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BUDGET 2016

STAKEHOLDER REACTION & MEDIA ANALYSIS

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Introduction

George Osborne yesterday presented his eighth Budget statement to the nation – but what did the nation think of it?

While the Chancellor tried to engage the next generation of voters with a series of saving incentives for younger people – and by repeating the phrase “next generation” 18 times – it was his new tax on sugary drinks that really caught the public imagination, as Coca-Cola warned of an immediate price rise and Jamie Oliver greedily claimed responsibility.

Small businesses had reason to cheer over the reduction of red tape on VAT and corporation tax, though not as much as the increasingly devolved authorities in Liverpool and Manchester who will be retaining 100 per cent of those business taxes to further fuel the Northern Powerhouse.

So what other issues got the public talking, and were those issues of any interest to Westminster’s media bubble? How did those directly affected respond? And who will be taking up George’s call to “fix roof while the sun is shining” now that the “storm clouds” are gathering?

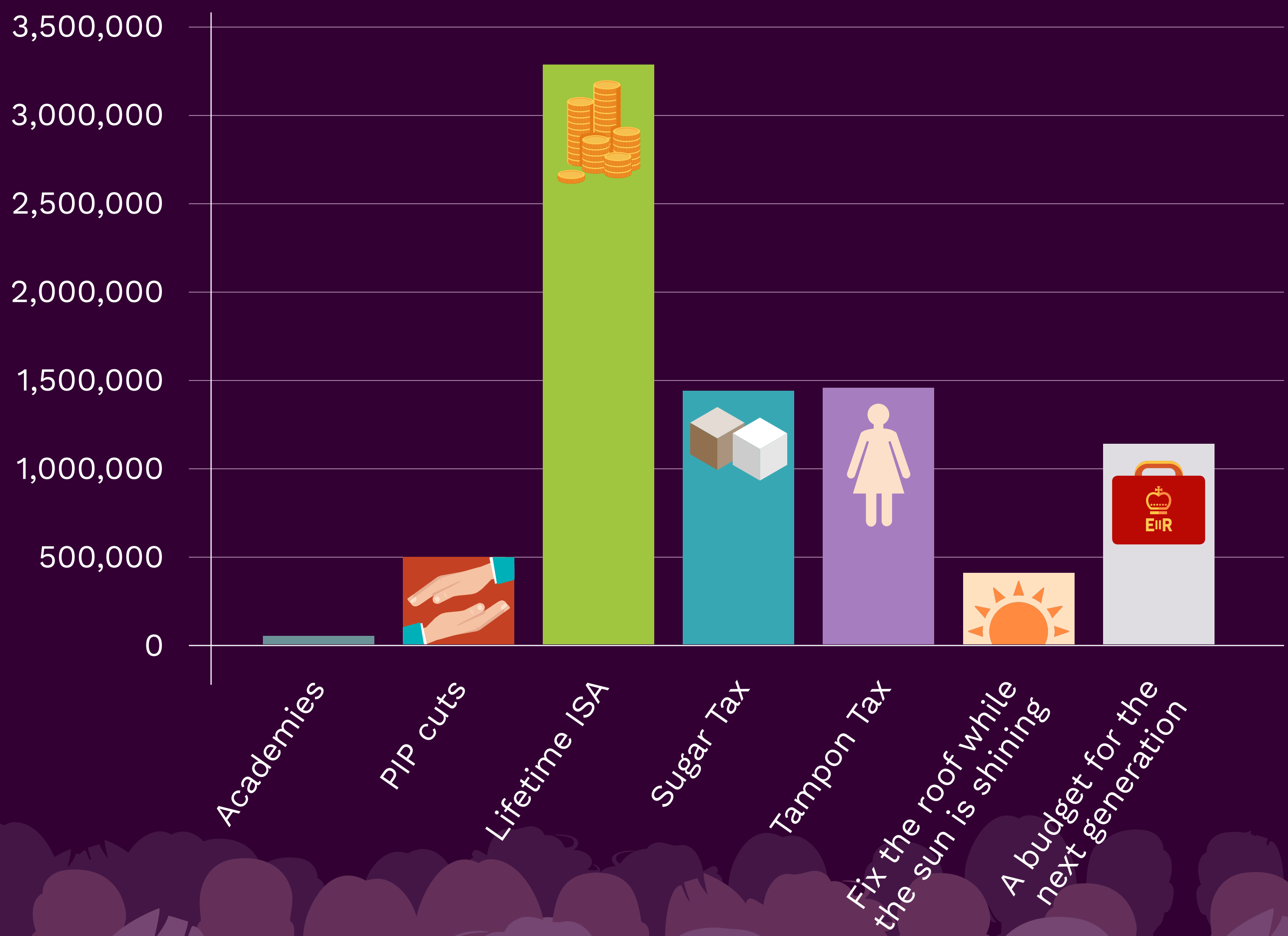
Our Stakeholder Reaction report rounds up the winners’ celebrations and losers’ snark as we present the real-time and the considered, the insightful and the flip, and the best and the worst of the commentary on Budget 2016.

Kelly Scott
Head of Political Services
Vuelio

As we can clearly see, Osborne's new Lifetime Isa dominated the twittersphere with more than double the tweets of any other announcement. Academies and PIP cuts did not have the same impact on social media, confirming that the Chancellor's flagship policy resonated with the public. While the tampon tax failed to gather as much traction as the Lifetime Isa on social media, it looked like it might be an issue which lingered on in the Brexit debate; both Osborne and David Cameron will be hoping for EU leaders to follow through with their promises to abolish it.

The below data visualisation is based on the 12 hours following the Chancellor's speech.
Source: Vuelio

Social Media Mentions



Journalist Top Tweets
ranked in order of Vuelio influence rating

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87

Robert Peston
@Peston

“Cutting benefits to disabled raises £1.2bn, which is same as cost of cutting capital gains tax & raising 40% tax threshold. #Budget2016”

86

Owen Jones
@OwenJones84

“A Chancellor who’s failed on his own terms takes money from disabled people to cut taxes for big business. Grim #Budget2016”

85

Fraser Nelson
@FraserNelson

“CrossRail 2 being announced. More devolution to Manchester. All stuff that has nothing to do with Treasury now in the Budget to pad it out.”

80

Laura Kuenssberg
@bbclaurak

“Budget for ‘next generation’ - or, as one minister already jokes, for ‘next PM’.”

77

Allister Heath
@AllisterHeath

“The Chancellor’s cynical attempt to embrace populism will backfire.”

Journalist Top Tweets
ranked in order of Vuelio influence rating

76

Laura McInerney
@miss_mcinerney

“That’s a ridiculously unfair thing to say. Some councils are *amazing* at school improvement, & have saved asses of failing academies.”

76

Adam Boulton
@adamboultonSKY

“JC if GO can fund giveaways why can’t he fund dignity for disabled people?”

76

Richard Wellings
@RichardWellings

“Taxing fizzy drinks is a pointless burden on the less well-off.”

75

Sam Coates
@SamCoatesTimes

“Much more interesting clash between Budget and Brexit is wildfire rebellion over the “tampon tax” which cd lead to finance bill defeat Tue.”

73

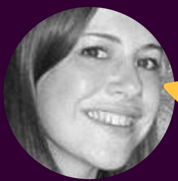
Andrew Neil
@afneil

“Plough your way through to the very end of the Red Book you will discover net public investment falls from £35bn in 15/16 to £32bn 19/20.”

72

Faisal Islam
@faisalislam

> Good line from Corbyn: there's been 12 homes built for every Government press release on housebuilding in Ebbsfleet.



70

Isabel Hardman
@IsabelHardman

> To be fair, problem is not Corbyn's response, which is actually pretty ok. It's that those MPs don't want Corbyn there.

55

Tim Montgomerie
@montie

> Osborne isn't holding back on scaremongering about #Brexit - a risky move and a sign that he knows Remainian campaign isn't yet succeeding.

Stakeholder Reaction:
Economy & Business

"Whilst the extension of business rate relief lowers the formal business rate tax bill for companies, the extent to which businesses actually benefit depends on the extent to which landowners increase rents given this will likely boost land values."

Institute of Economic Affairs

"Russell Group universities are engines of growth in their regions and will be key partners in the first wave of Science and Innovation Audits announced by the Chancellor today. These audits will demonstrate how our leading universities generate global competitive advantage for the UK through excellent research and innovation and vibrant links with business and the wider economy."

Russell Group

"The Chancellor listened to FSB calls for the tax system to be made simpler for small businesses and the self-employed and taken important action on business rates."

FSB

"We were disappointed that the Chancellor has not done more on business rate reform. The removal of plant and machinery from business rates valuation would have encouraged investment in innovative manufacturing technologies."

SMMT

"After a year of surprises, this was a stable Budget for business facing global stormy waters."

CBI

"The Chancellor listened to our calls to avoid higher business taxes and costs – and indeed moved to lower them in a number of areas. He has finally taken real action to lessen the crushing burden of business rates, and sharpened incentives for entrepreneurship and investment."

British Chambers of Commerce

"Overall, this is a good Budget for small businesses, with changes to capital gains tax (CGT), entrepreneur's relief, corporation tax cuts, a boost to the small business rates relief and abolishing Class 2 National Insurance contributions."

Deloitte

Stakeholder Reaction:
Welfare & Tax

"The Chancellor claims to be investing in our physical and cultural infrastructure but is ignoring an essential infrastructure of our country – social care. Without adequate social care funding, disabled and older people are ignored and carers are forced to drop out of work."

Care and Support Alliance

"Help to Save looks like a measure to plaster over the cracks opened up by earlier ones."

Adam Smith Institute

"The new Lifetime Isa and Help to Save scheme both have the potential to shape the habits of the next generation of savers."

