

## BUDGET 2021 FACTSHEET – SUPPORT FOR INDIVIDUALS

We know that individual livelihoods have been hit hard by the pandemic, and people need extra support during these difficult times. That's why we are building on our extensive support for individuals across the UK in this Budget, delivering jobs, new opportunities and security through a strengthened welfare safety net.

### Supporting and protecting jobs and incomes

- Extending the **Coronavirus Job Retention Scheme to 30 September 2021**. Employees will continue to receive 80% of their current salary for hours not worked.
- **Working parents** can be furloughed if they need to look after their children and can ask their employer for this.
- We have ensured women will not lose **Statutory Maternity Pay (SMP)** if their roles have been furloughed.
- Extending the **Self-Employment Income Support Scheme (SEISS)** until 30 September 2021 with a fourth and fifth grant. In a major improvement in access to the self-employed scheme, more than 600,000 people, many of whom became self-employed in 2019-20, may now be able to claim direct cash grants under SEISS.
- Supporting jobs in the hospitality, retail and leisure sectors in England, with eligible businesses benefitting from business rates relief worth over **£6 billion** in 21-22.

### Creating opportunities with our Plan for Jobs

- **£1.3 million** over 2021-22 and 2022-23 to pilot the use of new technologies to support people in or out of work to find new job opportunities which are best suited to their skills and experience.
- Continuing the **£2 billion** Kickstart Scheme to help hundreds of thousands of young people at risk of long-term unemployment.
- Launching the **£2.9 billion** Restart programme to provide intensive and tailored support to over 1 million unemployed people.
- A new “flexi-job” apprenticeship programme to be created from a **£7 million** fund, which will enable apprentices to work with several employers in one sector.
- **£126 million** in additional support for 40,000 more traineeships in England, funding high quality work placements and training for 16-24-year olds in 2021-22.
- Extension of the **apprenticeship hiring incentive** to September 2021 and an increase of payment to £3,000.

### Giving extra financial support to those who need it

- At this Budget we are announcing further welfare support as we open up the economy.
- The **Universal Credit uplift** of £20 a week is being extended for another six months, and those on **Working Tax Credit** will receive an equivalent one-off payment of £500.



- Small and medium-sized employers will continue to be able to reclaim up to two weeks of eligible **Statutory Sick Pay (SSP)** costs per employee from the Government. This will give further support to individuals who have to self-isolate, extending £500 **Test and Trace support payments** in England until the summer.
- Increasing the **National Living Wage** to £8.91 from April

### **Strengthening public finances**

- **Fuel duty** will be frozen for the 11<sup>th</sup> consecutive year.
- **Alcohol duties** will be frozen across the board for the second year running saving drinkers £1.7 billion.
- Extension to the temporary cut in **Stamp Duty Land Tax** to September.
- A new **mortgage guarantee scheme** will enable homebuyers to secure a mortgage up to £600,000 with a 5% deposit
- Extension of the temporary 5% **reduced rate of VAT** until 30 September 2021.

## BUDGET 2021 FACT SHEET – WHAT YOU NEED TO KNOW

The Chancellor Rishi Sunak today delivered the Budget for 2021, setting out how the government is going to spend the nation's money and plans for lowering and raising taxes.

### What about jobs?

- We are bolstering our **Plan for Jobs**, through a Budget that will continue to protect, support and create jobs across the country.
- Extending the **Coronavirus Job Retention Scheme to 30 September 2021**. Employees will continue to receive 80% of their current salary for hours not worked.
- Extending the **Self-Employment Income Support Scheme (SEISS)** until 30 September 2021 with a fourth and fifth grant. In a major improvement in access to the self-employed scheme, more than 600,000 people, many of whom became self-employed in 2019-20, may now be able to claim direct cash grants under SEISS.
- Extension of the **apprenticeship hiring incentive** to September 2021 and an increase of payment to £3,000.
- A new “flexi-job” apprenticeship programme to be created from a **£7 million** fund, which will enable apprentices to work with several employers in one sector.
- **£126 million** in additional support for 40,000 more traineeships in England, funding high quality work placements and training for 16-24-year olds in 2021-22.
- **£1.3 million** over 2021-22 and 2022-23 to pilot the use of new technologies to support people in or out of work to find new job opportunities which are best suited to their skills and experience.

### How will this Budget support individuals and communities across the UK?

- Six-month extension of £20 **Universal Credit uplift** and a one-off payment of £500 to Working Tax Credit claimants.
- **£10 million** to support veterans with mental health needs.
- From 1 April, a **2.2 per cent increase** in the National Living Wage from £8.72 to £8.91, which will be extended to 23 and 24 year olds for the first time.
- A **new mortgage guarantee scheme** which will enable homebuyers secure a mortgage up to £600,000 with a 5% deposit.
- Freezing **fuel duty** for the 11<sup>th</sup> consecutive year.
- **Alcohol duties** will be frozen across the board for the second year running saving drinkers £1.7 billion.
- Increase of contactless card payment limit to **£100**.
- **£19 million** to tackle domestic abuse, with funding for a network of ‘Respite Rooms’ to support homeless women and a programme to prevent reoffending.

