Autumn Statement – Wednesday 3 December 2014

Roads investment

The Chancellor confirmed that £15 billion of investment in roads. This included the provision of over 1,300 new lane miles on motorways and trunk roads and the repair of road networks.

While £1,495 has been allocated for 2015-16, this figure will rise by 27.4% for 2016-17, 21.5% in 2017-18. However, central funding for local authority road maintenance allocations will remain a £975 million per year from 2015-16 through to 2020-21, amounting to a real-term cut after inflation.

Investment is broken down as follows:

	£ million						
	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**TOTAL**
Roads Investment Strategy	1,495	1,905	2,315	2,615	3,045	3,765	15,145
Local authority road maintenance allocations	975	975	975	975	975	975	975

BVRLA comment: We welcome the much-needed increase in roads investment, particularly given the longer-term approach being taken. However, we are concerned that funding of local authority road maintenance remains identical across the next Parliament, amounting to a real terms cut when taking into consideration the inflationary effect. Local authority roads are vital for both business and private motorists, and require ongoing maintenance. We hope that the Government will reconsider this funding decision.

Fuel Duty

Fuel duty will be continue to be frozen.

BVRLA comment: We welcome the news that fuel duty will be frozen. This will continue to provide valuable savings for businesses and fleets of 3p per litre, compared to 2011 rates.

Corporation and Business Tax

As previously stated, the main rate of corporation tax has been cut from 28% to 21%, and to 20% by 2015-16. The Government is now considering devolving tax rate-setting powers to Northern Ireland. This will be considered following cross-party talks with all the parties represented at the Northern Irish Assembly.

Small Business Rate Relief has been doubled. The smallest SMEs can claim 100% relief from business rates until April 2016.

Tax simplification

Following publication the Office of Tax Simplification (OTS) report on the competitiveness of UK tax administration, the Government has accepted and will further consider 51 of the 58 recommendations made by the final report.

While the Government will not introduce National Insurance Contributions on to Benefits in Kind, they accept the recommendation by the OTS for a fuller review on this proposal, and are likely to publish a consultation document in the New Year.

From April 2016, the £8,500 threshold below which employees do not pay tax on certain benefits in kind will be removed (though carers and ministers of religion will be exempted). The Government also plan to introduce a new system for voluntary payrolling of tax contributions on benefits in kind, as called for by the BVRLA, and conduct a post implementation review of Real Time Information payrolling.

The Government's Finance Bill (due to be introduced in 2015) will also introduce a closer alignment of accounting profit with taxable profit, which will mean a move away from capital allowances and towards commercial depreciation. This is especially welcome, and the BVRLA will use this commitment as an opportunity to draw attention to the discrimination against rental, especially in respect to greener vehicles.

Employee benefits

Following the report into employee benefits carried out by the Office of Tax Simplification, tax relief may no longer be claimed on reimbursed business expenses when paid in conjunction with a salary sacrifice scheme.

Personal Tax and National Insurance Contributions

Employer National Insurance Contributions will be abolished for apprentices under the age of 25. This will come into effect from April 2016.

Travel expenses paid to local councillors and representatives of other local government authorities will be made exempt from Income Tax and employee NICs. This exemption will be limited to the Approved Mileage Allowance Payment (AMAP) rates where it applies to mileage payments. This change will take effect from 6 April 2015.

Development of ultra-low emission vehicles

As part of the Roads Investment Strategy, £15 million has been set aside throughout the next five years to fund a national network of charge-points for ultra-low emission vehicles on the Strategic Road Network. The Government will shortly announce further details on three new funds totalling £85 million to support ultra-low emission taxis, buses and cities.

£50 million will also be provided to support manufacturing of ultra-low emission vehicles between 2017-18 and 2019-20, based on £25 million from Government for which it will seek match funding from industry. A further £10 million will be provided within the same timescale to increase ultra-low emission vehicles in London.

Autonomous vehicles

The Government will provide a further £9 million to increase the prize fund for driverless car test-beds, enabling trials in Bristol, London, Milton Keynes and Coventry from next year.

The full Autumn Statement document is available here:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf