BUDGET 2021

PROTECTING THE JOBS AND LIVELIHOODS OF THE BRITISH PEOPLE

- **One year ago, we promised the British people we would do whatever it takes to provide security and stability. We are delivering on that promise: over this year and next, we are providing £407 billion of support for families, jobs and businesses, more than almost any other country in the world.**

- **Despite this unprecedented support, the damage coronavirus has done to our economy has been acute. Since March, 700,000 people have lost their jobs, the economy has shrunk by 10 per cent – the largest fall on record – and our borrowing is at the highest it has ever been outside of wartime.**

- **Today's Budget protects the jobs and livelihoods of the British people with a three-part plan:**

  (1) Supporting people and businesses through this moment of crisis.

  (2) Beginning to fix the public finances with a fair and honest plan about how to do so.

  (3) Building our future economy.

- **As the IMF, Bank of England and OBR have all confirmed: our plan is working. As a result of our interventions, unemployment is now estimated to peak at far *lower* levels than previously expected, and our economy is now forecast to recover *faster* than previously thought as well.**

SUPPORTING PEOPLE AND BUSINESSES THROUGH THIS CRISIS

- **Extending furlough** until the end of September
- **Two further grants for the self-employed** – and bringing in 19/20 starters
- **Restart grants** of up to £18,000 to get our retail, hospitality, leisure and personal care businesses going again
- **Business rates holiday extended** for 3 months, before tapering for another 9
- **Extending the VAT cut** to 5 per cent for a further six months, before tapering for another six
- **Continuing our stamp duty cut** for another three months, before tapering for another three
- **Extending Universal Credit** and Working Tax Credits by six months
- **More money for apprenticeships** and traineeships
- **New Recovery Loans** to replace our existing loan schemes
- **£700 million for arts, culture and sports**
- A brand new **95 per cent mortgage guarantee** for prospective homebuyers

BEGINNING TO FIX THE PUBLIC FINANCES

- **Asking the largest, most profitable firms to pay more in two years' time** by increasing corporation tax to 25 per cent – while **still being the lowest in the G7**, and the **fifth lowest in the G20**
- But ALSO an unprecedented **Super Deduction on capital investment** for companies – a **£25 billion tax cut**
- Maintaining **personal tax allowances at their current levels** from April 2023 until 2026
- Keeping **inheritance, capital gains and pensions lifetime allowances** & the **VAT threshold** at current levels
- Keeping our manifesto pledge with **NO increases to income tax, NICs or VAT**
- **Freezing alcohol duty** and **fuel duty**

BUILDING OUR FUTURE ECONOMY

- **45 new Town Deals worth £1 billion,** including **Workington, Ipswich, Southport, Wakefield** and **Whitby**
- Moving **Treasury North** to **Darlington**
- Launching our £150 million **Community Ownership Fund**
- Announcing the locations of our **eight freeports in England**
- Launching the first ever **UK Infrastructure Bank** in Leeds to invest in infrastructure and drive green growth
- Opening bidding for the **Levelling Up Fund** (with capacity funding) and the **UK Community Renewal Fund**
- **Help to Grow** to boost the productivity of our small businesses
- **Visa reforms** to attract **highly-skilled migrants to** the UK
- **Green initiatives**: a new retail bond, offshore wind funding, and new carbon markets
- **Future Fund Breakthrough** to fund high growth companies, and ambitious reforms to IPO listings
- Funding **energy projects** in Scotland and **rail infrastructure** in Wales

SUPPORTING PEOPLE AND BUSINESSES THROUGH THIS CRISIS

We are extending our support – well beyond the end of the roadmap

- **Furlough extended until the end of September.** The furlough scheme has supported 11.2 million jobs across the UK, worth £53 billion. But to provide further certainty, we are today extending the scheme until the end of September. Employees will continue to receive 80 per cent of wages for hours not worked, but as businesses reopen, we will ask them to contribute 10 per cent of wages in July, and 20 per cent in August and September. Furlough remains among the most generous schemes of its kind anywhere in the world.

