
ACEVO Briefing Note: Spring Budget 8 March 2017

What follows is a summary of measures announced in the Chancellor's first Budget. For more information on the Budget, or to discuss further please contact the team at policy@acevo.org.uk

The Budget was largely light on content, with detail promised in forthcoming green papers. The emphasis is clearly on preparing for any economic turbulence which may result from our departure from the European Union.

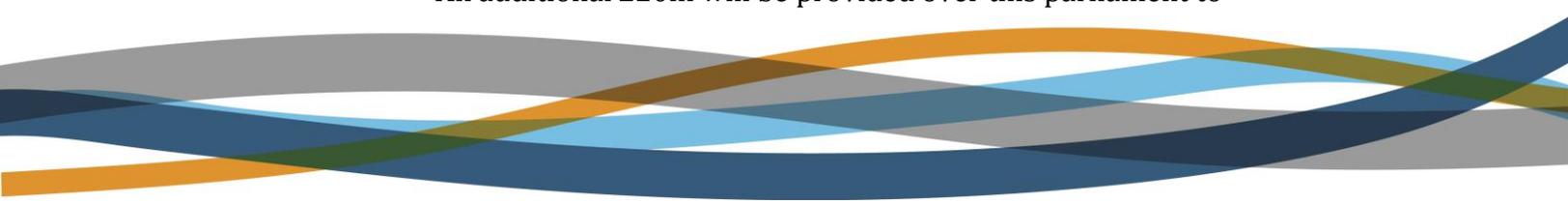
Economic Outlook

- The underlying forecasts for the economic landscape have not changed since the Autumn Statement
- While growth is now expected to be 2% in 2017, it is then expected to fall to 1.6% in 2018, recovering to 2% in 2021
- Inflation is expected to rise to 2.4% in 2017, falling to 2% in 2019
- Real wages are forecast to rise every year to 2021
- Government borrowing is expected to be £51.7bn this year, falling to 16.8bn by 2021/22

The Third Sector

- £12m of revenue from the 'Tampon Tax' will go towards charities working with women
- The turnover threshold at which co-operatives are required to conduct a full audit will rise to £10.2m, and the assets threshold will rise to £5.1m

International Women's Day

- A £5m fund will be created for projects to celebrate the centenary of women's suffrage
 - An additional £20m will be provided over this parliament to
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support organisations working to combat domestic violence and abuse

Health and Social Care

- An additional £2bn of grant funding will be provided to the social care system over the next three years. Over half of this will be delivered in 2017/18
- The government will publish a green paper on care funding this autumn
- An additional £100m will be provided for capital investment in A&E departments, including GP triage services
- £325m has been allocated to enable local proposals for capital investment to be implemented, with a further round of funding to be announced this autumn

Business Rates

- This Autumn, the Government will outline its plans for more frequent business rate revaluations
- Small Business Rate Relief was doubled in 2016
- Small businesses losing Small Business Rate Relief will see their bill increase by no more than £600 or the real terms transitional relief cap each year
- Local authorities will be given £300m of discretionary relief to provide support to individual organisations which are adversely effected
- A £1,000 business rate discount will be introduced for public houses with a rateable value of less than £100,000

Tax and Welfare

- The government will review disparities in parental benefits between the employed and the self-employed
 - Class 4 National Insurance Contributions will rise by 1% in 2018 and a further 1% in 2019. This will raise £145m a year, while ensuring self-employed individuals with profits below £16,250 a year will see no rise in their national insurance
 - The personal tax allowance will increase to £11,500, and the higher rate tax threshold will increase by £2,000
 - Unincorporated businesses will be provided with an extra year
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in which to adapt before '[Making Tax Digital](#)' is made mandatory

Business

- Corporation tax to be 19% from April this year. In 2020 it will fall to 17%
- The VAT registration threshold will rise to £85,000, and the deregistration threshold will rise to £83,000

Education, Skills, and Employment

- New 'T levels' will be introduced to rationalise the available technical education qualifications, to be introduced from 2019/20
- Maintenance loans will be introduced for those pursuing further technical education, as well as those going to university
- Despite a fall in revenues from sugar tax, the Department for Education will be given the £1bn promised for investing in school sports
- £320m will be invested to fund 110 additional new free schools, including new selective free schools
- £216m will be invested in school maintenance
- The Department of Education will invest £40m in pilots around lifelong learning
- £5m of funding will be provided to work with businesses and public sector bodies to increase the number of individuals returning to work from lengthy career breaks

Regulation

- Legislation will be brought forward to allow consumer enforcement bodies to ask courts to order civil fines against companies which break consumer law

There will be opportunities to discuss the Budget at upcoming local ACEVO events. Please contact events@acevo.org.uk for more information or visit the [ACEVO website](#).