BBA

"Following our calls for the Government to lead the introduction of a pensions and savings dashboard, we welcome the commitment shown in today's Budget"

Which?

"Today the Government has announced the introduction of life time ISAs to help the under-40s to save. We accept that the flexibility of a lifetime ISA may be attractive but this must not come at the cost of a proper pension in later life."

AGE UK

"Cuts to Employment and Support Allowance (ESA) and reforms to Personal Independence Payment (PIP) will see disabled people across the country struggle to make ends meet. However, there is still no long-term solution for the knock-on effects of these cuts, which are likely to lead to additional strain on other services such as the NHS."

Sense

"Scope hears from disabled people every day who are struggling with their finances and who are having problems getting the support they need. We are concerned at how these changes will impact on disabled people's ability to make ends meet and save for their futures."

Scope

"The Chancellor has given with one hand and taken with another. It will take a while to figure out the balance. Extra funding for extended schooling, for primary sport and to ease the transition to a fair funding formula is welcome. But how much of this will be cancelled out by the rise in employer pension contributions, which are a big chunk of school costs."

NAHT

"A high quality education system benefits everyone. But just because government ministers believe academies automatically improve education does not mean they actually do: the evidence is mixed at best."

ATL

"George Osborne seems to be unaware that schools already open earlier and later for clubs and activities."

NUT

"Removing local authority powers and local accountability to hand all England's schools over to academy trust chains is the result of political dogma and not based on evidence."

Prospect

"The expectation that every school should become an academy is not surprising given the direction of recent policy. However, this is a huge step away from the original purpose of academies – tackling failure in schools serving poorer pupils."

Sutton Trust

"The Government must explain how its plan to make all schools in England become academies will affect children with special educational needs, including autism. Local councils will continue to be responsible for making sure the most vulnerable children in their area get the education they deserve."

National Autistic Society

"CCN welcome Government proposals for full devolution of business rates, but it is critical that the government and local authorities now collaborate on implementing the policy in a fair and inequitable manner."

County Councils Network

"This is a bittersweet budget for councils at all levels with positive steps forward on devolution countered by a further reduction in spending on public services."

National Association of Local Councils

"The Government also needs to hold up its end of the deal on devolution and resist the temptation to shift the goalposts as local government prepares to take on more responsibilities."

Centre for Cities

"Devolution deals agreed today are good news for councils which have worked hard to get them in place and rightly recognise the economic potential of England's county and rural areas."

Local Government Association

"With the majority of today's infrastructure announcements focusing on the Northern Powerhouse, there is a hidden gem to be found in the Budget document, which will see a huge boost for the UK's town centres."

KPMG

Stakeholder Reaction:
Transport & Infrastructure

"The Chancellor's pledges to deliver infrastructure improvements ensure that the logistics and transport industry can continue to drive UK economic growth and serve the fast-growing population of the United Kingdom."
Chartered Institute of Logistics and Transport

"The Chancellor's backing of HS3 and Crossrail 2 is fantastic news. This commitment to the project, alongside other major railway investments nationwide, gives the engineering sector the confidence to recruit in preparation and develop the skills the industry needs to deliver these ambitious schemes."
WSP Parsons Brinckerhoff

"We warmly welcome the Chancellor using this opportunity to back both Crossrail 2 and HS3. These are important projects, supported by the National Infrastructure Commission, and vital for UK growth."
Alstom, published on Transport Times

"Transport infrastructure again takes a leading role in the Budget. This is hugely welcome...However, the absence of a national transport strategy may end up with unintended consequences."
Chartered Institute of Highways and Transportation

"The government's support for the National Infrastructure Commission is encouraging and the list of projects given the green light such as HS3, Crossrail 2 and numerous other schemes across the country will please everyone in the construction supply chain."
Construction Products Association

"We welcome the funding announced for further analysis of the Trans-Pennine tunnel, HS3 and Crossrail 2...Nonetheless, there is still a long way to go on these projects and it would be misleading and premature for anyone to think they have either been approved or are proceeding."
PWC

"The emphasis in today's Budget is on energy taxation at the expense of carbon pricing – in a so-called attempt to 'protect businesses'. Yet our membership demonstrates the willingness of business to take action on climate change... because it is now a commercial imperative to do so."

UK Green Building Council

"Rather than hoping to extract more from North Sea oil and gas, the government should be looking at a transition plan for the communities impacted by a declining industry including expanding offshore wind."

Greenpeace

"Government will lose little money in abolishing Petroleum Revenue Tax."

ICAEW

"A greater reliance on interconnectors to import electricity from Europe and Scandinavia is likely to lead to higher electricity costs and less energy security."

Institution of Mechanical Engineers

"The Chancellor's ambition for the UK to become a world leader in electricity storage systems is a bold and promising step and echoes ICE's view that this innovative technology could play a crucial part in achieving secure, affordable and cleaner energy."

Institution of Civil Engineers

"Small modular reactors could potentially play a significant complementary role to the UK's existing new build programme and it is welcome that the Government is looking seriously at the development of SMRs."

Nuclear Industry Association

Stakeholder Reaction:
Housing

"Our own research shows that nine in 10 of our YMCAs have been unable to accept referrals in the past due to a lack of bed spaces while evidence also shows that rough sleeping in London among 18 to 25-year-olds is on the rise It is essential, however, that any money invested is done so in the right way and at the right level to provide sustainable support."

YMCA

"We recognise that the Government is working on a number of fronts to speed up the planning process and intervene to support first time buyers, and some of the measures in today's Budget are welcome steps forward. Yet these announcements are limited in scope and won't signal the step change that we need to see. We cannot afford to lose momentum in the battle to beat the housing crisis."

Federation of Master Builders

"The nation is facing a chronic affordable housing shortage and the Chancellor's plans to reduce social rents over the next four years is unlikely to help address the situation."

Stonewater

"Until now the government has not considered community-led housing as a way to alleviate the housing crisis so it's very encouraging that this money has been identified in the budget."

Locality

"To eradicate homelessness, the Chancellor can't simply deal with the symptoms and ignore the root causes. Every day at Shelter we see that homelessness is principally caused by decades of failure to build genuinely affordable homes and short-sighted welfare cuts."

Shelter

"CIH has been calling for more measures to address homelessness and rough sleeping and today's announcement of an investment of £115 million to tackle rough sleeping is good news."

Chartered Institute of Housing

"We have to remember that this tax isn't a silver bullet – it's just one tool to help in the fight to get children eating and drinking more healthily, and we look forward to the full set of 'game-changing' actions government has promised to deliver in the forthcoming childhood obesity strategy."

Children's Food Trust

"It is disgraceful given the crisis facing the NHS that there was no promise of extra funding for a health service that is buckling under pressure from rising patient demand, falling resources and staff shortages."

British Medical Association

"this tax should not be absorbed by the soft drinks industry. Prices need to change otherwise there will be no impact on the health of nation."

Diabetes UK

"We are extremely disappointed by today's announcement of a new tax on some of the UK's most successful and innovative companies. For nearly a year we have waited for an holistic strategy to tackle obesity. What we've got today instead is a piece of political theatre."

Food & Drink Federation

"This measure is supported by a majority of the public and sends a clear signal to industry that the public's health is a key part of the economic recovery."

The UK's Faculty of Public Health

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BUDGET 2016

MONITORING SUMMARY

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Analysis

Chancellor takes control of his own destiny with his 2016 Budget

In what is sure to be George Osborne's final Budget statement before he makes a bid for Number 10, the Chancellor has successfully defied detractors by setting out his bold ambitions for the UK's "Next Generation".

With politics on every page, this was a Budget setting out Osborne's credentials to be the next generation of Prime Minister for the UK's next generation of voters. This was more than a rhetorical phrase – the Chancellor introduced ISAs for the under 40s with government contributions of £1 for every £4 saved and a radical new schooling policy for all children by 2020. With this budget the Chancellor did not sell the family silver, or make sweeping tax cuts; instead he established himself as a "force for stability" fighting for the security of hard working families.

There are clear winners and losers in this Budget. The next generation from all socio-economic backgrounds and across the country are the first winners. They are to benefit from longer school days, more sports, more maths and less management from the local authority control. Surely the boldest shift in education policy for 50 years.

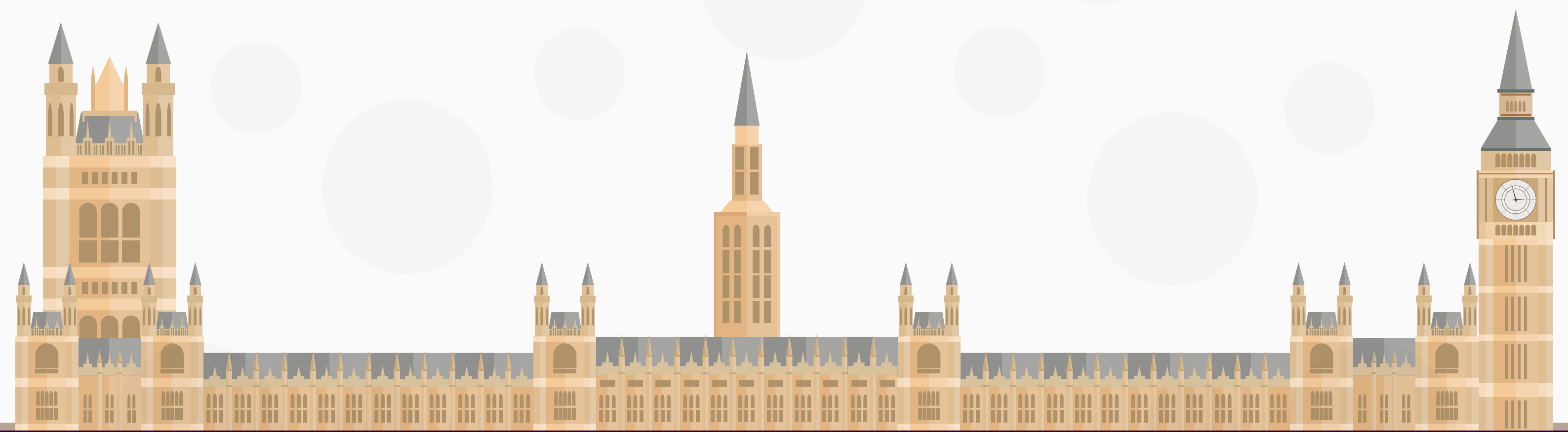
After 6 years of tinkering around the edges, the Chancellor has made wholesale changes to business red tape. Small business owners will welcome this much needed reform to VAT registration, corporation tax reductions and improvements to the way HMRC collect taxes.

