

Urgent Comment On Chancellor's Spring Statement From Blick Rothenberg

UNITED KINGDOM, March 23, 2022
/EINPresswire.com/ -- Low unemployment



Andrew Sandford, Audit, Assurance & Advisory Partner said: "Low unemployment levels are symptomatic of shortages of staff in a number of key markets"

Debt

Andrew Sandford, Audit, Assurance & Advisory Partner said: "Level of debt is eyewatering. Those who have misused CBILS and bounce-back loans are costing the wider economy. Wider enforcement/action is urgently required."

Labour and skills shortage

Heather Powell, Head of Property & Construction said: "House builders and the construction industry have been grappling with a labour and skills shortage. The industry needs to ensure that they participate in the consultation about how to reform the apprenticeship levy and improve adult vocational training to ensure that it addresses their industry needs and delivers the workforce the industry needs for the next 30 years."

Capital Allowances

Andrew Sandford, Audit, Assurance & Advisory Partner said: "Changing capital allowance rates in the future will delay capital expenditure in the short term with tax rate increasing to 25% on 1 April 2023."

Tax simplification

Andrew Sandford, Audit, Assurance & Advisory Partner said: "With NICS and income tax bands equalised, why not have just one tax if the chancellor is serious about tax simplification"

National Insurance Contributions (NIC)

Nimesh Shah, CEO said: "Has Rishi Sunak got the maths wrong? The NIC threshold isn't increasing by £3,000 - it's increasing by £2,690 (£12,570 - £9,880). This is worth just over £350 per annum, but only £267 next tax year.

"Aligning NIC threshold to the personal allowance simplifies the tax system - introducing it from July is ridiculous and complicated!"

Robert Pullen, Private Client Partner: "The Chancellor has been able to pull another rabbit out of the hat, despite a difficult economic backdrop. Extending the lower NIC threshold will save almost £400 per year, although this will be eroded by the HSC levy. With NIC rates now aligned, it may be only a matter of time before NIC and Income Tax are aligned".

Small businesses

David Hough, Audit, Assurance & Advisory Partner said: "It was unlikely that the Chancellor would reverse his decision to increase National Insurance rates beginning in April 2022 but for small businesses the increased payroll costs could not come at a worst time. With inflation already running at over 6% this increase has the impact of higher costs but will also lead to larger companies increasing their prices putting additional pressure on smaller ones. The biggest losers are those in energy intensive sectors, such as manufacturing, for whom the additional costs of gas and electric are going to push them to the limit."

Fuel duty

Simon Sutcliffe, Customs & Excise Duty Partner, said: "Great news for car driving households as fuel cut by 5% until March. Let's hope that petrol retailers pass on the saving."

Savings on energy saving material

Andrew Sandford, Audit, Assurance & Advisory Partner said: A shortage of builders and skilled labour will reduce the effectiveness of the VAT reductions on solar and other energy like heat pumps.

Heather Powell, Head of Property & Construction said: "Achieving carbon zero by 2050 is dependent on a massive improvement on the energy efficiency of UK homes. The Chancellor has announced that the Red Tape and restrictions imposed by the EU on the installation of energy efficient systems such as solar panels and heat exchange pumps are to be abolished – and that VAT is reduced to 0% on these products that reduce the UK's carbon footprint - for five years. An estimated saving of £1,000 for households – and an incentive to get it done in time to make a difference our impact on the environment."

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