

CSR/BUDGET: OCTOBER 2021: SUMMARY OF KEY POLICY ANNOUNCEMENTS



<u>SUBJECT</u>	<u>MEASURE / ANNOUNCEMENT</u>
Access to Finance	<ul style="list-style-type: none"> • The Recovery Loan Scheme (due to expire at the end of 2021) to be extended for a further six months until 30 June 2022. • £1.6 billion for the British Business Bank’s regional funds to provide debt and equity finance to SMEs. • £312 million for the British Business Bank’s Start-Up Loans programme to provide 33,000 loans to entrepreneurs. • £150 million pot of funding for the British Business Bank to expand its Regional Angels Programme.
Business rates	<ul style="list-style-type: none"> • The business rates multiplier for a second year, from 1 April 2022 until 31 March 2023, keeping the multipliers at 49.9p and 51.2p • Introduce a new temporary business rates relief for eligible retail, hospitality, and leisure properties for 2022-23. Eligible properties will receive 50% relief, up to a £110,000 cap per business. • 100% improvement relief for business rates. This will provide 12 months relief from higher bills for occupiers where eligible improvements to an existing property increase the rateable value. • introduce from 1 April 2023 until 31 March 2035 targeted business rate exemptions for eligible plant and machinery used in onsite renewable energy generation and storage, and a 100% relief for eligible heat network. • Business rates revaluations so that they take place every 3 years instead of every 5 years, starting in 2023. • Transitional relief for small and medium-sized businesses to be extended for 1 year.
Business Taxation	<ul style="list-style-type: none"> • £1 million level of the Annual Investment Allowance to be extended to 31 March 2023. • Museums and Galleries Exhibition Tax Relief (MGETR) will be extended for a further two years until 31 March 2024. • HMT to launch consultation on a potential Online Sales Tax. • Tonnage Tax reform – including reducing the lock-in period from 10 years to 8 years to align more closely with shipping cycles from April 2-22. • Company vehicles – From 6 April 2022, the van benefit charge and the car and van fuel benefit charges will increase in line with CPI. • Duty rates on beer, cider, wine and spirits will be frozen for another year. Duty rates on all tobacco products will rise by RPI + 2%. • HGV Road User Levy suspended until August 2022. • Air Passenger Duty (see below section “Transport and infrastructure”). • Fuel Duty (see below section “Energy, environment, and net zero”).
Covid-19 support	<ul style="list-style-type: none"> • £9.6 billion over the SR21 period for key Covid-19 programmes and related health spending, including continuation of the vaccination programme, and a targeted testing operation including essential surveillance.
Education and Skills	<p>Education Recovery:</p> <ul style="list-style-type: none"> • £1.8 billion over the SR period for education recovery. This includes a £1 billion Recovery Premium for the next two academic years to help schools to deliver evidence-based approaches to support the most disadvantaged pupils, and £324 million in 2024-25 for additional learning hours for 16–19-year-olds. <p>FE / Skills:</p> <ul style="list-style-type: none"> • Colleges in England are to be allocated £830 million with extra funding for new equipment and facilities. • The National Skills Fund will be boosted with a total investment of £550 million to quadruple the number of places on the skills boot camps. • £1.6 billion for 16-19 education to boost college funding and provide additional classroom hours for up to 100,000 young people taking T levels.

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	<ul style="list-style-type: none"> • Expansion of free Level 3 courses for adults. • Apprenticeship funding will increase by £170 million to £2.7 billion by 2024-25. • £560 million 'Multiply' programme to be launched providing personalised maths coaching for up to half a million people – funded by the UK Shared Prosperity Fund (UKSPF). <p>Higher Education:</p> <ul style="list-style-type: none"> • Funding for the continuation of the Turing Scheme for the next three years, including £110 million for the academic year 2022/23, funding students across the UK to go on placements and exchanges overseas. • The government will set out further details of the Higher Education settlement alongside the response to the Augar report, which will be published in the coming weeks. • Funding to open 20 Institutes of Technology (IoTs) throughout England confirmed.
Energy, environment, and net zero	<ul style="list-style-type: none"> • The government will continue the freeze on Carbon Price Support rates to maintain a cost of £18 per tonne of carbon dioxide in Great Britain from 2023-24. • The government will freeze the Aggregates Levy rate for 2022-23 but intends to return to index-linking in future. • Fuel duty will remain frozen at 57.95 pence per litre for 2022-23.
Housing and Planning	<ul style="list-style-type: none"> • Additional £1.8 billion for housing supply, including £300m locally led grant funding that will be distributed to Mayoral Combined Authorities and Local Authorities to unlock smaller brownfield sites for housing and improve communities in line with their priorities, and £1.5 billion to regenerate underused land and deliver transport links and community facilities, unlocking 160,000 homes in total. • £65 million of investment to support the digital transformation of the planning system, through development of new software.
Transport and Infrastructure	<ul style="list-style-type: none"> • £5.7 billion across 5 years (a rise of £1.5 billion from an initial £4.2 billion proposed) for City Region Sustainable Transport Settlements in 7 English city regions (train, tram, bus and cycle projects). • £2.6 billion from 2020-2025 to deliver a long-term pipeline of over 50 local road upgrades including the A509 Isham Bypass, A259 Bognor Regis and A350 Chippenham Bypass. • £2.7 billion over the next 3 years for local roads maintenance in places not receiving City Region Settlements. • Over £5 billion in buses and cycling during this Parliament. This includes £3 billion of bus investment (bus transformation deals and zero emission buses) and £2 billion for cycling lanes and cycle training. • From April 2023, new bands for Air Passenger Duty will be introduced. A domestic APD band for internal flights will be set at £6.50. New distance bands set at 0-2,000 miles; 2,000-5,500 miles and 5,500 miles plus will be introduced. The rates will be £13; £87 and £91 respectively for economy passengers.
International trade and Foreign Direct Investment	<ul style="list-style-type: none"> • £1.4 billion Global Britain Investment Fund will provide grants to encourage international firms to invest in the UK's critical and most innovative industries, including life sciences and automotive. • New 'Global Talent Network' set up in innovation hotspots across the world to attract the best foreign talent to the UK's science and tech sector. Ambition to make UK visa system for international talent the strongest in the world. • Continued funding for DIT's EU market access hub. £45m allocated over the next 3 years for digital transformation of DIT's support services delivered via an expansion of the EU-focused Export Support Service to cover all markets. • Funding to cover continued relocation of posts to Trade and Investment Hubs in Scotland, Wales, NI and North of England. • The Chancellor confirmed the Government's intention to make it easier for companies to relocate to the UK through a new re-domiciliation regime.

