

NEWS BRIEF

Presented by **Crendon Insurance Brokers Ltd**

Summer Budget 2015 Key Numbers and Highlights

On 8th July 2015, George Osborne, Chancellor of the Exchequer, delivered his Summer Budget 2015 to Parliament, the first budget since the General Election. With a Conservative majority, Osborne has the opportunity to enact policies that he believes 'puts security first' and provides a 'Budget for working people'.

The Budget outlined the steps that the government will take to increase wages, cut taxes, support UK businesses and achieve an estimated surplus of £10 billion by 2019-2020. Through welfare reforms and additional fiscal measures, Osborne hopes to spur economic growth and curb benefit dependency, ultimately helping to foster more building, investing and training.

Key Numbers

- The Office for Budget Responsibility (OBR) forecasts that the GDP will grow 2.4 per cent in 2015, 2.3 per cent in 2016 and 2.4 per cent each year after until 2020.
- The OBR forecasts employment to be 31.2 million in 2015, rising to 32.1 million by 2020.
- The OBR forecasts that pay growth will also accelerate—from 2.2 per cent growth this year to 4.4 per cent growth in 2020.

Highlights for Businesses

- Beginning in November 2015, the Insurance Premium Tax, the tax on general insurance premiums, will jump from 6 per cent to 9.5. The unexpected increase has been met with resistance from insurers, who labelled it a 'stealth tax' and allege it will make insurance for the public more expensive.

- Beginning in April 2016, the new National Living Wage will be £7.20 per hour for those over 25. The wage will continue to rise and reach more than £9 per hour by 2020.
- The Employment Allowance, which gives businesses and charities a cut in the National Insurance they pay, will increase by another £1,000 to £3,000 beginning in April 2016.
- The government will create 3 million new apprenticeships by 2020.
- Corporation tax will be cut to 19 per cent in 2017 and 18 per cent in 2020—the cut is predicted to benefit more than 1 million businesses, both large and small.
- The government will make a continued effort to clamp down on tax avoidance and increase resources for HMRC by doing the following:
 - Allowing HMRC to access more data to better identify businesses that are not declaring or paying taxes
 - Tripling the number of criminal investigations that HMRC can undertake concerning complex tax crime
 - Allocating additional investments between 2015 and 2020 for HMRC's work on evasion and non-compliance

The key numbers and highlights listed here are just a brief overview. Click here for more details: <https://www.gov.uk/government/topical-events/budget-july-2015>. And for more information on preparing your business for future success, contact the insurance professionals at Crendon Insurance Brokers Ltd today.

