

Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days – 11 March 2024

Budget 2024 focusses on NICs

- Chancellor of the Exchequer Jeremy Hunt has unveiled the [Spring Budget 2024](#). Below is a list of the key announcements for London businesses:
 - National Insurance – The main rate of Class 1 employee National Insurance Contributions (NICs) is going to be cut from 10% to 8%, taking effect from 6 April 2024. For the self-employed, the main rate of National Insurance will be cut to 6%
 - VAT registration threshold – The VAT registration threshold will be increased from £85,000 to £90,000, and the deregistration threshold from £83,000 to £88,000, freezing them at these levels. These changes will apply from 1 April 2024
 - Extension of the Recovery Loan Scheme (RLS) – The Recovery Loan Scheme has been renamed as the Growth Guarantee Scheme and extended until the end of March 2026. The scheme offers a 70% government guarantee on loans to SMEs of up to £2 million in Great Britain, and £1 million in Northern Ireland
 - VAT Retail Export Scheme – The Government is reviewing the Office for Budget Responsibility's (OBR) findings on the impact of the removal of tax-free shopping, and welcomes further submissions on this issue
 - Consultation on extending full expensing to assets for leasing – Draft legislation on an extension of full expensing to assets for leasing will be published shortly. Full expensing will be extended to assets for leasing when fiscal conditions allow

- Replacing Non-UK Domicile tax rules – This measure abolishes the remittance basis of taxation for non-UK domiciled individuals and replaces it with a residence-based regime. Individuals who opt into the new regime will not pay UK tax on any foreign income and gains arising in their first four years of tax residence, provided they have been non-tax resident for the last 10 years. This new regime will commence on 6 April 2025 and applies UK-wide
- Film Studios Relief – Eligible film studios in England will receive a 40% reduction on gross business rates bills until 2034. The relief will be implemented as soon as possible, and bills will be backdated to 1 April 2024.
- Theatre Tax Relief (TTR), Orchestra Tax Relief (OTR) and Museums and Galleries Exhibitions Tax Relief (MGETR) – From 1 April 2025, the rates of TTR, OTR and MGETR will be permanently set at 40% (for non-touring productions) and 45% for touring productions and all orchestra productions. The sunset clause for MGETR will be removed
- Enhanced credit for UK independent film – A UK Independent Film Tax Credit will be introduced at a rate of 53% on qualifying film production expenditure. This enhanced Audio-Visual Expenditure Credit will be available for films with budgets under £15 million that meet the requirements of a new British Film Institute test
- Additional tax relief for visual effects – The credit rate for visual effects costs in film and high-end TV will be increased to 39% from April 2025, and the 80% cap will be removed for qualifying expenditure for visual effects costs
- Expert advisory panel on R&D tax reliefs – HMRC will establish an expert advisory panel to support the administration of the R&D tax reliefs
- Accelerated Planning Service – The Government is publishing a consultation on the proposed design of the new accelerated planning service as well as new measures to constrain the use of extension of time agreements and identifying local planning authorities who are using these excessively
- Digital Planning – Building on work to digitise the planning system, a new pilot will use Artificial Intelligence to help speed up development of local plans
- Vaping Products Duty – A new duty on vaping products will be introduced from 1 October 2026, with registrations for the duty opening from 1 April 2026
- Air Passenger Duty (APD) rates – The 2025-26 APD rates for economy passengers will increase in line with forecast RPI, rounded to the nearest pound. Rates for those flying premium economy, business and first class and for private jet passengers will also

increase by forecast RPI and will be further adjusted for recent high inflation to help maintain their real terms value

