

Sent to BID Businesses on 3rd March 2021

Budget 2021 - Measures announced by The Chancellor today

Measures announced in the Budget 2021 today by The Chancellor, Rishi Sunak.

Please find summary details below:

- The government will continue to provide eligible retail, hospitality and leisure properties in England with 100% **business rates relief** from 1 April 2021 to 30 June 2021. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.
- The government will extend the **temporary reduced rate of 5% VAT** for goods and services supplied by the tourism and hospitality sector until 30 September 2021. To help businesses manage the transition back to the standard 20% rate, a 12.5% rate will apply for the subsequent six months until 31 March 2022.
- The government is extending the **Coronavirus Job Retention Scheme** for a further five months from May until the end of September 2021. Employees will continue to receive 80% of their current salary for hours not worked. There will be no employer contributions beyond National Insurance contributions (NICs) and pensions required in April, May and June. From July, the government will introduce an employer contribution towards the cost of unworked hours of 10% in July, 20% in August and 20% in September, as the economy reopens.
- The government will provide '**Restart Grants**' in England of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses, giving them the cash certainty they need to plan ahead and safely relaunch trading over the coming months. The government is also providing all local authorities in England with an additional £425 million of **discretionary business grant funding**, on top of the £1.6 billion already allocated. Altogether, this support will cost £5 billion.
- To support the self-employed across the UK through the next stage of the pandemic, the government confirms that the fourth **Self Employment Income Support Scheme** grant will be worth 80% of three months' average trading profits, paid out in a single instalment and capped at £7,500 in total. The grant will cover the period February to April, and can be claimed from late April. Self-employed individuals must have filed a 2019- 20 Self Assessment tax return to be eligible for the fourth grant. The government announces that there will be a fifth and final SEISS grant covering

May to September. The value of the grant will be determined by a turnover test, to ensure that support is targeted at those who need it the most as the economy reopens. People whose turnover has fallen by 30% or more will continue to receive the full grant worth 80% of three months' average trading profits, capped at £7,500. People whose turnover has fallen by less than 30% will receive a 30% grant, capped at £2,850. The final grant can be claimed from late July

- The government will provide £300 million to extend the **Culture Recovery Fund** to continue to support key national and local cultural organisations in England as the sector recovers.

Further extensive detail:

1. Covid-19

- An extra £1.65 billion cash injection to ensure the Covid-19 vaccination roll-out in England continues to be a success.
- £28 million to increase the UK's capacity for vaccine testing, support for clinical trials and improve the UK's ability to rapidly acquire samples of new variants of COVID-19.
- £22 million for a world-leading study to test the effectiveness of combinations of different Covid-19 vaccines. This will also fund the world's first study assessing the effectiveness of a third dose of vaccine to improve the response against current and future variants of COVID-19.
- A further £5 million on top of a previous £9 million investment in clinical-scale mRNA manufacturing, to create a 'library' of vaccines that will work against Covid-19 variants for possible rapid response deployment.
- Extending £500 Test and Trace support payments in England until the summer.

2. Jobs and livelihoods

- An extension of the Coronavirus Job Support Scheme to September 2021 across the UK.
- An extension of the UK-wide Self Employment Income Support scheme to September 2021, with 600,000 more people who filed a tax return in 2019-20 now able to claim for the first time.
- An extension to the temporary cut in Stamp Duty Land Tax in England and Northern Ireland until September will support the housing market and protect and create jobs.
- A new mortgage guarantee scheme will enable all UK homebuyers secure a mortgage up to £600,000 with a 5% deposit.
- £5 billion for new Restart Grants – a one off cash grant of up to £18,000 for hospitality, accommodation, leisure, personal care and gym businesses in England.
- A new UK-wide Recovery Loan Scheme to make available loans between £25,001 and £10 million, and asset and invoice finance between £1,000 and £10 million, to help businesses of all sizes through the next stage of recovery.

