

Autumn Budget 2017 Highlights

Although today's budget statement wasn't bursting with policies relating to sustainable and responsible investment, the following brief highlights some of the announcements which are likely to be of interest to UKSIF members. Quotes are taken from the budget document which is available [here](#).

Asset Management

The Treasury will publish a new long-term strategy to ensure that the UK asset management industry 'continues to thrive and deliver the best possible outcomes for investors and the UK economy. This will include actions, to be taken forward in close collaboration with the industry, on skills, harnessing financial technology solutions, mainstreaming innovative investment strategies, and continuing a coordinated programme of international engagement.'

Long-term Investment

The Government announced it will seek to unlock 'over £20 billion of patient capital over the next 10 years so that innovative high-growth firms can achieve their full potential.' These actions come on the back of the Patient Capital Review which considered the availability of long-term finance for growing innovative firms, and barriers that investors may face in providing long-term finance.

The Chancellor wants to give pension funds confidence they can 'invest in assets supporting innovative firms as part of a diverse portfolio.' Specifically, this means The Pensions Regulator will clarify guidance on investments with long-term investment horizons. The Government argues that given over £2 trillion is held in UK pension funds, small changes in investment have the potential to transform the supply of capital to innovative firms.

Environmental Taxes

Philip Hammond also stated his intention to explore how the tax system can help drive behavioural change amongst consumers geared towards protecting the

environment. Specifically, he committed to working with the Secretary of State for the Environment, Food and Rural Affairs, Michael Gove, to investigate the extent to which taxes and charges on single-use plastic items can reduce waste.

Furthermore, he outlined how the Government's Air Quality plan will be funded by taxes on new diesel cars. This will result in a new £220 million Clean Air Fund to provide support for the implementation of local air quality plans.

These announcements were rather offset by the declaration that the Government will "introduce 'Transferable Tax History' for transfers of oil and gas fields in the North Sea... An innovative tax policy that will encourage new entrants to bring fresh investment to a basin that still holds up to 20 billion barrels of oil."

Electric Vehicles

One important signal in the transition to a net-zero carbon economy was the recognition that electric vehicles are the future of transport in the UK – and they need to come 'as soon as possible'. To help make this happen the Chancellor announced a new £400m charging infrastructure fund, an extra £100 million Plug-in-Car Grant investment, and £40 million in charging R&D.

What else?

Other announcements which may be of interest to UKSIF members include:

- Total Carbon Price – The Government is 'confident' that the TCP is set at the right level and will not change until unabated coal is no longer used.
- Confirmation that the new Industrial Strategy will shortly be published by BEIS secretary, Greg Clarke.
- The Government will respond to a consultation on the proposal that designers of certain offshore structures which could be misused to evade taxes inform HMRC of those structure and their clients.
- National living wage will rise in April 2018 by 4.4% to £7.83 an hour.
- EIS investment limits for knowledge intensive companies will double.