### How will this Budget support the UK economy as we begin to open up?

- An extension to the **VAT cut** to 5% for hospitality, accommodation and tourism.
- 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.
- **£90 million** funding to support our government-sponsored national museums in England due to the financial impact of Covid-19.



- **£300 million** to support sports organisations through the pandemic.
- 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.
- **£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.
- **£28 million** to fund the Queen's Platinum Jubilee celebrations.

#### **How will this Budget support the UK's response to Covid-19?**

- **An extra £1.65 billion cash** to ensure the Covid-19 vaccination roll-out in England continues to be a success.
- **A further £28 million** to boost the UK's vaccine testing capability and ability to rapidly acquire samples of new variants.
- **£22 million** to expand the world's first trial of combining different vaccines as part of a two-dose regime, and for a new study to assess the effectiveness of different vaccines as a third dose.

#### **Support for the whole UK**

- Many of today's announcements such as the extension of job support schemes and VAT cut will directly benefit people across the UK.
- In addition, this Budget provides an additional £2.4 billion to the devolved administrations in 2021-22 through the Barnett formula.
  - the Scottish Government will benefit from a £1.2 billion funding boost
  - the Welsh Government a £740 million funding boost
  - the Northern Ireland Executive a £410 million funding boost
- Further measures announced by the Chancellor can be found at [\[this\]](#) factsheet.

## BUDGET 2021 FACT SHEET: SUPPORTING BUSINESS AND LEVELLING UP

Today the Chancellor Rishi Sunak delivered the Budget for 2021, with an optimistic vision for the future of the UK's economy, and honesty about the choices we need to make to provide certainty.

The Budget delivers on the Government's commitment to support business through the pandemic and level up every corner of the UK.

### How does this Budget support businesses?

- We are bolstering our **Plan for Jobs**, through a Budget that will continue to protect, support and create employment across the country.
- Extending the **Coronavirus Job Retention Scheme to 30 September 2021**. Employees will continue to receive 80% of their current salary for hours not worked.
- Extension to the **VAT cut to 5% for hospitality, accommodation and attractions** 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**.
- Small and medium-sized employers will continue to be able to reclaim up to two weeks of eligible **Statutory Sick Pay** costs per employee from the government.
- Once the existing COVID-19 business loan schemes close at the end of March, having supported £73bn worth of lending to date, we will launch the new **Recovery Loan Scheme**. This maintains a **generous 80% guarantee** to lenders to ensure they have the confidence to continue to lend to viable companies trading in the UK.
- £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.
- To further support the cashflow of businesses, the government is **extending the loss carry back rules** worth up to £760,000 per company.
- Extension of the **Film & TV Production Restart scheme** and an additional £300 million to support theatres, museums and other cultural organisations in England through the **Culture Recovery Fund**.
- More than doubling the legal limit for single contactless payments, from £45 to £100 - make it easier for people to pay for their shopping, providing a boost to retail sector.
- An extension of the **apprenticeship hiring incentive** for businesses to September 2021, increasing the payment to £3,000 for each apprentice they hire – regardless of age.
- £7 million for a new **“flexi-job” apprenticeship programme**, that will enable apprentices to work with a number of employers in one sector such as the creative industries, and an additional £126 million for 40,000 more traineeships in England.
- **£126 million** in additional support for 40,000 more traineeships in England, funding high quality work placements and training for 16-24-year olds in 2021-22.

### How will the Budget help businesses to innovate?

- Eight new English **Freeports** will be based in East Midlands Airport, Felixstowe & Harwich, Humber, Liverpool City Region, Plymouth, Solent, Thames and Teesside.
- The **Help to Grow** scheme will give up to 130,000 SMEs the tools to become more productive. It will offer business leaders access to top **management training**, and a

new online service offering **free advice** on how to improve their digital capability, with **government vouchers** to buy approved software.

- We are **reforming the visa system** to attract the brightest and best global talent to the UK.
- The '**Future Fund: Breakthrough**' scheme will continue to support 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.
- We are consulting on **tax reliefs in the research and development sector**. This aims keep the UK as a competitive location for cutting edge research.