- Housing in Barking and Canary Wharf – The Government is announcing investment of £124 million at Barking Riverside to unlock 7,200 homes. In addition, £118 million will be invested to accelerate delivery of the Canary Wharf scheme. This will deliver a life sciences hub, commercial and retail floor space, a healthcare diagnostic facility and up to 750 homes
 - Euston Housing Delivery Group – The Euston Housing Delivery Group will be established with £4 million to support plans to deliver up to 10,000 new homes
 - Abolition of Furnished Holiday Lettings tax regime – The Government will abolish the Furnished Holiday Lettings tax regime, taking effect from 6 April 2025
 - Capital Gains Tax: Higher rate cut for residential property – From 6 April 2024, the higher rate of Capital Gains Tax for residential property disposals will be cut from 28% to 24%
 - Fuel duty – The main rates for fuel duties will be frozen, with the ‘temporary’ 5p cut extended until March 2025
 - Alcohol duty – Alcohol duty will be frozen from 1 August 2024 to 1 February 2025
 - Household Support Fund Extension – The Household Support Fund in England will be extended from April to September 2024
 - UK ISA – The Government will create an additional Individual Savings Account (ISA) with a £5,000 allowance. This would be in addition to the £20,000 that can be subscribed into an ISA
 - Artificial Intelligence (AI) Upskilling Fund Pilot – The Government is announcing a new £7.4 million AI Upskilling Fund pilot that aims to help SMEs develop the AI skills of the future
 - High Income Child Benefit Charge (HICBC) reform – The HICBC threshold will be raised to £60,000 from April 2024. The rate at which HICBC is charged will also be halved so that Child Benefit is not fully withdrawn until individuals earn £80,000 or higher
 - PISCES – The Government has published a consultation on a new Private Intermittent Securities and Capital Exchange System (PISCES). PISCES will be a new market that aims to support private companies to scale and grow, and boost the pipeline of future Initial Public Offerings (IPOs) in the UK
- The full Spring Budget 2024 document can be found [here](#).

- In reaction to the Chancellor's Spring Budget, Karim Fatehi MBE, Chief Executive of the London Chamber of Commerce and Industry (LCCI), said:
 - "Today's Spring Budget continues a pattern of piecemeal economic policymaking and fails to tackle the fundamental problems facing London, and the wider UK economy. No commitment to finding a long-term funding solution for TfL demonstrates absence of thought towards the type of investment needed to boost London's businesses, who rely on the guarantee of a high-functioning transport network.
 - The cut to National Insurance may provide workers, and the self-employed, with a much-needed boost in personal finances to spend in London's shops, restaurants and pubs, but it is not going to deliver the structural reform the economy needs. As we look ahead to a General Election this year, it is essential that the policies put forward in party manifestos bring the bold, long-term plans the economy needs for a reset. These must be developed in close consultation with the business community, and, should they be fit for purpose, will hopefully put the UK back on a road to growth and productivity."
- The full press statement can be found [here](#).

TfL proposes extending the DLR to Thamesmead

- Transport for London (TfL) have launched a new consultation on extending the DLR from Gallions Reach, with two new stations in Beckton Riverside and Thamesmead.
- TfL say the development sites at Beckton Riverside and Thamesmead Waterfront have the potential to create up to 25,000 to 30,000 new homes, but this will only be possible through improved public transport connections like a DLR extension.
- All of the information on the proposals can be found [here](#), and views can be submitted until **Monday 18 March 2024**. If you have any views you wish to be reflected, please get in touch with the Policy Team at policy@londonchamber.co.uk.

New Royal Docks investment aims to deliver additional homes, jobs in area

- Mayor of London Sadiq Khan has [launched](#) the new Royal Docks Delivery Plan for 2024-2029, which outlines how the area will continue to be transformed over the coming five years.
- The Plan suggests that around 4,300 new homes will be built or started by 2029, as part of the Royal Docks and Beckton Riverside Opportunity Area Planning Framework to deliver 36,000 new homes.
- A number of the projects in the Plan have already been announced, such as the new

Silvertown Tunnel and upgrades to the Docklands Light Railway (DLR) network.

- You can view the Royal Docks Delivery Plan 2024-2029 in full [here](#).

New trial of off-peak fares on Fridays launches

- Transport for London (TfL) have [launched](#) a three-month trial of all-day off-peak fares on Fridays, in an effort to encourage more people to use the network on these days for work and leisure purposes.
- The trial will run from 8 March 2024 for three months. The off-peak fares on Fridays trial is for pay as you go only. Single paper tickets and paper Day Travelcards will still have peak-hour restrictions during the trial. Season tickets will not change as a result of the trial as there is no off-peak option.
- Peak fares will continue to apply to fares to/from Heathrow via Zone 1 as there are no off-peak fares. However, fares for journeys that do not include travel through Zone 1 will be charged an off-peak rate on Fridays during the trial.

Winners of the Mayor's London Borough of Culture for 2025 and 2027

- Wandsworth and Haringey have won the Mayor of London's Borough of Culture awards for 2025 and 2027 respectively.
- Each borough will receive £1.35 million to deliver a year of creative and cultural activities, providing a range of constructive opportunities for young people as well as access to new training and jobs, while celebrating local communities and showcasing London's diversity.
- Both boroughs will receive £140,000 value in kind promotion on Visit London channels to help attract domestic and international visitors.

If you have any queries, please contact the LCCI Policy Team at policy@londonchamber.co.uk.