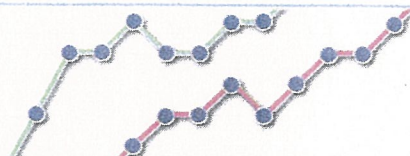


Surrey Advertiser: 25th March 2011

Business news



Why does Surrey have to lose out?

Help us to create growth you crave, county tells Chancellor

by Oliver Florence

BUSINESS leaders and experts in Surrey have given a cautious welcome to this week's Budget.

Among the most popular of the measures announced by George Osborne on Wednesday were the 2% drop in the rate of corporation tax and the cut in fuel duty.

There was also support for the proposals to consult on merging income tax and National Insurance.

There were, however, some concerns that Surrey was once again being neg-



George Osborne.

lected at the expense of less economically successful regions.

Jon Hills, partner at PKF accountants in Guildford, said: "Surrey businesses will be delighted with April's 2%, as opposed to 1%, cut in corporation tax.

"Small and medium enterprises (SMEs) will also welcome the extension for another year of the business rate relief holiday for small firms."

He added: "Plans to consult on proposals to merge income tax and National Insurance are an excellent step in the right direction to simplify our hugely complex tax system.

"But it will take years to ensure it is done well and properly."

Jeff Jeffries, partner at the PKF office in Guildford, said: "A sluggish economy needs a fuel injection and, in a way, that's exactly what we got with a penny off at the pump.

"The bigger picture, however, is less clear cut."

Philip Stephenson, partner and head of corporate at

Budget reaction

Barlow Robbins LLP, said: "With radical reductions in corporation tax, by 2% initially and eventually to 23% in three years, the chancellor certainly hopes it will give the economy the boost it desperately needs and this is one of the key benefits to industry the Budget delivers."

Mr Stephenson also welcomed SME tax credit increases.

He added: "We hope that the doubling of the Entrepreneurs' Relief from April 6 will give a timely boost to corporate transaction levels, not least by encouraging serial entrepreneurs who want to expand their business and reinvest gains."

Dávid Seall, chairman of the Surrey branch of the Institute of Directors, described the Budget as "interesting" and felt it set the scene for the next few years. For businesses in Surrey it was good to see some reforms on corporation tax and encouraging people to invest," he said.

"But one of the things that

concerned me was Surrey losing out in terms of funding, compared with the rest of the country.

"We create a lot of growth and help the Treasury with revenue, but we need the help to get even better."

Mr Osborne unveiled plans for 21 new enterprise zones, where businesses can take advantage of tax breaks and reduced planning restrictions.

None of the initial zones will be in the South East region however.

"That's the dilemma," Mr Seall said. "Do we invest in areas where we know we will make a return or do we invest in areas that are desperate for investment?"

"I don't see why the whole country should not be an enterprise zone."

He also suggested the government needed to invest in tackling transport pinch points and improving broadband in the county.

"As for Surrey I do worry," he said. "One becomes resigned to it, but it does not mean we should give up.

"There are some successful businesses in Surrey and with a little bit of help they could do even more."