

THE BUDGET, SPRING 2017

Although perhaps higher on humour than his predecessor (whether you found his jokes funny will, of course, depend on your political persuasion), Chancellor Philip Hammond's first Spring Budget contains some interesting points to note, but is not high on content of direct relevance to charities.

It is not only his first, but also his last Spring Budget, as the planned shift to holding an Autumn Budget focussing on tax, and a Spring Statement focussing on spending kicks in later this year.

We should probably anticipate November's Budget being of greater significance for the charity sector, with potential tax reviews on the cards to meet the potential economic impacts associated with our departure from the EU.

Social Care

In addition to an increase of £2 billion over three years in funding for social care, charities in this sector will welcome the Government's plans to set out in a green paper proposals to put the system on a more secure and sustainable long term footing (para 5.6).

Many in the social care sector may feel that the £2 billion increase does not address the shortfalls for 2017 identified by the cross-party Communities and Local Government Committee, but it is to be hoped that bodies representing social care charities will have a role in consultation leading to the green paper.

Personal Tax Allowances

As previously announced, from April 2017 the higher-rate tax threshold will be increased by £2,000 to £45,000 (para 3.4).

Corporation Tax

The rate of corporation tax will be reduced to 19% from 2017-18 (para 3.11), also as previously announced.

Business rates

Some charities may benefit from support to be provided to businesses facing significant increases in bills due to the business rates revaluation taking effect in England from April 2017 (para 3.16).

Other

Whilst there is no more funding from LIBOR fines to distribute, a new £5 million fund has been established for projects to celebrate the centenary of voting rights being extended to women for the first time in 1918 (para 5.12).

There will also be £20 million to support organisations working to combat domestic violence and abuse, and to support victims of abuse (para 5.13).

All paragraph references above relate to the Budget Statement

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/597467/spring_budget_2017_web.pdf

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