

2021 Budget – Key Tourism Points

General Economic Status

- 700,000 people have lost their jobs, the economy shrank by almost 10% last year
- OBR forecast is for GDP to grow 4% this year, then by 7.3% in 2022, and then 1.7%, 1.6% and 1.7% in the last three years of the forecast
- Unemployment predicted to peak at 6.5%
- The government is borrowing 17% of GDP this year
- Next year borrowing will be 10.3% of GDP

Coronavirus Support

VAT

- 5% rate extended for another six months followed by a 12.5% rate for a further six months

Business Rates

- 100% businesses rates holiday until June, followed by a two-thirds discount for the rest of the year.
- The discount is being 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 legislate to ensure that the business rates relief repayments that have been made by certain businesses are deductible for corporation tax and income tax purposes.

Furlough

- To be extended until the end of September at the 80% rate until July
- 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,

Restart Grants

- Non-essential retail businesses will receive grants of up to £6,000 per premises.

- Hospitality and leisure businesses will get grants of up to £18,000.

ARG

- An additional £425 million of discretionary business grant funding, on top of the £1.6 billion already allocated.

SEISS

- People whose turnover has fallen by 30% or more will continue to receive the full 80% grant.
- People whose turnover has fallen by the left the 30% will therefore have less need of taxpayer support, and will receive a 30% grant.
- The 4th grant will cover February to April, worth 80% of average trading profits up to £7,500.
- A 5th grant will be available from July.

Recovery Loan Scheme

- From 6 April 2021 the Recovery Loan Scheme will provide lenders with a guarantee of 80% on eligible loans between £25,000 and £10 million
- The scheme will be open to all businesses, including those who have already received support under the existing COVID-19 guaranteed loan schemes.

Support For Airports

- The government is renewing the Airports and Ground Operations Support Scheme for a further six months from the start of 2021-22. This will provide support for eligible businesses in England up to the equivalent of half of their business rates liabilities during 2021-22, subject to certain conditions and a cap per claimant of £4 million.

Extend Zoo Animals Fund

- The government will extend the Zoo Animals Fund for a further three months until 30 June 2021.

Culture Recovery Fund

- The government will provide a further £300 million to extend the Culture Recovery Fund

National Museums and Cultural Bodies

- The government will provide £90 million for continued support for government-sponsored National Museums and cultural bodies in England.

Other Policies

Extended Loss Carry Back

- The trading loss carry-back rule will be temporarily extended from the existing one year to three years. This will be available for both incorporated and unincorporated businesses.
 - Unincorporated businesses and companies that are not members of a corporate group will be able to obtain relief for up to £2 million of losses in each of 2020-21 and 2021-22
 - Companies that are members of a corporate group will be able to obtain relief for up to £200,000 of losses in each of 2020-21 and 2021-22 without any group limitations
 - Companies that are members of a corporate group will be able to obtain relief for up to £2 million of losses in each of 2020-21 and 2021-22, but subject to a £2 million cap across the group as a whole

Contactless Payment

- From today, the maximum amount that can be paid through contactless payment will be raised from £45 to £100

Apprenticeships

- Employers who provide trainees with work experience will continue to be funded at a rate of £1,000 per trainee.
- Employers who hire a new apprentice between 1 April 2021 and 30 September 2021 will receive £3,000 per new hire

Corporation Tax Rate

- This will increase to 25% on April 2023
- A Small Profits Rate of 19% will apply to businesses with a profit of over £50,000
- There will be a tapered rate between profits of £50,000 and £250,000

Super Investment Tax Deduction

- To encourage investment, from 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will benefit from a 130% first-year capital allowance. This upfront super-deduction will allow companies to cut their tax bill by up to 25p for every £1 they invest,

Air Passenger Duty

- APD rates will increase in line with RPI from April 2022

Alcohol Duty

- No increases this year

Fuel Duty

- No increases this year

Gaming Duty

- The government will legislate in Finance Bill 2021 to raise the Gross Gaming Yield bandings for gaming duty in line with RPI.

Infrastructure Bank

- A UK Infrastructure Bank will be established in Leeds with £12bn.

Freeports Announced

- Eight Freeports announced. They will be in East Midlands Airport, Liverpool, Felixstowe, Humber, Plymouth, Thames, Teesside, and Solent

Levelling Up Fund

- The government is launching the prospectus for the £4.8 billion Levelling Up Fund today.
- The Fund will invest in infrastructure, including town centre and high street regeneration, local transport projects, and cultural and heritage assets.

Community Ownership Fund

- a £150m fund will be set up to allow communities to take ownership of pubs, theatres, shops or sports clubs at risk of closure.

Community Renewal Fund

- The government is launching the prospectus for the £220 million UK Community Renewal Fund

Help to Grow: Management

- The government will offer a new UK-wide management programme to upskill 30,000 SMEs in the UK over three years. The programme will be over 12 weeks, and 90% subsidised by government.