### How does the Budget 'level up' the country?

- The £4.8 billion **Levelling Up Fund** has been extended to the whole of the UK and will invest in local projects, such as regeneration and transport. The prospectus published today provides guidance for local areas on how to apply for funding.
- People across the UK will benefit from new support for local communities, skills and jobs through the launch of the **£220 million Community Renewal Fund**.
- A new **Civil Service campus** will be created in Darlington, boosting employment opportunities and decentralising decision making.
- A further 45 towns across England will benefit from £1 billion funding from the **Towns Fund** to support their long-term economic and social regeneration
- To preserve regional connectivity and support jobs in communities around airports, the government is **renewing support for airports and ground handlers**, to help meet fixed costs such as business rates.
- £150 million **Community Ownership Fund** will allow communities to invest to protect the assets that matter most to them such as pubs, theatres, shops, or local sports clubs.
- £18.8 million to transform **local cultural projects** in Hartlepool, Carlisle, Wakefield and Yeovil.
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- £27 million in the **Aberdeen Energy Transition Zone** and £5 million in the **Global Underwater Hub** in Scotland, the first stage in delivering the North Sea Transition Deal.
- Three **Growth Deals in Scotland** – Ayrshire, Argyll & Bute, and Falkirk – will receive funding more quickly.
- £4.8 million to support the development of a demonstration **hydrogen hub in Holyhead**, Anglesey.
- £30 million for the **Global Centre for Rail Excellence** in Wales.
- **Three City and Growth Deals** – in North-Wales, Mid-Wales and Swansea Bay – will receive funding more quickly.
- Northern Ireland will benefit from the **Corporation Tax exemption** for the Northern Ireland Housing Executive, Northern Ireland's biggest landlord.
- Almost half of the £400 million **New Deal for Northern Ireland** funding has been set aside for supermarket support, resilient medicine supplies and skills.

## BUDGET 2021 FACTSHEET – HOUSING SECTOR

**To ensure continued momentum in the housing market, and to support first-time-buyers, we've announced two separate measures today:**

- Extending the stamp duty holiday
- A new mortgage guarantee scheme

### How will the stamp duty holiday extension work?

- Stamp Duty Land Tax is a tax to pay if you buy a property in England or Northern Ireland.
- Usually, for residential properties, SDLT only applies to purchases of over £125,000.
- For properties over £125,000 different rates of SDLT are charged on the portion of a property's value within each band shown below.
- There are higher rates of SDLT for purchases of additional properties.

Property Value	Standard Residential Rates
£0 – £125,000	0%
£125,000 - £250,000	2%
£250,000 - £925,000	5%
£925,000 - £1,500,000	10%
£1,500,000+	12%

- In July last year, the Chancellor announced a stamp duty holiday on residential properties up to £500,000, ending on 31 March 2021.
- This will now be extended to 30 June 2021 – continuing to save homebuyers up to £15,000 per transaction.
- To smooth the transition back to normal, from July until the end of September 2021 the stamp duty holiday will be on properties up to £250,000 - double its standard level – saving each buyer up to £2,500.
- All purchases of residential properties will continue to be entitled to receive the reliefs.
- It will return to £125,000 as standard on 1 October 2021, with first time buyers continuing to not pay stamp duty on properties up to £300,000.
- UK government stamp duty policy applies only to England and Northern Ireland.

### How does the stamp duty holiday protect jobs?

- This provides six extra months for current and new sales to complete, whilst continuing to deliver on the government's Plan for Jobs by supporting hundreds of thousands of jobs that rely on the housing market.
  - The Home Builders Federation and Litchfields estimate that 240,000 people are directly employed by housebuilders and their contractors, and the sector supports a further 300,000 to 500,000 people in the supply chain.
- Every sale adds around £9,559 to the economy on average – scaled up, that means for every 100,000 sales there's a net impact of nearly £1bn. ([Knight Frank, Home Builders Federation](#)).

- For every 100,000 sales, at least 11,500 jobs are directly supported. ([Knight Frank, Home Builders Federation](#)).
- There were around 640,000 residential property transactions in England and Northern Ireland between July and January, partly due to the stamp duty holiday.
- [HMRC data](#) also shows that house sales were 44% higher in Q4 (Oct-Dec) compared to Q3 2020 (July-Sept), and up 16% compared to Q4 2019.

### How does the mortgage guarantee scheme work?

- The effects of COVID-19 have left lenders reluctant to independently offer 95% loan to value mortgage products, with only 8 products available nationwide in January 2021, compared to 386 products available in December 2019.
- This scheme supports lenders with the guarantee they need to offer 95% loan to value mortgage products, which helps borrowers with small deposits into home ownership.
- The scheme is for first time buyers or current homeowners looking to buy a house of up to £600k, subject to the usual affordability checks.
- All lenders under the scheme will also offer mortgages fixed for at least five years as part of their range of products, providing options for consumers with smaller deposits who want the security and predictability of a mortgage with a fixed rate over a longer term.
- The new mortgage guarantee scheme will be based on the successful version launched in 2013. From October 2013 to June 2017, the 2013 Help to Buy mortgage guarantee scheme helped to increase the number of products available at 95% loan-to-value ratios (where the loan is worth 95% of the property's value) from 43 to 261 and directly helped over 100,000 UK households to buy their own home. 80% of these were first time buyers.