Analysis

The Devolution Revolution continues across England with a roll-out of elected Mayors across all the English regions. We will see more devolved powers to London, and across the Northern Powerhouse, with Liverpool City Region and Greater Manchester retaining 100% of all business rates collected to help make up the shortfall in local government grants announced in the Spending Review. The case for staying in the EU was also a winner with the OBR and IMF setting out the economic case for the UK to remain members, prompting delight and disdain in equal measure on the Government benches.

Then there are the losers. The "Current Generation" of corporate tax evaders will be hit hard by 2020 under these proposals. The drinks industry faces a new Sugar Tax set to raise £520 million to be spent on teaching more sports in schools. There is to be reduction of £3.5 Billion by 2020 in Government spending but there was no indication where these cuts will come from. But public sector workers and those reliant on welfare benefits should be nervous as there is little scope for cuts elsewhere. The promise of a better and secure future for the Next Generation comes at significant cost to the current Generation.

The biggest losers are the Brexit campaigners and those harbouring ambition to be the next occupant of Number 10. Osborne has delivered one of the most political Budgets in recent years. He has shown his leadership ambitions, re-ignited his efforts, and strengthened his claim to be the next Prime Minister to lead the Next Generation.



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Britain is forecast to grow faster than any other major advanced economy in 2016. The global economic outlook has deteriorated since the Spending Review and Autumn Statement 2015. All G7 economies have seen lower productivity growth since the financial crisis. The UK was hit hard by the financial crisis, and productivity fell 2.2% from its pre-crisis peak in 2012, since when output per hour has grown each year and increased by 0.8% in 2015 to exceed its pre-crisis peak. The UK is one of the most open trading economies in the world and is not immune to the weaker global outlook. The OBR forecasts GDP growth to be 2.0% in 2016, rising to 2.2% in 2017 and 2.1% in 2018. Productivity is expected to grow by 1.0% in 2016 and 1.7% in 2017, before rising to 2.0% for the remainder of the forecast period.

The OBR predicts the UK's strong labour market performance to continue. The OBR revised up its forecast for employment in 2016 from 31.5 million to 31.6 million, and in 2017 employment reaches 31.7 million. The OBR forecasts employment to rise by 0.9 million by 2020, meaning that employment will have risen by 3 million since 2010. Wages and salaries are forecast to grow faster than inflation, rising by 3.6% in 2016, and thereafter by an average of 4.0% until 2020. The OBR forecasts CPI inflation to be below the 2.0% target in 2016 before returning to target in 2018.

The OBR forecasts GDP growth of 2.0% in 2016, 2.2% in 2017 and 2.1% to the end of the forecast period. It forecasts employment to be 31.5 million in 2016, rising each year to 32.1 million in 2020. CPI is forecast to be below the 2.0% inflation target in 2016, returning gradually to 2.0% in 2018.

Public sector net borrowing is forecast to fall to 3.8% of GDP in 2015-16 and then to fall each year for the remainder of the forecast period. The OBR forecasts that the public finances will deliver a surplus of £10.4 billion in 2019-20 and £11.0 billion in 2020-21. Public sector net debt is forecast to fall to 74.7% of GDP in 2020-21.

In 2010, the IMF forecast the UK to have the largest budget deficit in the G20, at 11.4% of GDP. Today the OBR forecast that the UK's deficit as a share of GDP will be reduced by almost two-thirds to 3.8% of GDP in 2015-16.

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This Budget sets out that the Government will find a further £3.5 billion of savings from public spending in 2019-20, building on the plans set out at Spending Review 2015. To inform future spending decisions and the delivery of these savings, the Government is launching an efficiency review. After the public finances move into surplus in 2019-20, total departmental resource spending will grow in line with inflation from 2019-20 to 2020-21. Specific departmental budgets for 2020-21 will be set out at the next Spending Review.

Spending and Fiscal planning

In 2009-10, the Government borrowed around £1 in every £4 it spent. In 2015-16 the Government is forecast to borrow around £1 in every £10 it spends and this is expected to reduce to around £1 in every £14 in 2016-17. The deficit as a share of GDP is forecast to be cut by almost two thirds from its 2009-10 post-war peak and will reach 3.8% of GDP in 2015-16.40 the Government has addressed the rapid rise in public sector net debt (PSND) which more than doubled as a share of GDP between 2007-08 and 2011-12. Net debt as a share of GDP is forecast to fall over this Parliament, reaching 77.2% of GDP by the end of 2019-20.

This Budget sets out the action the Government is taking to meet the fiscal mandate, achieving an overall surplus of £10.4 billion on the headline measure of public sector net borrowing in 2019-20 and a surplus of £11.0 billion in 2020-21.

The Government's spending priorities remain unchanged. As set out in Spending Review 2015, the defence and overseas aid commitments, the real-terms protections for the NHS in England, schools funding in England, the police and science will be maintained. The NHS has an ambitious programme of work underway to deliver £22 billion of efficiency savings and this is unchanged.

Employment and Earnings

The data for 2015 showed:

- a record employment rate of 74.1% in Q4 2015.
- the employment rate of women had risen to 69.1% by the end of 2015, a record high.

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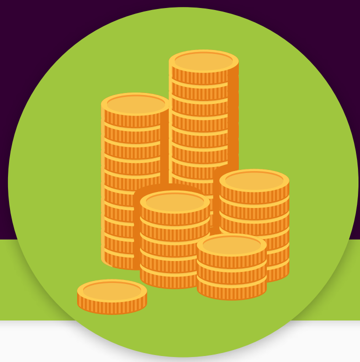

- 74% of the increase in employment in 2015 was driven by full-time workers.
- high and medium skill occupations accounted for 92% of the growth in employment in the year to Q4 2015.
- a strong demand for labour with 767,000 vacancies in Q4 2015, a record high.
- the claimant count fell to a 40 year low in 2015.
- working age inactivity fell by over 600,000 from 2010 to 2015.
- earnings grew in 2015 rose by 2.5% on the year in nominal terms, and 2.3% in real terms.

National Minimum Wage

The Government will increase the National Minimum Wage rates from October 2016. This includes:

- a 3.7% increase in the rate for 21 to 24 year olds (from £6.70 to £6.95 per hour).
- a 4.7% increase in the rate for 18 to 20 year olds (from £5.30 to £5.55 per hour).
- a 3.4% increase in the rate for 16 to 17 year olds (from £3.87 to £4.00 per hour).
- a 3.0% increase in the rate for apprentices (from £3.30 to £3.40 per hour).
- a 12.1% increase in the accommo-dation offset (from £5.35 to £6.00 a day).

Alignment of the National Minimum Wage and National Living Wage cycles

The Government will align the National Minimum Wage and National Living Wage cycles so that both rates are amended in April each year. This will take effect from April 2017.

Shared Parental Leave – the Government will consult in May 2016 on how to extend Shared Parental Leave and Pay to working grandparents, options for streamlining the system and the potential to make better use of digital technology.

From 1 April 2016, low wage workers aged 25 and above will see a pay rise as a result of the introduction of the National Living Wage (NLW). Initially

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set at £7.20, it will mean a £900 cash increase for a full-time worker on the current National Minimum Wage (NMW). 2.9 million workers are expected to benefit directly, and the OBR estimated up to 6 million could see a pay rise as a result of a ripple effect causing pay to rise further up the earnings distribution.

Business

The Government is building on its achievements in the last Parliament, with a new plan to focus support on small businesses through ambitious reforms to business rates. The business tax road map will support investment while continuing to crack down on avoidance and aggressive tax planning, making sure rules are fair and taxes paid. In particular, the road map will:

- cut tax rates to drive growth and support small businesses.

- modernise the business tax system in line with international best practice.

- ensure a level playing field, with large multinationals paying their fair share of tax.

- lower tax rates to drive growth and support small businesses.

- lower corporation tax.

In the last Parliament, the Government cut the main rate of corporation tax from 28% to 20%. The small profits rate was also cut to 20%, and the two rates were unified, in a major simplification of the tax system. Future reductions in this unified rate have already been announced: to 19% in 2017 and 18% in 2020 to support small and large businesses alike.

Budget 2016 announces that the Government will cut corporation tax further, so the rate will fall to 17% in 2020. This measure will benefit over a million companies, large and small. Overall, the cuts to corporation tax delivered since 2010 will be worth almost £15 billion a year to business by 2021.

This Budget announces further measures to drive productivity growth across the UK:

- reducing distortive taxes by continuing to lower both income tax and business taxes.

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- improving education by accelerating fairer schools funding and committing to full academisation of schools in England.