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Labour Market	<ul style="list-style-type: none"> • From 1st April 2022, National Living Wage for over 23s will increase by 6.6% from £8.91 to £9.50 an hour. • From 1st April 2022, National Minimum Wage for: <ul style="list-style-type: none"> ○ 21–22-year-olds rises to £9.18 an hour ○ 18-21 rises to £6.83 ○ Under 18s rise to £4.81 ○ Apprentice Rate rises 12% to £4.81 an hour
Immigration	<ul style="list-style-type: none"> • £41million by 2024-25 and £461 million capital funding over the SR21 period for the Future Borders and Immigration System for the introduction of Electronic Travel Authorisations for non-UK visitors, enhanced watch-listing and move towards greater automation for passengers on arrival. • New Scale-up, High Potential Individual and Global Business Mobility visas available from spring 2022. Scale-up visa open to applicants who pass the language proficiency requirement and have a high-skilled job offer from an eligible business with a salary of at least £33,000. • A Global Talent Network to bring highly skilled people to the UK in key science and technology sectors. This network will work with businesses and research institutions to identify UK skills needs and source talent in overseas campuses, innovation hubs and research institutions to bring to the UK. • (DIT) maintains the Global Entrepreneur Programme to continue to bring an extra 100 innovative, highly skilled entrepreneurs to the UK each year.
Childcare	<ul style="list-style-type: none"> • £170 million by 2024-25 to increase the hourly rate to be paid to early years providers, to deliver the government’s free hours offers. This builds on the £44 million increase confirmed at SR20. • Reaffirms £150 million over the SR21 period for training of early years staff to support children’s learning and development.
Local Growth / Devolution	<ul style="list-style-type: none"> • £1.7 billion of £4.8 billion in Levelling Up funds allocated – helping support projects in 105 different areas. £170 million in Scotland, £120 million in Wales, £50 million in NI allocated above Barnett consequentials. • £4.6 billion in Scotland, £2.5 billion in Wales, £1.6 billion in NI per annum in increased spending allocations during this spending review period. • UK Shared Prosperity Fund promised that over time would match EU receipts – rising to £1.5 billion per annum. £2.6 billion allocated for spending review period. Devolved UK nations also to share in UK Shared Prosperity Fund with first allocations made. • Up to £200m allocated for delivery of 8 freeports in England. • £5.7 billion across 5 years (an increase from an initial £4.2 billion proposed) into sustainable transport settlements for city regions to boost productivity through train and station upgrades and the expansion of tram networks in cities outside of London. • £1.2 billion of new funding to transform bus services. • Domestic flights between airports in the UK subject to a lower rate of air passenger duty (APD) than overseas flights from April 2023. Extending support for airports in England for a further 6 months.
Pensions	<ul style="list-style-type: none"> • The Chancellor confirmed plans to loosen a 0.75 per cent charge cap protecting millions of workplace pension savers from high fees. • Suspending the earnings link for State Pension uprating next year to ensure that the public finances remain sustainable.
Personal Taxation	<ul style="list-style-type: none"> • Universal credit taper rate will be reduced from 63% to 55% by December 2021.

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Research & Development	<ul style="list-style-type: none">• Increasing public R&D investment to £20 billion across the UK by 2024-25.• Research and development tax reliefs will be extended to include data and cloud computing expenditure.• R&D tax relief will be refocused to support domestic innovation in the UK.• £5 billion on health R&D over the Spending Review period, including for genomics and to support the life sciences industry.

British Chambers of Commerce.

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