

# BEIS in the Spring Statement 2022

News story

The Department for Business, Energy and Industrial Strategy (BEIS) will be at the forefront of helping support households and businesses in the months ahead.



The government has published the 2022 Spring Statement that puts billions of pounds back into the pockets of hard-working people and unveils a new Tax Plan to ease the rising cost of living and to deliver the biggest cut to personal taxes in a quarter of a century.

The Department for Business, Energy and Industrial Strategy (BEIS) will be at the forefront of helping support households and businesses in the months ahead, as well as boosting growth and productivity across the country.

The further measures announced by the Chancellor, including cutting fuel duty and reducing VAT on energy saving materials such as solar panels and heat pumps, build on the existing support the government is providing to families worth over £22 billion in 2022 to 2023, including additional support to help household energy bills and measures to boost home insulation.

Business and Energy Secretary Kwasi Kwarteng said:

We are working hard to help households and businesses with rising costs, while supporting growth and jobs in every corner of the UK.

This is the biggest cut ever on all fuel duty rates, and this is in addition to the already significant steps we have taken to tackle the cost of living, such as the £9 billion household energy bill package and a boost to the National Living Wage next month.

The Spring Statement and Tax Plan will help businesses and families alike, setting the foundations for a strong economy that will create well-paid, highly-skilled jobs for years to come.

The Spring Statement and new Tax Plan includes key measures that will mean hard-working people across the UK will keep more of what they earn, and BEIS will be at the forefront: Measures announced include:

## **Supporting people with the cost of living**

- cutting fuel duty for petrol and diesel by 5p per litre from 6pm Wednesday 23 March to help drivers across the UK with rising costs – a tax cut worth £2.4 billion. This is the biggest cut ever on all fuel duty rates
- doubling the Household Support Fund with an extra £500 million. This will ensure the most vulnerable families continue to get support with their food, energy and water bills. The fund is distributed through local authorities in England, who are best placed to know how to use it in their local areas
- equalising National Insurance and Income Tax starting thresholds from July. People will be able to earn £12,570 a year without paying any Income Tax or National Insurance
- this support comes on top of a £9 billion energy bill rebate package, worth up to £350 each for around 28 million households, and an increase to the National Living Wage, worth £1,000 for full time workers

## **Backing business**

- raising the Employment Allowance to £5,000. This is equivalent to a tax cut worth up to £1,000 for around half a million small businesses
- investing nearly £50 million to create a new Public Sector Fraud Authority and continuing to investigate, seize and recovery money fraudulently claimed through the Bounce Back Loan Scheme
- the support for SMEs comes on top of 50% business rates relief for eligible retail, hospitality, and leisure properties, also coming in this April and worth £1.7 billion for small businesses
- the Help to Grow Management and Digital schemes, worth thousands of pounds per business, and the £1 million Annual Investment Allowance are also available to continue supporting UK businesses

## **Unleashing innovation**

- a commitment from the Chancellor to improving R&D reliefs. R&D tax reliefs will be reformed to deliver better value for money for the taxpayer while being more generous where it can make the most difference. The scope of relief will also be expanded to cover data, cloud computing and pure maths
- planning to encourage greater business investment to help drive innovation. From April 2023, business will be able to claim relief on the storage of their vital data and pure maths research. This is set to boost sectors where the UK is a world-leader, including AI, robotics, manufacturing, and design

## **Helping families become more energy efficient**

- reducing the VAT on energy saving materials such as solar panels, heating pumps and roof insulation from 5% to zero for 5 years, helping families become more energy-efficient, and reinstating wind and water turbines as qualifying technologies. A 100% relief for eligible low-carbon heat networks which have their own rates bill will also be available
- as previously announced, the government will also provide grants to encourage property owners to install low carbon heating systems such as heat pumps, through the Boiler Upgrade Scheme (BUS). The scheme will open for applications in May 2022

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