- promoting enterprise through business rate cuts for small businesses, cutting Capital Gains Tax and extending entrepreneurs' relief to external investors in unlisted trading companies. From 6 April 2016, the higher rate of Capital Gains Tax (CGT) will be reduced from 28% to 20%, and the basic ratewill be reduced from 18% to 10%. There will be an 8 percentage point surcharge on thesenew rates for carried interest and for gains on residential property. This will ensure that CGT provides an incentive to invest in companies over property. Private Residence Relief will continue to ensure that an individual's main home is not subject to CGT.

- extending entrepreneurs' relief to long term investors in unlisted companies. This will provide a 10% rate of CGT for gains on newly issued shares in unlisted companies purchased on or after 17 March 2016, provided they are held for a minimum of three years from 6 April 2016, and subject to a separate lifetime limit of £10 million of gains.

- delivering long-term infrastructure improvements, by giving the green light to major projects recommended by the National Infrastructure Commission including Crossrail 2, and High Speed 3 between Leeds and Manchester.

- improving economic decision-making by devolving power to cities and regions, including new devolution deals for the East and West of England.

- reducing the Supplementary Charge from 20% to 10%, to send a strong signal that the UK is open for business and in recognition of the exceptionally challenging conditions that are currently facing the sector. The change will take effect from 1 January 2016 (p.54).

- providing certainty that companies will be able to access tax relief on their costs when they retain decommissioning liabilities for an asset after a sale, to encourage new entrants for late-life assets and the development of late-life business models (p.54).

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- building on the new decommissioning powers of the Oil and Gas Authority (OGA) by undertaking further work with the OGA and industry to reduce overall decommissioning costs, to deliver significant savings for industry and the Exchequer. If significant progress can be made, the Government will explore whether decommissioning tax relief could better encourage transfers of late-life assets (p.54).

Business Rates

The Government will pilot approaches to 100% retention of business rates with Liverpool City Region, Greater Manchester and the Greater London Authority. This offer is also available to other city regions that have ratified their devolution deals.

- Business rates: indexation – the Government will change the annual uprating of business rates in England from the Retail Prices Index to the main measure of inflation, currently the Consumer Price Index, from 1 April 2020.
- Small Business Rate Relief (SBRR): doubling – the Government will permanently double SBRR in England from 1 April 2017.
- Small Business Rate Relief: thresholds – the Government will raise the SBRR threshold in England to rateable values of up to £12,000 tapering to £15,000 from 1 April 2017.
- Business rates: standard multiplier – the Government will raise the threshold at which business rates bills in England are calculated using the standard multiplier to properties with rateable values of £51,000 and above from 1 April 2017.
- Business rates: public lavatories – the Government will allow local authorities in England to use their discretionary relief powers to support publicly owned public lavatories from 1 April 2018.
- Business rates: local newspapers – the Government will introduce a £1,500 business rates discount for office space occupied by local newspapers in England, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017.

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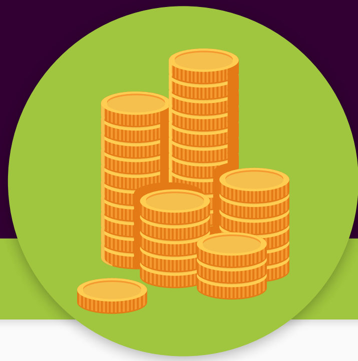

- Business rates: long-term review – the Government will publish a summary of the responses received as part of the long-term review of business rates in England in March 2016.

- Business rates: modernisation – the Government will work with local authorities in England to standardise business rates bills by 1 April 2017, ensure that all ratepayers can receive bills and make payments online by 1 April 2017 and ensure that all local authority billing and collection systems link with HMRC digital tax accounts by 2022.

- Business rates: valuation reform – the Government will aim to introduce more frequent (at least 3 yearly) revaluations of properties in England for business rates purposes and will publish a discussion paper in March 2016 outlining options to deliver this.

VAT

The Government will increase the VAT registration threshold in line with inflation to £83,000 from 1 April 2016. This will save around 2,000 small businesses from having to register for VAT by the end of the 2016-17 financial year.

Corporation Tax

At Summer Budget 2015, the Government announced that corporation tax payment dates for the largest and most profitable companies in the UK – those with profits in excess of £20 million – would be brought forward, so tax is paid closer to the point at which these companies make a profit. These companies will be required to make payments in the third, sixth, ninth and twelfth months of their accounting period. The Government will defer the introduction of this measure, to give businesses more time to prepare for the transition to the new payment schedule. The new schedule will apply to accounting periods starting on or after 1 April 2019, and it will have a broadly neutral impact on the public finances over the scorecard period.

Loss relief is an important part of the corporation tax regime, but the current system is outdated and in need of reform. First, under the current system, losses carried forward can only be used by the company

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that incurred the loss, and not used in other companies in a group. In addition, some losses carried forward can only be set against profits from certain types of income, for example trading losses can only be set against trading profits. This produces unfair outcomes and is out of step with the way businesses now operate. So the Budget makes these rules more flexible, benefiting over 70,000 companies. For losses incurred on or after 1 April 2017, businesses will be able to use carried forward losses against profits from other income streams or from other companies within a group.

Second, the current rules enable companies to offset all of their eligible taxable profits through losses carried forward. This can lead to a situation where a large company pays no tax in a year when it makes substantial profits. To address this, the Budget applies a restriction of the amount of profit that can be offset through losses carried forward. The majority of G7 countries already have restrictions of this kind in place.129 From 1 April 2017 the Government will restrict to 50% the amount of profit that can be offset through losses carried forward. The restriction will only apply to profits in excess of £5 million. This allowance will ensure that 99% of all companies are unaffected by the restriction.

This package of reforms will ensure that large companies make a tax contribution when they make significant profits. It will modernise one of the most outdated elements of the tax regime, and bring the UK into line with international best practice. The Government will consult on the design of the reforms in 2016, and will legislate in 2017.

Stamp duty on commercial property

The Government will reform Stamp Duty Land Tax (SDLT) on non-residential property transactions. This will cut the tax for many businesses purchasing property. Currently, SDLT rates on freehold and lease premium transactions operate on a slab system, where one tax rate is due on the entire transaction value. This creates distortions in the market and leads to large increases in SDLT as transactions move into higher tax bands. A small business buying a property for £250,000 pays £2,500 in SDLT. If the price is just £1 higher, their tax bill is trebled. This Budget announces that these rates will be reformed to a slice system, so that SDLT is payable on the portion of the transaction value which falls within each tax band. The new rates will be 0% for the portion of the transaction value between £0 and £150,000; 2% between £150,001 and £250,000; and 5% above £250,000. This means that all freehold and lease premium transactions below £1.05 million will pay the same or less in SDLT.

The Government will also introduce a new 2% rate for leasehold rent transactions where the net present value is above £5 million. These transactions are already taxed on a slice basis. All leasehold rent transactions up to £5 million will remain unaffected.

In combination, these changes ensure that businesses purchasing the highest value freeholds and leases make a larger contribution whilst delivering a tax cut for those purchasers, often smaller businesses, who purchase less expensive properties. Around 42% of commercial property transactions pay no SDLT at all due to the generous nil-rate bands. Of the remainder that do pay SDLT, around 43% will pay less tax and a further 42% will pay the same.

As a result of these changes, over 90% of non-residential property transactions will pay the same or less in SDLT,134 with only 9% paying more.

These changes will take effect on 17 March 2016. For those transactions which have already exchanged contracts but not completed when the changes come into force, transitional rules will ensure taxpayers will not lose out.

Sectors

Manufacturing

The manufacturing, construction and service sectors are now all larger than at the beginning of 2010. By the end of 2015, 62.6% of all employment growth since 2010 has been in high skilled occupations. Within manufacturing, aerospace production has grown by almost 30% and car production has increased by over 60% since the start of 2010. Between 2010 and 2014, 16,000 new jobs in car production have been created and in 2015 car manufacturing exports reached a record high.

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Science and technology

Scientific research and development has grown by 24.4% and architecture and engineering activities have grown by 42.5% since 2010.

Financial services

The Government will:

- establish more proportionate capital requirements for small banks and building societies in the EU.
- work with the New Bank Start-up Unit to promote the authorisation of new banks, building on the three new banks already authorised in this Parliament.
- support SME access to finance, setting out a £1 billion package to support SMEs through the British Business Bank. It will support the first loans under its Help to Grow programme from spring 2016, supporting at least £200 million of lending.
- ensure small firms that are rejected for finance by high-street banks will be able to access new options as the Budget announces that Bizfitech, Funding Options and Funding Xchange will be designated as finance platforms to help match borrowers and alternative lenders.
- commit £45 million of banking fines over the next 4 years to support military charities and other good causes.
- reduce the amount of profit that banks can offset with pre-2015 losses from 50% to 25% from 1 April 2016. This will rightfully maintain the exceptional treatment of banks' losses relating to the financial crisis and subsequent misconduct scandals. Banks' post-2015 losses, as well as any pre-2015 losses covered by the existing reliefs for new-entrant banks and building societies, will be treated in the same way as other industry groups.

Digital Technology

The Government will:

- establish a new Broadband Investment Fund, in partnership with private sector investors, to support the growth of alternative broadband networks by providing greater access to finance.

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- deliver a 5G strategy in 2017, based on an assessment by the National Infrastructure Commission of how the UK can become a world leader in 5G.

- establish a panel of leading experts, chaired by Kathryn Parsons, to shape the £20 million Institute for Coding competition.

- provide up to £5 million to develop options for an authoritative address register that is open and freely available – making wider use of more precise address data and ensuring it is frequently updated will unlock opportunities for innovation.

- Digital standards in construction – the Government will develop the next digital.

- standard for the construction sector – Building Information Modelling 3 – to save owners of built assets billions of pounds a year in unnecessary costs, and maintain the UK's global leadership in digital construction.