- Extension of the Film & TV Production Restart scheme in the UK, with an additional £300 million to support theatres, museums and other cultural organisations in England through the Culture Recovery Fund.
- Six-month extension of the £20 per week Universal Credit uplift in Great Britain, with the Northern Ireland Executive receiving additional funding to match the increase. A one-off payment of £500 to eligible Working Tax Credit claimants across the UK.
- Extension to the VAT cut to 5% for hospitality, accommodation and attractions across the UK until the end of September, followed by a 12.5% rate for a further six months until 31 March 2022.
- 750,000 eligible businesses in the retail, hospitality and leisure sectors in England will benefit from business rates relief.
- Extension of the apprenticeship hiring incentive in England to September 2021 and an increase of payment to £3,000.
- £7 million for a new “flexi-job” apprenticeship programme in England, that will enable apprentices to work with a number of employers in one sector.
- Additional £126 million for 40,000 more traineeships in England, funding high quality work placements and training for 16-24 year olds in 2021/22 academic year.
- More than doubling the legal limit for single contactless payments, from £45 to £100
- £10 million to support veterans with mental health needs across the UK.
- £19 million to tackle domestic abuse in England and Wales, with funding for a network of ‘Respite Rooms’ to support homeless women and a programme to prevent reoffending.
- £90 million funding to support our government-sponsored national museums in England due to the financial impact of Covid-19.
- £300 million for major spectator sports, supporting clubs and governing bodies in England as fans begin to return to stadia.
- Small and medium-sized employers in the UK will continue to be able to reclaim up to two weeks of eligible Statutory Sick Pay (SSP) costs per employee from the Government.
- To further support the cashflow of businesses, the government is extending the loss carry back rules worth up to £760,000 per company.
- £100 million for a new Taxpayer Protection Taskforce to crack-down on COVID fraudsters who have exploited UK Government support schemes.

3. Public finances

- Maintaining the income tax Personal Allowance and higher rate threshold from April 2022 until April 2026.
- To balance the need to raise revenue with the objective of having an internationally competitive tax system, the rate of Corporation Tax will increase to 25%, which will remain the lowest rate in the G7. In order to support the recovery, the increase will not take effect until 2023. Businesses with profits of £50,000 or less, around 70% of actively trading companies, will continue to be taxed at 19% and a taper above £50,000 will be introduced so that only businesses with profits greater than £250,000 will be taxed at the full 25% rate.
- Maintaining inheritance tax thresholds at their current levels until April 2026.

- Fuel duty will be frozen for the 11th consecutive year.
- Alcohol duties will be frozen across the board for the second year running saving drinkers £1.7 billion.
- Capping the amount of SME payable R&D tax credit that a business can receive in any one year at £20,000 (plus three times the company's total PAYE and NICs liability).
- Maintaining the Lifetime Allowance at its current level of £1,073,100 until April 2026.
- The adult ISA annual subscription limit for 2021-22 will remain unchanged at £20,000.

4. An investment-led recovery

- Beginning April 2021, the new super-deduction will cut companies' tax bill by 25p for every pound they invest in new equipment. This is worth around £25 billion to UK companies over the two-year period the super-deduction will be in full effect.
 - Eight new English Freeports will be based in East Midlands Airport, Felixstowe & Harwich, Humber, Liverpool City Region, Plymouth, Solent, Thames and Teesside.
 - The £375 million UK-wide 'Future Fund: Breakthrough' will invest in highly innovative companies such as those working in life sciences, quantum computing, or clean tech, that are aiming to raise at least £20 million of funding.
 - Reforms to the immigration system will help ambitious UK businesses attract the brightest and best international talent.
 - A new Help to Grow scheme to offer up to 130,000 companies across the UK a digital and management boost.
 - £2.8 million to support a UK and Ireland bid to host the 2030 World Cup and £25 million investment in UK grassroots sports, enough for around 700 new pitches.
 - Launching a review of Research & Development tax reliefs to make sure the UK remains a competitive location for cutting-edge research.
 - £20 million to fund a UK-wide competition to develop floating offshore wind demonstrators and help support the government's aim to generate enough electricity from offshore wind to power every home by 2030.
 - £68 million to fund a UK-wide competition to deliver first-of-a-kind long-duration energy storage prototypes that will reduce the cost of net zero by storing excess low carbon energy over longer periods.
 - £4 million for a biomass feedstocks programme in the UK to identify ways to increase the production of green energy crops and forest products that can be used for energy.
 - Publication of the government's 'Build Back Better: our plan for growth'.
 - Over £1 billion funding for a further 45 towns in England through the Towns Fund, supporting their long-term economic and social regeneration as well as their immediate recovery from the impacts of COVID-19.
- £135 million to progress A66 Trans-Pennine upgrade.
- £28 million to fund the Queen's Platinum Jubilee celebrations in 2022, delivering a major celebration for the UK.
 - Plans for at least £15 billion of green gilt issuance in the coming financial year, to help finance critical projects to tackle climate change and other

environmental challenges, fund important infrastructure investment, and create green jobs across the UK.

- £150 million Community Ownership Fund will allow communities across the UK to invest to protect the assets that matter most to them such as pubs, theatres, shops, or local sports clubs.

For further details, please visit: <https://www.gov.uk/government/topical-events/budget-2021>

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If you are a Clapham Junction BID business and you have missed any of these communications, or for more information – please contact Roz Lloyd-Williams, The Executive BID Director, The Junction BID Tel: 07522 812299 email: roz.lloyd-williams@thejunctionbid.co.uk