

# NEWS BRIEF

Presented by **Crendon Insurance Brokers Ltd**

## 2015 Budget Key Numbers and Highlights

On 18 March 2015, George Osborne, Chancellor of the Exchequer, delivered his Budget to Parliament—the final one before the General Election—which reviewed UK economic performance, forecasted future UK economic viability and reported that after five years of austerity, Britain was again ‘walking tall’.

Speaking to the House of Commons, Osborne summarised the Budget’s main objectives as creating economic stability and sound public finances, fostering growth through the pursuit of technological and green energy advances, strengthening the economy by providing tax breaks, and offering incentives to save.

### Key Numbers

- The UK economy grew 2.6 per cent in 2014, the strongest annual growth since 2007 and the fastest in the G7.
- The Office of Budget Responsibility forecasts that the economy will grow by 2.5 per cent in 2015.
- By April 2015, corporation tax will dip down to 20 per cent, the lowest in the G7.
- The Office for Budget Responsibility forecasts that Real Household Disposable Income will grow by 3.1 per cent, the fastest rate in 14 years.
- The budget estimates 2015 UK business investment will grow by 5.1 per cent.

### Highlights

Osborne proposed the following budget components to benefit businesses and individuals:

- **For Businesses** – Investing £600 million to install better mobile networks, available to

nearly all UK premises in the country; providing £1.3 billion in tax cuts for North Sea oil exploration and continued production in older oil fields; pledging an investment of £140 million in world-class research on infrastructure and cities of the future; freezing the fuel duty again, which should save hauliers £21,000 and small businesses with a single van £1,4000; scrapping the annual tax return and replacing it with ‘digital tax accounts’; increasing the amount of small cash donations on which charities can claim a gift aid top-up from £5,000 to £8,000 a year; allocating £1 billion to build the world’s first tidal lagoon to generate green energy; and raising the rate of the bank levy to 0.21 per cent, generating an additional £900 million every year.

- **For Individuals** – Introducing the Help to Buy ISA, which pledges that for every £200 people save toward their first home, the government will put in an extra £50; raising the tax-free personal allowance to £10,800 in 2016-17; exempting the first £1,000 of interest earned on savings from taxes starting April 2016; relaxing tax rules to allow pensioners to sell their annuity and pay their usual rate of tax rather than 55 per cent starting April 2016; and reducing the cost of a pint by one penny, cutting cider and spirits duty by 2 per cent, and freezing the wine duty.

The key numbers and highlights listed here are just a brief overview. For more details, read the Chancellor’s full 2015 Budget at: [www.gov.uk/government/publications/budget-2015-documents](http://www.gov.uk/government/publications/budget-2015-documents). And for more information on poising your business for success throughout 2015, contact the insurance professionals at Crendon Insurance Brokers Ltd today.



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