- Open address data – the Government will provide up to £5 million to develop options for an authoritative address register that is open and freely available.

- Institute for Coding – the Government will establish a panel of leading experts to help shape the £20 million Institute for Coding competition.

Remote gaming operators currently benefit from a more generous tax treatment when they offer discounted or free gambling ('freeplays') to customers in Remote Gaming Duty than would be the case for operators offering free bets on things like football and horseracing. The Government will therefore amend the tax treatment of freeplays in Remote Gaming Duty to bring it into line with the tax treatment of free bets in General Betting Duty.

Devolution

Further allocation of the Local Growth Fund – the Government will conclude a further round of Growth Deals with Local Enterprise Partnerships.

Snow Hill regeneration – the Government will provide £2 million to support Greater Birmingham and Solihull Local Enterprise Partnership to develop a regeneration master plan for Birmingham's Snow Hill district.

Enhanced Capital Allowances in Enterprise Zones – the Government will ensure that all Enterprise Zones are able to offer Enhanced Capital Allowances for eight years from the establishment of relevant sites. (Finance Bill 2016).

New Enterprise Zones and extensions – the Government will create a new Cornwall Marine Hub Enterprise Zone following the transfer of Wave Hub (a wave energy testing facility).

The Government has asked Lord Heseltine to lead the Thames Estuary 2050 Growth Commission. The Commission will develop an ambitious vision and delivery plan for North Kent, South Essex and East London up to 2050. This will focus on supporting the development of high productivity clusters in specific locations. It will examine how the area can develop, attract and retain skilled workers. It will also look at how to make the most of opportunities from planned infrastructure such as the Lower Thames Crossing. It will report back at Autumn Statement 2017 with a clear and affordable delivery plan for achieving this vision.

These measures build on the devolution revolution confirmed at Autumn Statement 2015, which will allow local government to keep the rates they collect from business, give councils the power to cut business rates to boost growth, and give elected city-wide mayors the power to levy a business rates premium for local infrastructure projects – with the support of local business. Local government will be compensated for the loss of income as a result of the business rates measures above, and the impact considered as part of the Government's consultation on the implementation of 100% business rate retention in summer 2016.

British Business Bank

The Government confirms up to £1 billion of commitments to support small businesses to access the finance that they need to grow by:

- agreeing with LEPs in the Midlands and the British Business Bank to establish a Midlands Engine Investment Fund to invest in local SMEs, subject to final funding arrangements.

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- launching the first transactions from the British Business Bank's Help to Grow programme from spring 2016.
- extending the British Business Bank's Enterprise Finance Guarantee programme until at least 2018 2.356 Trade finance – the Government will trial a streamlined approach to trade finance provision, through ending duplicated credit and other due diligence between lenders and UK Export Finance.

Capital investment

The Spending Review prioritised long term investment over day-to-day spending. This Budget accelerates its commitment to invest £100 billion in infrastructure by 2020-21. The Government is now accelerating its investment plans in priority areas to deliver around £1.5 billion investment in areas such as housing, schools and transport over the next three years that would otherwise have taken place at the end of the decade. This will include bringing forward funding for the Highways Maintenance Challenge Fund and the Pothole Action Fund, and enabling the delivery of thirteen thousand shared ownership homes two years early. As set out in Spending Review 2015, capital budgets will be £12 billion higher than planned at Summer Budget 2015.

Welfare

Summer Budget 2015 and Autumn Statement 2015 announced reforms to ensure that the welfare system is both fair and sustainable. The Welfare Reform and Work Bill legislates for the majority of these reforms. Spending in 2015-16 on PIP and its predecessor, the Disability Living Allowance, is expected to be over £3 billion higher in real terms than in 2009-10. Spending on these benefits is forecast to be higher in real terms in 2019-20 than in 2009-10.

The Government is committed to launching a retail sale of Lloyds Banking Group shares and to fully returning its stake to the private sector in 2016-17. The Government is making progress towards achieving a further £5 billion of corporate and financial asset sales by March 2020.

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Individual taxes

The Government is raising the personal allowance to £12,500, and the higher rate threshold to £50,000 by the end of this parliament. This is a change from £11,000 in 2016-17 to £11,500 in 2017-18. As a result, a typical basic rate taxpayer will pay over £1,000 less income tax in 2017-18 than in 2010-11.The Government will increase the higher rate threshold by £2,000 to £45,000 in 2017-18 resulting in 585,000 fewer higher rate taxpayers than at the start of the parliament.

The Government believes that Employee Shareholder Status (ESS) provides vital flexibility for early stage firms, and that it is right that employee shareholders receive tax benefits on shares awarded in exchange for relinquishing certain employment rights. However, the Government wants to ensure that the benefits for individuals are proportionate and fair. Budget 2016 introduces an individual lifetime limit of £100,000 on gains eligible for Capital Gains Tax (CGT) exemption through ESS. This limit will apply to arrangements entered into on or after 17 March 2016.

Apprenticeships

The Government is committed to increasing the quality and quantity of apprenticeships, and will deliver 3 million apprenticeship starts by 2020. As announced at the Autumn Statement 2015, an apprenticeship levy will be introduced in April 2017, and employers that are committed to training will be able to get out more than they put in.

From April 2017, employers will receive a 10% top-up to their monthly levy contributions in England and this will be available for them to spend on apprenticeship training through their digital account. The Government will set out further details on the operating model in April and draft funding rates will be published in June.

Multinational business

At Autumn Statement 2014, the Government announced new rules to address hybrid mismatch arrangements, which are used by some multinational companies to

avoid tax by exploiting differences between countries' rules to avoid paying tax in either country, or to get excessive tax relief by deducting the same expense in more than one country. To strengthen these proposals, Budget 2016 announces that the rules will be extended to cover hybrid mismatches arising from permanent establishments, further restricting the opportunities for tax avoidance by multinationals.
The Government will introduce legislation in Finance Bill 2016 to ensure offshore structures cannot be used to avoid UK tax on profits that are generated from developing UK property.

HMRC will also create a task force to focus on offshore property developers.

The Government will increase HMRC compliance activity to tackle tax evasion and non-compliance across the waste supply chain – waste-related crime is a blight on communities and undermines the environmental objectives of landfill tax. This is why HMRC and the Environment Agency are already working together to tackle fraud and tax evasion in the waste sector. The Government will provide additional funding for HMRC to increase its compliance activity in this area.

Forthcoming Changes

Modernising tax collection

At the March 2015 Budget the Government committed to transform the tax system through digital technology and end the need for annual tax returns. Spending Review and Autumn Statement 2015 announced a major investment in HMRC to deliver this. To make further progress towards this transformation, the Budget announces that:

- from 2018 businesses, self-employed people and landlords who are keeping their records digitally and providing regular digital updates to HMRC will if they wish be able to adopt pay-as-you-go tax payments – this will enable them on a voluntary basis to choose payment patterns that suit them and better manage their cashflow.

- the Government will explore options to simplify the tax rules for businesses, landlords, and the self-employed, to reduce administrative burdens and ensure that regular digital updates work smoothly.

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The Government will consult on these measures in 2016, alongside publishing detailed proposals for other elements of the Making Tax Digital programme announced previously. Individuals and businesses should be able to get the help and support they need from HMRC, when they need it. By the end of this Parliament, HMRC's digital transformation will have made it quicker and easier for customers to report and pay their taxes online. But the Government recognises that more needs to be done now, and is investing £71 million to improve the service it provides taxpayers. This investment will deliver:

- a 7-day a week service by 2017, with extended hours and Sunday opening on online services and the tax and tax credits phone lines, so that people and businesses have more opportunity to contact HMRC outside of working hours.
- improved telephone services and reduced call waiting times by recruiting over 800 new staff into HMRC call centres.
- a dedicated phone line and online forum for new businesses and self-employed individuals to get help and support about filing and paying their taxes for the first time, and on the transition to using digital services.

Bank share sales – the Government will continue to return its financial assets to the private sector through launching a retail sale in 2016-17 and fully exiting its stake in Lloyds Banking Group and raising up to £25 billion from its stake in RBS over the course of this Parliament.

UKAR future asset sales – UK Asset Resolution have been exploring the possibility of a major sales programme of Bradford & Bingley (B&B) mortgages. This programme of sales will be designed to raise sufficient proceeds for B&B to repay the £15.65 billion debt to the Financial Services Compensation Scheme (FSCS) and for the FSCS to repay its corresponding loan from the Treasury. Any sales will be subject to market conditions and ensuring value for money.

Government procurement – the public sector can drive competition via open procurement practices. The Government wants to ensure the £60 billion local authorities spend to procure services is done in an efficient

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and competitive way. The Government will consult on new rules requiring local authorities to be transparent about the cost of the in-house services they provide, and whether there could be savings from using competitive external providers.

Legal services – where competitive pricing can make some of the biggest decisions in life, from buying a house to setting up a business, easier. The Government will launch a consultation shortly on how to reduce regulatory barriers so that new providers can provide legal advice.

Streamline regulators - E-Serve will be split off from Ofgem to ensure Ofgem can focus on its core functions of economic regulation and promoting competition. DECC are committed to consolidating their delivery providers and will set out the future of consumer-facing functions, including those currently undertaken by E-Serve, at Autumn Statement 2016. The Government will continue to consider whether economic regulators' functions can be further streamlined by legislating to give Ofgem more power to make sure the system of industry codes supports competition and by enhancing the role of the Competition and Markets Authority in the regulated sectors. The Government will continue to look at further changes. The Government will also look to drive efficiency, by working with economic regulators to review the business case for co-locating and sharing back office functions across regulators, reporting by summer 2016.

Competition in legal services – the Government will shortly consult on reforms to improve choice and competition in legal services by making it easier for new providers to enter the market.

