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The Growth Plan 2022: BSA Summary

Key Points

As part of today's publication of the Growth Plan 2022, the Chancellor has made the following announcements.

Responding to the Plan, BSA Chief Executive Mark Fox said:

“The Chancellor has set out a bold set of reforms with the clear aim of encouraging economic growth. We welcome the Government’s clear focus on supporting and encouraging business.”

- The full documents can be found [here](#).
- A summary can be read [here](#).
- You can read the Chancellor’s speech [here](#).

Economy

- The Government is not publishing independent analysis of today's announcements but the Chancellor has commissioned the OBR to produce a forecast for publication by the end of this calendar year.
- It will also set out its plan as to how it will reduce debt relative to GDP.
- Its goal over the medium term is to reach a trend rate of growth of 2.5%.

Taxation and Pensions

- The Government has committed to cancel the increase in the main rate of Corporation Tax to 25% that was due to take effect from April 2023, keeping the rate at 19%.
- The Government will bring forward the 1 percentage point cut to the basic rate of income tax to April 2023, 12 months earlier than planned.
- It will also reduce NICs rates by 1.25 percentage points from November and cancel the Health and Social Care Levy coming in from April 2023.
- The additional rate of income tax will also be removed from April 2023.
- The Government will reverse the 1.25 percentage point increase in dividend tax rates from April 2023.
- It will bring forward draft regulations to reform the pensions regulatory charge cap and the Government will make permanent the temporary £1 million level of the Annual Investment Allowance (AIA), which was due to expire after 31 March 2023.

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Business, Employment and Skills

- The 2017 and 2021 reforms to the off-payroll working rules (also known as IR35) will be repealed from 6 April 2023.
- The Government will legislate to require trade unions to put pay offers from employers to a vote of members.
- Later this Autumn, the Government will bring forward a set of regulatory changes to support higher economic growth.

Energy

- The Chancellor reaffirmed support for individuals and organisations through the [Energy Bill Relief Scheme](#) and the [Energy Price Guarantee](#).
- The combined energy package will cost £60 billion for the six months from October.
- A new Energy Supply Taskforce will seek to negotiate long-term agreements with major gas producers.

Government and Public Spending

- The Government will review the spending control framework, including the business case process, to accelerate decision making across government.
- It will also abolish the Office of Tax Simplification and set a mandate to HM Treasury and HMRC to focus on simplifying the tax code.
- The Chancellor will shortly write to each department asking them to set out how they will prioritise growth within their plans.

Investment Zones

- The Government will work with the devolved administrations and local partners to introduce Investment Zones across the UK.
- Areas with Investment Zones will benefit from tax incentives, planning liberalisation, and wider support for the local economy.
- The Department for Levelling Up, Housing and Communities will shortly set out more detail on the planning offer. This will include detail on the level of deregulation and the streamlined mechanism for securing planning permission.
- You can read the full factsheet [here](#).

Housing and Infrastructure

- The Growth Plan also sets out the infrastructure projects that the Government will prioritise for acceleration, across transport, energy and digital infrastructure (Annex B).
- The Government will also increase the relief that first-time buyers can receive. From 23 September 2022, the threshold at which first-time buyers begin to pay residential SDLT will increase from £300,000 to £425,000 and the maximum value of a property on which first-time buyers relief can be claimed will also increase from £500,000 to £625,000.



- The Government will increase the threshold above which Stamp Duty Land Tax (SDLT) must be paid on the purchase of residential properties in England and Northern Ireland from £125,000 to £250,000.