### What else is being done to help house buyers?

In addition to the new mortgage guarantee scheme, the government is supporting house buyers by:

- The Help to Buy: Equity Loan Scheme which allows people to buy a newly built property with a deposit of 5%.
  - The current Help to Buy: Equity Loan scheme is closing on 31 March 2021 and it will be replaced from 1 April 2021 by a new Help to Buy scheme specifically targeted at helping first time buyers with a 5% deposit get a foot on the property ladder.
- Supporting first time buyers to save. Since the [Help to Buy: ISA](#) launched in 2015, over 330,000 property completions have been supported through the scheme.
- The [Lifetime ISA](#), which is a long-term savings product intended to support younger people saving for their first home, or for later life to save up to £4,000 into their account each year until their 50th birthday, receiving a 25 per cent Government bonus on those savings.
- Supporting the [supply of new homes](#), delivering around [244,000 last year](#), the highest in over 30 years. We are bringing forward an ambitious near £20 billion investment, including over [£12 billion in Affordable Housing over 5 years](#), and over [£7 billion over the next four years to unlock up to 860,000 homes](#). Alongside our reforms to the planning system, this will deliver the new homes the country needs.



HM Treasury

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- To reassure homeowners we extended the period that borrowers could apply for a mortgage holiday until 31 March. All borrowers are able to take a payment holiday for up to six months, which will not be reflected on their credit file. However, the Financial Conduct Authorities guidance also notes that all mortgage holidays must end by 31 July.

## BUDGET FACTSHEET: PLAN FOR JOBS

Throughout the crisis, the UK Government's priority has been to protect, support and create jobs through its Plan for Jobs.

This Budget sets out the next phase of this support – ensuring hope and opportunity is spread across the UK.

### What does this Budget do to protect and support jobs?

- Extending the **Coronavirus Job Retention Scheme to 30 September 2021**. Employees will continue to receive 80% of their current salary for hours not worked.
- Six-month extension of £20 **Universal Credit uplift** and a one-off payment of £500 to Working Tax Credit claimants.
- Extension of the **apprenticeship hiring incentive** to September 2021 and an increase of payment to £3,000.
- A new “flexi-job” apprenticeship programme to be created from a **£7 million** fund, which will enable apprentices to work with several employers in one sector.
- **£126 million** in additional support for 40,000 more traineeships in England, funding high quality work placements and training for 16-24-year olds in 2021-22.
- **£1.3 million** over 2021-22 and 2022-23 to pilot the use of new technologies to support people in or out of work to find new job opportunities which are best suited to their skills and experience.

### What are you doing to support self-employed people?

- Extending the **Self-Employment Income Support Scheme (SEISS)** until 30 September 2021 with a fourth and fifth grant. In a major improvement in access to the self-employed scheme, more than 600,000 people, many of whom became self-employed in 2019-20, may now be able to claim direct cash grants under the **Self-Employment Income Support Scheme**.
- The fourth SEISS grant will be worth 80% of average monthly trading profits, paid out in a single instalment covering three months' worth of annual profits, and capped at **£7,500** in total. The scheme will open for claims in late April.
- The fifth SEISS grant providing support in the summer will include a turnover test to target support towards those most affected by the pandemic.
- The latest grants bring the total support provided to self-employed during the crisis to **£34 billion**.

### What are you doing to support businesses to protect jobs?

- A new Restart Grant – a one off cash grant of up to **£18,000** for hospitality, accommodation, leisure, personal care and gym businesses in England.
- Extension to the **VAT cut** to 5% for hospitality, accommodation and tourism.
- Extension of business rates holiday meaning over 350,000 business properties in retail, hospitality and leisure will now not pay rates for three months
- A new UK-wide Recovery Loan Scheme to make available **between £25,000 and £10 million** to help businesses of all sizes through the next stage of recovery.

**These new measures build on the support already available through the Plan for Jobs which includes:**



- **£46.6 billion** worth of support to date through the Coronavirus Job Retention Scheme (CJRS), helping pay the wages of 11.2 million people.
- **£18.9 billion** through the Self-Employment Income Support Scheme (SEISS), supporting 2.7 million self-employed workers.
- **£1.4 billion** additional funding in 2021-22 to sustain the doubling of the number of work coaches to 27,000.
- **£2 billion** Kickstart Scheme to help hundreds of thousands of young people at risk of long-term unemployment.
- Raft of new job support schemes including Job Finding Support offer, Job Entry Targeted Support scheme and the Sector-Based Work Academy Programme (SWAPs).
- **£2.9 billion** Restart programme to provide intensive and tailored support to over 1 million unemployed people.
- **£375 million** to help adults to upskill and reskill to boost their job prospects