Unlocking of mobile phones – the Government is committed to consulting this year on ending the practice of handset locking for customers outside any initial contract period. The Government welcomes voluntary commitments, but also stands ready to consult on legislative options if necessary.

Transparency in local authority services – the Government will consult on new rules requiring Local Authorities to be transparent about the cost of the in-house services they provide.

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Competition in rail – the Government welcomes the CMA's report on increasing competition in railways and will work with the CMA to explore how their recommendations could potentially be implemented as part of the wider reform programme arising from the Shaw Report.

Protections for the smallest businesses acting as consumers – the Government is consulting on measures to ensure that the smallest businesses – including sole traders – understand their rights and have the protections they need when they are acting as consumers.

Improving the home buying process – the Government will shortly publish a call for evidence looking at the process of buying a home.
Trigger points to promote switching – the Government will shortly publish the first of two reports, compiled by research firm GFK-NOP, into the role that key trigger points can play in empowering consumers.

Role of the Competition and Markets Authority – The Competition and Markets Authority (CMA) will:

- enhance its Annual Concurrency Report on the operation of the concurrency arrangements between the CMA and the sectoral regulators to improve competition in the regulated sectors. In future, the report will cover new regulations put in place during the year which might significantly affect competition and innovation. It will also propose areas where changes to regulation might allow competition and innovation to work better.

- include an estimate of the impact of its contribution to competition enforcement cases led by sector regulators in its published performance monitoring benefit to cost ratios.

Reducing regulatory burdens – Ofwat will work with the water and sewerage industry to simplify and streamline water companies' licences in order to reduce regulation and facilitate deregulatory changes in future. Ofgem and DECC will review energy supply licence conditions to ensure they are as clear as possible, provide

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appropriate protections for consumers and do not act as a barrier to new companies entering the market, expanding or innovating.

Co-location and sharing back office functions – the Government will work with economic regulators to review the business case and implementation issues around co-locating and sharing back office functions across regulators, reporting by summer 2016.

Welfare & Tax

- The Government will introduce two reforms of loss relief from April 2017. Its current streaming rules will be made more flexible so that losses occurring on or after 1 April 2017 will be useable, when carried forward, against profits from other income streams or other companies within a group, while companies will only be able to use losses carried forward against up to 50% of any profits above £5 million.

- The Renewals Allowance, which provides traders and property businesses with tax relief for the cost of replacing tools is to be withdrawn. Costs incurred on replacement of tools will be obtained under the same rules as those which apply to other capital equipment.

- The Government will cut the proportion of a banking company's annual taxable profit that can be offset by pre-April 2015 carried-forward losses from 50% to 25% from 1 April 2016. The restriction will remain subject to a £25 million allowance for building societies and an exemption for losses incurred by new-entrant banks.

- The rate of Petroleum Revenue Tax is to be permanently reduced from 35% to 0%, while the rate of the Supplementary Charge will drop from 20% to 10%.

- The duty rates on beer, spirits and most ciders will be frozen for 2016 but rates on most wines and higher strength sparkling cider will go up by RPI from 21 March 2016.

- Duty rates on all tobacco products will increase by 2% above RPI inflation. Hand-rolling tobacco will see an extra increase to 5% above RPI.

- A new soft drinks industry levy is to be paid by producers and importers of soft drinks that contain added sugar. Small operators will be excluded from the charge.

- The main rate of fuel duty for petrol and diesel will stay frozen at 57.95 pence per litre during 2016-2017.

- The Government is to scrap the Carbon Reduction Commitment (CRC) energy efficiency scheme from the end of the 2018-19 compliance year.

Welfare & Tax

- Higher rates of Stamp Duty will be introduced on purchases of additional residential properties from 1 April 2016.

- Stamp duty rates on non-residential transactions will also be changed so that they apply to the portion of the purchase price within each band. A transaction value up to £150,000 will be charged at a rate of 0%, the portion between £150,001 and £250,000 at a rate of 2%, and the portion over £250,000 at 5%.

- The Government will reduce the higher rate of Capital Gains Tax from 28% to 20% while the basic rate will drop from 18% to 10%.

- HMRC has been set a compliance yield target for 2016-17 of £27 billion.

- £71 million will be invested to make it quicker and easier for individuals and small businesses to deal with HMRC. It hopes to have phone lines open seven days a week to improve call waiting times.

- Businesses, self-employed people and landlords who keep records digitally and provide regular updates to HMRC will be able to make pay-as-you-go tax payments from 2018.

- Nine banks will be legally required by the Government to offer basic bank accounts in a bid to help more people access basic banking services.

- Financial guidance providers the Money Advice Service, The Pensions Advisory Service and Pension Wise will be restructured to make sure people can access the help they need to make effective financial decisions.

- The Government is increasing the personal tax free allowance from £11,000 in 2016-17 to £11,500 in 2017-18, while the higher rate threshold will rise to £43,000 in April.

- From April 2017 a new Lifetime ISA will be launched. Adults under 40 can save up to £4,000 each year and receive a 25% bonus on every pound they put in.

Welfare & Tax

- For those on low incomes, the Government will introduce a Help to Save scheme. A 50% bonus on up to £50 of monthly savings will be provided.

- From early 2017, Tax-Free Childcare is being introduced to help working parents with childcare costs, ensuring those who want to can go out to work or increase their hours.

- The new mandatory National Living Wage will be brought in from 1 April 2016, set at £7.20 an hour for those aged 25 and above, while the National Minimum Wage will be set at £6.95 from October 2016.

- The Government will continue to support those who lose their job. The first £30,000 of a termination payment will remain free from income tax and the full payment will be outside the scope of employee national insurance contributions.

- An increase in the rate of tax payable by close companies under the loans to participators rules so that it continues to mirror the higher rate of dividend tax has been announced.

- The loans to participators tax rate will rise from 25% to 32.5% as of April 2016.

- Recipients of Guardian's Allowance, Carer's Allowance and the carers element of Universal Credit from the household benefit cap, which caps the amount of benefits out-of-work working-age families can receive at £20,000, and at £23,000 in Greater London, will receive exemptions from the Autumn.

- The Government is changing the way that entitlement to Personal Independence Payment is determined. There will be a reduction in the number of assessment points awarded for needing to use an aid or appliance to carry out two of the 'daily living' activities assessed.

- The deduction of tax at source regime is to be changed to bring all international royalty payments arising in the UK within the charge to income tax, unless those taxing rights have been given up under a double taxation agreement or the EU Interest and Royalties Directive.

Education

- By 2020 all schools are expected either to be academies, or to have an academy order in place to convert by 2022.
- The current system for allocating school funding will be replaced by the first National Funding Formula for schools from 2017-18. Subject to consultation, by 2020 the Government aims for 90% of schools that gain additional funding to receive the full amount they are due.
- £500 million additional core funding will be provided to schools over the course of this Spending Review.
- Professor Sir Adrian Smith will publish a report during 2016 reviewing the case for how to improve the study of maths from 16 to 18, and the feasibility for more or all students continuing to study maths to 18.
- £20 million a year will be invested into a Northern Powerhouse Schools Strategy. Sir Nick Weller will lead a report into reforming education across the Northern Powerhouse.
- There will be funding to establish a Northern branch of the New Schools Network and investment to expand the best academy chains and develop new sponsors in the North.
- The primary school PE and sport premium will be doubled from £160 million per year to £320 million per year from September 2017.
- Up to £285 million a year will be provided to give 25% of secondary schools increased opportunity to extend their school day.
- £10 million funding a year will be provided to expand breakfast clubs in up to 1,600 schools starting from September 2017.
- There will be increased funding available for improved activity in coasting and vulnerable schools.
- The Government will provide £14 million over the Spending Review period to deliver a mentoring scheme for disadvantaged young teenagers.

Education

Further Education

- Loans will be introduced for level 3 to level 6 training in further education, part-time second degrees in STEM, and postgraduate taught master's courses.

- From 2018-19, loans of up to £25,000 will be available to any English student without a Research Council living allowance who can win a place for doctoral study at a UK university. A repayment rate of 9% for doctoral loans and a combined 9% repayment rate will be set if people take out a doctoral and master's loan. A 6% rate will be set for those who only take out a master's loan. The Government will also extend the eligibility of master's loans to include three-year part-time courses with no full-time equivalent.

- There will be a review of the gaps in support for lifetime learning, including for flexible and part-time study.

- The Government will continue to free up student number controls for alternative providers predominantly offering degree level courses for the 2017-18 academic year.

- There will be extra funding for the Royal College of Art's Battersea Campus.

Science and innovation

- £50 million will be invested in the Quadram Institute, a world leading centre for food and health research at the Norwich Research Park.

- There will be science and innovation audits in Greater Manchester and East Cheshire, Edinburgh and the Lothians, South West England and South East Wales, Sheffield City Region and Lancashire LEP and the Midlands, to map the regions' research and innovation strengths and identify areas of potential global competitive advantage.

Education

- The Government will invest £50 million up to 2020-21 to establish a new Compound Semiconductor Applications Catapult in Wales.

- Dyson will receive a grant of up to £16 million to support research and development for battery technology at their site in Malmesbury.

- The National Institute for Smart Data Innovation in Newcastle will be awarded £15 million subject to approved business case.

- Over £16 million, matched by industry, will be provided to companies and research organisations in the Midlands to support aerospace R&D.

- £38 million will be awarded, matched by industry, for collaborative R&D into low emission vehicles.

Devolution

- The Government and the Welsh government will begin negotiations on a City Deal for Swansea Bay City Region.

- The Government will commence negotiations on a potential City Deal for both Edinburgh and the South East Scotland.

