

Budget Summary 2021

Arts, Culture and Heritage Funding

- A specific package of **£90million for National Museums and cultural bodies** and a **£300million Culture Recovery Fund**. *[The heritage split is yet to be confirmed]*

Business Support

- **The [Job Retention Scheme](#)** - or furlough - will be extended until the end of September. 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.
- **Self Employment Income Support Scheme**
 - People whose turnover has fallen by 30% or more will continue to receive the full 80% grant.
 - People whose turnover has fallen by less than 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.
- **Further 100% relief from business rates** to 30th June and 66% reduction in rates for the rest of the 2021/22 financial year for businesses closed in the latest lockdown. The 66% relief is capped at a total of £2million for any one business. When combined with Small Business Rates Relief, this means 750,000 retail, hospitality and leisure properties in England will pay no business rates for 3 months from 1 April 2021, with the vast majority of eligible businesses receiving 75% relief across the year.
- **VAT rate for tourism and hospitality**, kept down to 5% until 30th September and then 12.5% to 31st March 2022 before going back up to 20%.
- **Restart Grants**
 - Non-essential retail businesses will receive grants of up to £6,000 per premises.
 - Hospitality, accommodation and leisure businesses will get grants of up to £18,000.
- **Additional Restrictions Grants**

- An additional £425 million of discretionary business grant funding, on top of the £1.6 billion already allocated.
- **Recovery Loan Scheme**
 - Recovery Loan Scheme will provide lenders with a guarantee of 80% on eligible loans between £25,000 and £10 million to give them confidence in continuing to provide finance to UK businesses. The scheme will be open to all businesses, including those who have already received support under the existing COVID-19 guaranteed loan schemes.

Other Funds

- **Levelling Up Fund prospectus launch**
 - The government is launching the prospectus for the £4.8 billion Levelling Up Fund alongside Budget.
 - The Levelling Up Fund will invest in infrastructure that improves everyday life across the UK, including town centre and high street regeneration, local transport projects, and cultural and heritage assets.
 - [The prospectus will provide guidance](#) to local areas on the process for submitting bids, the types of projects eligible for funding, and how bids will be assessed.
 - Within this fund, one of the three initial themes will be:
 - *Cultural investment maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces*
- **UK Community Renewal Fund prospectus launch**
 - The prospectus for the £220 million [UK Community Renewal Fund](#)
 - This will support communities across the UK in 2021-22 to pilot programmes and new approaches as the government moves away from the EU Structural Funds model and towards the UK Shared Prosperity Fund.
 - To ensure that funding reaches the places most in need, the government has identified 100 priority places based on an index of economic resilience to receive capacity funding to help them co-ordinate their applications.
- **Community Ownership Fund**
 - £150m to help local people take over and save pubs, theatres, old post offices and sports clubs. From the summer, community groups will be able to bid for up to £250,000 matched funding to help them to buy local assets to run as community-owned businesses. “This will help ensure that important parts of the social fabric – like pubs, sports clubs, theatres and post office buildings – can continue to play a central role in towns and villages across the UK.”
- **Help to Grow: Digital**

- The government will launch a new UK-wide scheme in the autumn to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.
- This will combine a voucher covering up to half of the costs of approved software up to a maximum of £5,000, and free impartial advice, delivered through an online platform.

Traineeships

- Additional £126 million for high quality work placements and training for 16-24 year olds. Employers who provide trainees with work experience will continue to be funded at a rate of £1,000 per trainee.
- Payments for employers who hire new apprentices between 1 April 2021 and 30 September 2021 will receive £3,000 per new hire. This is in addition to the existing £1,000 payment the government provides for all new 16-18 year-old apprentices.
- The government will introduce a £7 million fund from July 2021 to help employers in England set up and expand portable apprenticeships. This will enable people who need to work across multiple projects with different employers to benefit from the high quality long-term training that an apprenticeship provides.

Heritage Fuels - Red Diesel

- At Budget 2020, the government announced that it will remove the entitlement to red diesel and rebated biofuels from April 2022, excepting use for agriculture (including horticulture, fish farming and forestry), rail vehicles and for non-commercial heating.
- Further exceptions to the red diesel ban after April 2022: those using **red diesel to power vessels for commercial purposes**, including fishing and water freight, **travelling funfairs and circuses**, amateur sports clubs as well as golf courses, and **non-commercial power generation**.

Across the Creative Industries

- **Film and TV Production Restart Scheme**
 - The government will extend the £500 million Film and TV Production Restart Scheme for six months to 31 December 2021 to continue to support the UK screen production industry.
- £28 million to support the Queen's Platinum Jubilee event in 2022, delivering a major celebration for the UK

Tax Reliefs and Exemptions

- Inheritance tax thresholds will be maintained at their current levels until April 2026, and there were no changes announced to Capital Gains Tax.
- Corporation tax will increase to 25% from 2023. Businesses with profits of £50,000 or less 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.
- The income tax Personal Allowance and higher rate threshold will be maintained from April 2022 until April 2026.
- The Treasury has announced that there will be a “Tax Day” on 23 March on which the Government will make a number of additional announcements relating to tax policy including consultation updates. [More from the Charity Tax Group here.](#)

Previous Announcements

Listed Places of Worship Scheme

- The Listed Places of Worship Grant Scheme will be renewed this year on the same terms as it operated previously. This scheme will continue to benefit listed places of worship across the country during these difficult times. It will also help to ensure that they are able to reopen fully once it is safe to do so.

*The Red Book outlining all the Budget announcements can be read [here](#).
A press release “Budget 2021: What you need to know” can be read [here](#).
A press release “Budget 2021 sets path for recovery” can be read [here](#).
The Overview of tax legislation and rates (OOTLAR) can be read [here](#).*