

## Budget 2018

### Support for Business

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- **The Budget backs business by introducing tax incentives to encourage investment, providing support for high streets and increasing investment in infrastructure.**
- 1. To boost business investment, the Budget announces:**
    - the Annual Investment Allowance will increase from £200,000 to £1 million, for two years, to support firms to invest and grow
    - a new permanent Structures and Buildings Allowance will provide billions of pounds of relief for firms investing in new buildings - businesses will be able to claim capital allowances on the construction costs, including land alteration and improvement cost, of all new, non-residential structures and buildings
    - a plan to introduce targeted relief for the cost of intellectual property-rich business acquisitions, to support intangible investment by UK companies
  - 2. Our Plan for the High Street, includes:**
    - a one-third Business Rates discount for retail properties with rateable values below £51,000 for two years, benefitting up to 90% of retail properties
    - a Future High Streets Fund worth £675 million to support improvements to town centres
  - 3. To increase investment in key infrastructure, the Budget announces:**
    - an increase in the National Productivity Investment Fund from £31 billion to £37 billion, providing more money for the projects with the biggest impact on growth
    - £420 million additional funding to maintain local roads and £28.8 billion for a new National Roads Fund from 2020-2025, to make improvements to our national roads network
    - a £770 million increase to the Transforming Cities Fund, bringing the total fund to £2.5 billion to 2023, benefitting passengers, commuters, and motorists across England
    - Action to ensure no area is left behind in the transition to full fibre, with £200m committed to pilot new approaches to rollout in rural areas, starting with primary schools. This will include in the first wave the Borderlands, Cornwall, and the Welsh Valleys. We are also publishing two consultations to make it easier for network operators to install next-generation digital infrastructure to new builds and properties occupied by tenants.
  - 4. To support enterprise and small firms, the Budget announces:**
    - an extension to the Start-Up Loans Company, to help new firms get the seed funding they need. The Start-Up Loans Company provides finance and support for businesses who struggle to access other forms of finance

- a new £11 million Small Business Leadership Programme delivering 2,000 places in its first year, and £25 million to expand Innovate UK's Knowledge Transfer Partnerships programme, getting over 200 additional postgraduates with relevant skills placed into businesses to translate their research insights into business growth
- measures to increase pension fund investment in growing firms, building on the £20 billion programme to support 'long term patient capital' announced at the last Budget
- up to £2 billion additional funding for UK Export Finance's direct lending facility, to help exporting firms to grow their overseas sales
- a boost to the Department for International Trade's overseas network in Europe so they are equipped to support UK businesses to navigate a new trading relationship with the EU
- an extension to the New Enterprise Allowance, which helps benefits claimants to start or develop a business

**5. To promote cutting-edge science and research, the Budget announces:**

- an additional £1.6 billion to support ground breaking research and development, including a further £235 million for the National Quantum Technologies Programme, and a further £59.5 million in the Digital Catapult to drive early adoption of cutting-edge digital technologies by UK businesses

**6. To ensure the Apprenticeship Levy works well for business, we have announced that the Government will work with industry to review the future of the Levy. We have also introduced immediate reforms to increase its flexibility:**

- an increase in the cap on the amount firms can transfer to supply chains, from 10% to 25%
- a decrease in the co-investment level, from 10% to 5%
- a £5 million package of support to boost the resources of the Institute for Apprenticeships

**7. To reduce transport costs for firms, the Budget announces:**

- freezes to fuel duty and HGV Vehicle Excise Duty - our fuel duty freezes have saved the average van driver a total of £2,500 since 2011

**8. To support pubs and the alcohol industry, the Budget announces:**

- freezes to duties on beer, cider and spirits
- that pubs will benefit from the business rates discount set out above, subject to state aid rules
- a review of Small Brewers Relief