- A new mayoral devolution deal with the West of England, will give the West of England significant powers over improved transport, planning, skills and employment. The West of England will gain control over a £900 million investment fund to boost economic growth over 30 years.

- All Enterprise Zones will be able to offer Enhanced Capital Allowances for eight years once appropriate sites have been established.

- All Local Enterprise Partnerships will be required to have a Small Business Representative on their board.

- A consultation will today be launched on the provision of crematoria to calculate whether they are fit for purpose and sensitive to the needs of all possible users. The consultation will end on the 26th May.

- The way the country is run will be changed, the economy will be rebalanced for the next generation through devolution. Radical new powers are being given to local leaders and responsibility for driving growth in their local region through devolution deals, the ability to retain business rates and targeted investment in response to local priorities.

- Budget 2016 declares new devolution deals with the West of England, East Anglia, and Greater Lincolnshire. This builds on existing devolution deals with Greater Manchester, Liverpool City Region, Sheffield City Region, the North East and Tees Valley, meaning that over 55% of the population of the North of England will be have an elected mayor. The Government also continues to devolve powers to Scotland, Wales and Northern Ireland.

- £4.5 million from banking fines will be used to help establish an Air Ambulance for Northern Ireland.

Devolution

- The Scotland Bill will deliver the legislative elements of the Smith Commission, covering tax, welfare and borrowing, while the new Fiscal Framework for the Scottish Government was agreed in February 2016.

- The Budget includes a zero rating Petroleum Revenue Tax and cuts the Supplementary Charge in half to 10% to help support the industry through the current challenging conditions.

- Tolls will be halved on the Severn River Crossings, once the crossings enter public ownership, subject to public consultation. The Government will also review the case for free-flow tolling on the crossings.

- A £1.2 billion city deal for the Cardiff Capital Region has been agreed. The Government will contribute £500 million to the deal which will provide an investment fund for the region and support electrification of the Valley Lines railways.

- Significant budgets will be transferred to the local level, building on the mayoral devolution agreements with Greater Manchester, Sheffield City Region, the North East, Tees Valley, Liverpool City Region and the West Midlands. Mayoral devolution deals have been agreed with English counties and southern cities, reaching agreements with the West of England, East Anglia and Greater Lincolnshire.

- A further devolution deal has been agreed with Greater Manchester, including a commitment to work towards the devolution of criminal justice powers. There is also the desire to work towards a second devolution deal with Liverpool City Region.

- A pilot of 100% business rates retention in Greater Manchester and Liverpool City Region will be implemented, alongside an increase of business rates retained in London, contributing to developing the apparatuses required to manage risk and reward under 100% rates retention.

Devolution

- Greater Manchester and the Government will work towards the devolution of powers over criminal justice services, as well as the establishment of a Life Chances Investment Fund. Greater Manchester will be able to offer a smooth experience for offenders as they transition between prisons and the community.

- A further mayoral devolution deal with Liverpool City Region has been agreed. This builds upon Liverpool's mayoral deal, and will give new powers over transport, pilots the approach to 100% business rate retention across the region, and puts in place the commitment for the city region to work with the Government concerning children's services, health, housing and justice.

- £20 million a year of new funding will go towards a Northern Powerhouse Schools Strategy.

- The Northern Ireland Executive, Scottish Government and Welsh Government will each see increases in their budgets, to be allocated as they see fit.

Transport & Infrastructure

Infrastructure

- The Petroleum Revenue Tax will be effectively abolished through the permanent reduction of the rate from 35% to 0%. This change will come into effect 1 January 2016.

- The National Infrastructure Commission is set to carry out two new studies into infrastructure challenges. One will look at how the UK can become the world leader in 5G deployment and how it can reap all the potential benefits that 5G services offer. The other study will assess proposals for unlocking growth, housing and jobs in the Cambridge-Milton Keynes-Oxford corridor.

- Spending for flood defence and resilience will increase by over £700 million by 2020-21. £150 million will be invested in flood defence schemes for Leeds, Cumbria, Calder Valley and York which will in turn protect 7,400 properties.

- £5 million will be provided to establish a fund that supports smaller local infrastructure projects in outer London boroughs.

- A new commission led by Lord Heseltine has been tasked with the development of an ambitious vision and delivery plan for North Kent, South Essex and East London up to 2050. The plan will focus on supporting the development of high productivity clusters in specific locations and examining how the area can develop, attract and retain skilled workers. The Commission will report back in the 2017 Autumn Statement.

- The Government is set to deliver a 5G strategy in 2017, which will be based on the National Infrastructure Commission investigation into how the UK can become a world leader in 5G. In addition, the Government will support the development of a network planning tool to be trialled in Bournemouth.

- South Gloucestershire Council will receive £500,000 to fund a study into a new junction 18a on the M4 to link with the Avon ring road A4174.

- Sir John Parker has been appointed to lead the national ship building strategy, and will produce his report by the Autumn Statement of this year.

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Energy & Infrastructure

- The recommendations from the National Infrastructure Commission's energy study 'Smart Power' will be implemented to reform the UK's energy sector, and the Government will work with Ofgem to remove regulatory and policy barriers.

- In the next five years, at least £50 million will be allocated for innovation in energy storage, demand-side response and other smart technologies, which is designed to help new technologies and business models access the market. Ofgem will launch a consultation later this year on the future of the £100 million Network Innovation Competition.

- The Government will auction Contracts for Difference of up to £730 million this parliament for up to 4 GigaWatts of offshore wind and other less established renewables, with a first auction of £290 million. Support for offshore wind will be capped initially at £105/MWh (in 2011-12 prices), falling to £85/MWh for projects commissioning by 2026.

- At least £30 million will be allocated for a small modular reactor, enabling an advanced manufacturing R&D programme to develop nuclear skills capacity.

- £700 million of extra funding will be provided for flood defence and resilience funding by 2020-21, funded by a 0.5% increase in the standard rate of Insurance Premium Tax.

Transport

- The freeze on fuel duty will continue, meaning the average small business with a van saves £12 each time they fill their tank compared to fuel escalator plans in place prior to 2010. 138 Hauliers have on average saved a total of £14,400 over the last six years. The rates of HGV VED and Road User Levy will remain frozen in 2016-17.

- To support the transition to zero and ultra-low emission vehicles, the 100% First Year Allowance (FYA) for businesses buying low emission cars will be extended for an additional 3 years to April 2021,

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the main rate threshold for capital allowances for business cars will be reduced to 110 grams/kilometre of CO_2, and the FYA threshold to 50 grams/kilometre of CO_2, reflecting decreasing vehicle emissions. Company Car Tax will continue to be based on CO_2 emissions.

- There will be an increase in capital investment in the transport network by 50% over this parliament, investing £61 billion.

- The Government intends to establish the UK as a world centre of excellence in connected and autonomous vehicles, with trials of driverless cars on the strategic road network beginning by 2017 following a consultation this summer on removing regulatory barriers to enable autonomous vehicles on England's major roads.

- A £15 million 'connected corridor' will be established between London and Dover to enable vehicles to communicate wirelessly with in-frastructure and potentially other vehicles.

- £50 million of Pothole Action Fund for England is being allocated in 2016-17, for local authorities to fill nearly a million potholes. There will be a further £130 million to fix roads and bridges damaged by Storms Desmond and Eva.

- Crossrail 2 has been given the go-ahead with £80 million to help fund development, while High Speed 3 between Leeds and Manchester has been approved to bring journey times to around 30 minutes.

- The Government will take forward the proposals set out by Transport for North in their Northern Transport Strategy, and the proposals from the National Infrastructure Commission, with £300 million of funding. £60 million will be provided to develop plans for both the Leeds-Manchester route by 2017 and to improve transport connections between cities of the North. To advance the expansion of the M62, there will be an extra £161 million to advance by 2 years the upgrade between junction 10-12, and advance work on junction 20-25.

- £75 million will be allocated to develop the transformation of

Transport & Infrastructure

east-west road connections, including a Trans-Pennine tunnel under the Peak District between Sheffield and Manchester, as well as options to enhance the A66, A69 and the north-west quadrant of the M60. This includes developing a business case for these schemes by the end of 2016.

- The Government will allocate £4 million towards the development of High Speed 2 Growth Strategies for Manchester Piccadilly, Manchester Airport and Leeds stations.

- The main rate of fuel duty for petrol and diesel will continue to be frozen at 57.95 pence per litre in 2016-2017.

- From April 2016 the 3 percentage point differential between diesel cars and petrol cars will be retained until April 2021.

- There will be £5 million to develop options for improving the resilience of the rail line between Exeter and Newton Abbot (via Dawlish), once study by Network Rail reports.

- There will be an acceleration to the development of the Lofthouse and Simister Island junctions, capacity enhancements to the M1 at junctions 35a- 39 Rotherham to Wakefield, and upgrades to the M56 at junctions 6-8 south of Manchester.

- There will be £151 million to fund new river crossings at both Lowestoft and Ipswich (subject to final business case approval). The Government is now inviting further bids for the £475 million Local Majors Fund announced in 2015.

- The Government will provide £80 million to allow Crossrail 2 to proceed to the next stage with the intention of bringing forward a Hybrid Bill within this parliament.

- After the existing concession on the Severn River Crossings ends in 2018, subject to consultation, tolls will halve. The costs and benefits for developing a free-flow barrier-free tolling system will also be evaluated.

- £16 million funding is being allocated to improve rail station facilities at Market Harborough, St Albans, Redhill, Newbury, High Wycombe, Exeter St Davids, Weston-Super-Mare, and Cheltenham Spa.

