, virtually all stories have been side lined as the Brexit deadline looms.

However, having signalled an end to austerity in the Budget of October 2018, the Chancellor of the Exchequer Philip Hammond struck a slightly more restrained tone in his delivery of the Spring Statement earlier in March.

The Spring Statement is an opportunity for the Chancellor to update on the overall health of the economy and the Office for Budget Responsibility's (OBR) forecasts for the growth and the public finances.

Although he announced the better-than-expected borrowing forecasts from the Office for Budget Responsibility (OBR), the UK economy appears on track to achieve its weakest year of economic growth since 2009.

Economic growth has slowed since the Budget in October 2018, both in the UK and around the world, according to the OBR. Nevertheless, tax receipts have performed better than expected towards the end of the current fiscal year, contributing to a welcome medium-term boost to the UK's public finances. Indeed, Mr Hammond has referred to a war chest that could be used either to stimulate the economy or to counter the effects of a hard Brexit.

The OBR cut its growth forecast for this year from 1.6% to 1.2% as Brexit-related uncertainties have had their impact. In response, the Confederation of British Industry (CBI) commented: "This year's forecast downgrade brings the danger of "no deal" to the UK economy sharply into view. It must be avoided".

However, the OBR believes that economic weakness is likely to prove short-lived: looking further ahead, the economy is expected to grow by 1.4% next year, and 1.6% for each of the following three years – slightly higher than previously predicted.

Meanwhile, the OBR expects the Government to borrow £29.3 billion in 2019/20, £21.2 billion in 2020/21, £17.6 billion in 2021/22, and £14.4 billion in 2022/23, reaching £13.5 billion in 2023/24 and representing its lowest level in 22 years.

Crucially, the OBR's predictions are conditional on an orderly Brexit and a transition period that lasts until the end of 2020. The OBR warned that "alternative outcomes" – such as a no-deal Brexit – remained the principal short-term risk to current forecasts

Referring to the House of Commons' second dismissal of Prime Minister Theresa May's Brexit deal, the Chancellor said that a "cloud of uncertainty" was hanging over the economy, warning that a no-deal Brexit would cause "significant" economic disruption in the short and medium term. At the time of writing MP's have voted in favour of trying to take back the legislative agenda in the hope of reaching an acceptable compromise to secure an orderly Brexit agreement.

## Are your treasured possessions insured for their true value?

You may be surprised at the cost to replace your precious items such as jewellery, watches or collections. Many factors including the price of gold and precious metals can cause fluctuations in the cost of replacing your most treasured items and having them insured for an accurate value can provide you with reassurance that you will be able to replace them should the worse happen.

Most home insurance policies contain a single article limit both within the home and when personal possessions are taken away from the property. These policy limits are the maximum the Insurer will pay to replace an item in the event of a claim unless you have specified the item and its value on your home insurance policy.

We at Sabre, always recommend that you ask an expert such as a jeweller or specialist to provide a written valuation for these items as this gives you peace of mind and also provides your Insurer with evidence of value which will assist greatly in the event of a claim.

Arranging a home insurance policy which meets with your requirements and provides suitable levels of cover is also extremely important. This applies not only to your jewellery and precious items but also the structure of your home and all of the contents.

Telephone or visit our offices to speak to us about your insurance needs.



## Team Astro to Atlantic have completed their 3000-mile row across the Atlantic Ocean.

The expedition from La Gomera, Canaries to Antigua began on 12 December with the forecast for the first few days being favourable with light winds and warm sunshine.

Rowing in pairs 2 hours on, 2 hours off for nearly 7 weeks at sea certainly took its toll. The girls endured sleep deprivation, hallucinations, seasickness, salt sores, blisters, muscle wastage and physical & mental exhaustion whilst navigating through one of the busiest shipping zones in the world. The girls all lost over 10Kgs each, mainly muscle mass although the celebrations in Antigua helped to address some of this!



The team who were formed as they all play hockey together at Kingsbridge & Salcombe Hockey Club said it was an incredible experience, one which they will never ever forget. It taught them so much; to appreciate the small things in life and not to take anything for granted. They recognised their limits and that the body can survive on very little energy, food & sleep yet still keep pushing if your mind believes in something enough. They encountered turtles, dolphins and whales but one of the biggest highlights for the team was their laughter and morale on board, every day was a new challenge and one which the team always tackled together with many hilarious stories, they know their friendship will last a lifetime. They celebrated three birthdays on board including a 21<sup>st</sup> and a 50<sup>th</sup> as well as being at sea for Christmas Day which was hard being away from their families.

The four women who all live locally completed the crossing in a time of 45 days, 15 hours & 14 minutes, arriving in Antigua on 26 January. After two years of preparation to reach the start line, the team were ecstatic to be the 2nd all female team to cross the finish line of the 27 teams entered in the race, deemed 'The world's toughest row'. They hope to inspire more women and the younger generation to step outside their comfort zones and to try something new, it's about having the confidence to take that first step.

The girls' chosen charity for any donations is the Devon Air Ambulance Trust which is such a vital service across the county helping so many people in the rural community that we all live in. To find out more about the team & their challenge, head to <http://www.astro-to-atlantic.co.uk/>

### Top Tax Tips

Making gifts is a key consideration at this time of year and for most individuals, the £250 limit on gifts to individuals will not create any tax issues. More generous gifts (unless between spouses) need to be accurately documented, as they could be taxable if you pass away within seven years of making the gift and have exceeded your £3,000 annual exemption for IHT or your £325,000 nil rate band. When making gifts to charity always consider using Gift Aid to increase the size of the donation to the charity and to provide higher rate tax relief for you as donor if you are a higher rate taxpayer.

### Staff News

It has been a very exciting time for the team at Sabre. Over the last couple of months, we have heard pitter-pattering of little feet. We would like to take the opportunity to congratulate Andy King, Personal Lines Account Handler who welcomed a Son, Joshua, at the beginning of January. Congratulations to him and his partner, Hollie.

Also, Shaun Bell, one of our Financial Advisers has just passed his exam in CII Equity Release Planning.