Transport & Infrastructure

- By the end of 2018 Midlands Connect will be set-up as a statutory sub-national transport body with statutory duties.
- Upgrades will be made to the M1 for a continuous smart motorway from London to Yorkshire and to the M42 and M5 around Birmingham to four lane smart motorway, while there will be improvements to the A46 Newark bypass and its junction with the A1, and to the single carriageway link on the A45 Stanwick to Thrapston.
- The new Local Majors Fund will support local areas in the South West in bids for funding for large local transport schemes. There will be £500,000 to fund a study into a new junction 18a on the M4 to link with the Avon ring road A4174.
- TfL has been invited to bring forward proposals for financing infrastructure projects from land value increases. TfL is being supported in its plans to generate revenue from property assets through means including consultation on reforms to compulsory purchase orders.
- £8 million will be allocated during 2016-2017 to fill around 157,000 potholes, and £7 million to improve rail stations in the South East.

Energy

- At least £30 million will be allocated for a 21st century nuclear manufacturing programme.
- There will be a Government consultation on the priorities and delivery models for the Shale Wealth Fund and how it can be deployed.
- All remaining energy generation activities will be excluded from the Enterprise Investment Scheme, the Seed Enterprise Investment Scheme and Venture Capital Trusts with effect from 6 April 2016, as well as from Social Investment Tax Relief when enlarged. (99)
- Ownership of the wave energy testing facility Wave Hub will be transferred to Cornwall Council, and around £15 million will be provided to develop the facility as part of a new MarineHub Enterprise Zone.
- Around £20 million of funding will be provided for seismic surveys, as announced in January.
- £730 million for offshore wind and other less established renewable technologies will be auctioned this parliament for projects in 2021 to 2026. The first auction will offer £290 million of support.
- There will be legislation to license industry code administrators and give Ofgem increased power to set strategic direction and intervene to deliver essential changes to codes quickly.
- Ofwat will take steps to simplify and streamline water companies' licences to reduce regulation and facilitate deregulatory changes in future. Ofgem and DECC will review energy supply licence conditions to ensure they align with competition guidelines.

Energy

Energy Taxes

- There will be a reform of business energy taxes. Changes will include abolishing the Carbon Reduction Commitment (CRC) energy efficiency scheme with effect from the end of 2018-2019.

- The main rates of Climate Change Levy (CCL) will be increased from 1 April 2019, to cover the cost of CRC abolition.

- The CCL discount for sectors with Climate Change Agreements will be increased. For electricity this will increase from 90% to 93%, and for gas will increase from 65% to 78% from 1 April 2019.

- The main rates of CCL will be rebalanced for different fuel types to reflect recent data on the fuel mix used in electricity generation. Ultimately the Government intends to reach a 1:1 ratio of gas and electricity rates by 2025.

- CCL main rates will increase in line with RPI from 1 April 2017 and 1 April 2018.

- The allowance prices for CRC energy efficiency scheme (CRC) will increase in line with RPI in 2016-17, 2017-18 and 2018-19.

- The Aggregates Levy rate will remain frozen at £2 per tonne in 2016-17.

- The standard and lower rates of Landfill Tax will increase in line with RPI to the nearest 5 pence, from 1 April 2017 and again from 1 April 2018.

Motoring taxes

- Fuel duty will be frozen, and the Government has also kept the rates of HGV VED and Road User Levy frozen in 2016-17.

Energy

Steps to support transition to cleaner zero and ultra-low emission vehicles

- The 100% First Year Allowance (FYA) for businesses purchasing low emission cars will be extended for a further 3 years to April 2021.
- The main rate threshold for capital allowances for business cars will be reduced to 110.
- grams/kilometre of CO2 and the FYA threshold to 50 grams/kilometre of CO2 from April 2018.
- Company Car Tax will continue to be based on CO2 emissions of cars.

Support for the oil and gas sector via tax changes

- Petroleum Revenue Tax will be abolished by permanently reducing the rate from 35% to 0%, which will take effect from 1 January 2016.
- The Supplementary Charge will be reduced from 20% to 10%, which will take effect from 1 January 2016.
- The Investment and Cluster Area Allowances will be extended to include tariff income. This will encourage investment in key infrastructure maintained for third party benefit.
- The decommissioning powers of the Oil and Gas Authority (OGA) will be developed through further work between the OGA and industry to reduce overall decommissioning costs. If significant progress is made, the Government will explore whether decommissioning tax relief could better encourage transfers of late-life assets.

Housing

- £19 million funding will be provided for community-led housing schemes in areas most impacted by holiday homes, funded through Stamp Duty Land Tax revenue raised from the higher rates for purchases of additional properties.

- The business case for a new Thameslink station at Brent Cross Cricklewood has been approved, unlocking 7,500 new homes.

- A Starter Homes Land Fund prospectus has been launched, inviting local authorities to access £1.2 billion of funding to remediate brownfield land that will be used for housing, in order to deliver 30,000 starter homes.

- 13,000 affordable homes will be delivered two years early through bringing forward £250 million of capital spending to 2017-18 and 2018-19.

- There will shortly be a call for evidence published by the Government on how to make the housing transactions better value for money and more consumer friendly. Each year consumers spend £270 million on failed housing transactions.

- The Government has announced its intention to move towards a more zonal and red line planning approach, which will see local authorities using their local plans to signal their development strategy from the outset and make maximum use of permission in principle.

- There are new measures that aim to make the planning system faster, minimise delays caused by planning conditions and ensure the delivery of local plans by 2017.

- A consultation will be opened into options for increasing transparency in the property market, including proposals to increase the visibility of information relating to options to purchase or lease land.

- The delivery of provisions to provide greater freedoms and flexibilities for the deployment of mobile infrastructure, to include reducing planning restrictions for existing telecoms infrastructure, allowing for taller masts to be built and in turn unlocking more land for housing.

Housing

- Local Authorities are collaborating with central government on a local government land ambition, working with partners to release land with the capacity for 160,000 homes, helping to support the Government's policy on estates regeneration.

- The Homes and Communities Agency will work in tandem with Network Rail and local authorities to create land around stations for housing, commercial development and regeneration. The government will shortly set out which sites are scheduled to take part in the scheme.

- To increase densities on brownfield land, following the consultation on 'building up' in London, the Government will be consulting on providing similar powers through devolution deals.

- The Government plans to legislate to make it easier for local authorities to work together to create new garden towns as well as consult on a second wave of Compulsory Purchase Order (CPO) reforms with the objective of making the CPO process clearer, fairer and quicker.

- Following a consultation on the decision to raise Stamp Duty Tax the government has decided to help those moving in in difficult circumstances. Purchasers will have 36 months rather than the 18 originally proposed to either claim a refund from the higher rates or before the higher rates will apply, in the event that there is a period of overlap or a gap in ownership of a main residence.

- There will also be no exemptions from the higher rates for significant investor and the higher rates will be applied equally to purchases by individuals and corporate investors.

- £60 million of the additional receipts from higher rates on the additional residential properties will be provided to enable community-led housing developments.

- £100 million will be provided to deliver 'second stage' accommodation for rough sleepers leaving hostel accommodation and domestic abuse victims and their families moving on from refuges. This investment will provide 2,000 places to enable independent living for vulnerable households and individual, which in turn will free up hostels and refuges for people in most acute need.

- There will be a £10 million investment over two years to support and scale up innovative ways to prevent and reduce rough sleeping.
- Funding for the Rough Sleeping Impact Bond will double from £5million to £10million.
- The Government will change the calculation of SDLT on freehold and leasehold premium non-residential transactions so the rates apply to the portion of the purchase price within each band.

Health

- £2 million in banking fines will be given to University Hospital Southampton NHS Foundation Trust. This will facilitate the building of a Paediatric Emergency and Trauma Department, bringing units that treat sick children to one location.
- The defibrillator grant scheme will be extended with an additional £1 million.
- The Government will invest £1.5 million in children's sports prosthetics and create a fund to develop state-of-the-art prosthetics for the NHS.
- War pension payments will be exempt from the social care means test in England from April 2017.
- A new soft drinks industry levy will be introduced to encourage producers and importers of soft drinks to reduce added sugar content of the drinks. This levy is projected to raise £520 million in year one, with the OBR anticipating this number falling over time as behaviours change.
- £10 million funding per year to expand breakfast clubs in up to 1,600 schools starting from September 2017, providing more children with a healthy breakfast.

Culture, Media & Sport

- £14.5 million in grants will be provided to extend ultrafast broadband coverage in the South West, £4.5 million more than the £10 million allocated in the Spending Review. The National Infrastructure Commission will use the South West as a case study when assessing the ability of the UK to become a world leader in 5G connectivity.

- Building upon London's world-class cultural and educational appeal, help will be given to fund the expansion of the Royal College of Art's Battersea Campus. This will be alongside the British Library's goal to develop land to the north of its St Pancras site.

- The Government's creative sector tax reliefs have been highly successful at supporting growth, investment and innovation in industries that employ 1.8 million people. To encourage museums and galleries to develop creative new exhibitions and display their collections across the country.

- A new tax relief will be provided for the creative sector from 1 April 2017 available for the costs of developing temporary or touring exhibitions, following a consultation on its design over this coming summer.

- £5 million will be provided to support the building of Shakespeare North, a new theatre in Knowsley, subject to planning permission and a business case.

- The Government will support a bid to host the Rugby Football League World Cup in 2021.

- In partnership with the private sector the Government will create a new Broadband Investment Fund. This fund will operate on a commercial basis to support the growth of alternative network developers by providing more access to finance.

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About Vuelio

Vuelio Political Services have everything you need to understand and engage successfully with political stakeholders. Whether you want to educate MPs, influence a policy area, or invite them to engage, the experienced Vuelio team - supported by our political database and monitoring - can help you target the right audience, track all your activity, and shape the political agenda.