- **Two further grants for the self-employed.** We will introduce a fourth grant covering the period February to April, worth 80 per cent of people's average monthly revenues. From May, a fifth grant will be available which is more targeted towards those most affected by the pandemic: people whose turnover has fallen by more than 30 per cent will receive the 80 per cent grant, while those whose turnover has fallen by less than 30 per cent will receive a 30 per cent grant. And we will ensure that the more than 600,000 people, including many who became self-employed last year, and filed their 19/20 tax return by 2 March, will now be eligible for both grants. Overall, we will have spent £33 billion on the self-employed, among the most generous anywhere in the world.

- **Restart grants to help our businesses get going again.** Non-essential retail businesses will open first and therefore receive grants of up to £6,000, while hospitality and leisure businesses – including personal care, hairdressers and gyms – will likely open later or with more restrictions and so receive grants of up to £18,000. These will be worth an extra £5 billion – taking our total cash grant support to £25 billion. We are also providing local councils with £425 million discretionary funding to support other local businesses.

- **Business rates holiday.** Last year we provided an unprecedented 100 per cent business rates holiday for all eligible businesses in the retail, hospitality and leisure sectors – a tax cut worth £10 billion. This year, we will continue that 100 per cent holiday for the first three months until June, before cutting rates by two-thirds for the remaining nine months, up to a maximum £2 million per business. Over 350,000 properties will pay nothing for three months, with the vast majority of businesses will receiving a 75 per cent cut in their bill next year – a tax cut worth £6 billion.

- **VAT cut extension.** To protect the 150,000 hospitality and tourism businesses which employ around 2.4 million jobs and have been hardest hit, we are extending the 5 per cent reduced rate of VAT for a further six months until the end of September. The rate will then increase to 12.5 per cent from October until the end of March, before returning to the normal 20 per cent rate from April 1. Overall, that's a tax cut of nearly £5 billion next year.

- **Extension to the stamp duty cut.** To avoid purchases not completing in time for the end of March, we are today announcing the £500,000 nil rate band will end on 30 June, before tapering down to £250,000 until the end of September (60 per cent of buyers will pay no stamp duty), before returning to its normal level of £125,000 from 1 October.

- **A new mortgage guarantee scheme for homebuyers.** Even with the stamp duty cut, there is still a significant barrier for people to get on the housing ladder: the cost of a deposit, given that 95 per cent loan-to-value loans have gone from the market. That is why, from April, lenders who commit to providing loan-to-value ratios of between 91 to 95 per cent can get a government guarantee on the full value of those mortgages.

- **New Recovery Loans to replace our existing loan schemes.** Our schemes have provided £70 billion of support to 1.5 million companies. But as these come to an end, we are introducing new Recovery Loans to take their place: loans from £25,000 up to £10 million, with an 80 per cent government guarantee.

- **Support for the lowest paid and most vulnerable.** The temporary £20 uplift to Universal Credit will continue for a further six months. Due to the way the system works operationally, we need to give Working Tax Credits claimants their equivalent of 6 months of support through a one-off payment of £500. We're also increasing the National Living Wage to £8.91 from April, and extending it to people over 23 – worth almost a £350 pay rise.

- **Better skills for people to get better jobs.** We have already launched the Restart scheme to help hundreds of thousands of long term unemployed; doubled the number of Work Coaches; introduced the Lifetime Skills Guarantee to fund Level 3 Qualifications for all adults; and launched the Kickstart scheme to help 250,000 young people into work. Today we go further by doubling the incentive payment to small businesses to take on apprentices of any age to £3,000, alongside £126 million to triple the number of traineeships next year.

- **Support for culture and sport.** We are providing £700 million to support local and national arts, culture and sports institutions as they reopen. We're also piloting a new apprenticeship scheme for creative industries, and extending our successful £500 million Film and TV Production Insurance Restart Scheme.

BEING HONEST ABOUT THE NEED TO FIX THE PUBLIC FINANCES

- **The Conservative record on the economy means we came into this crisis in a strong position.** By 2010, the deficit had risen from £13 billion to £153 billion. Thanks to sensible Conservative management of the economy, we reduced this by over 80 per cent by 2019. Between 2010 and 2019, we grew the economy by 19 per cent – faster than France, Italy and Japan. And during this period, we helped 3.4 million more people into work.

- **That has enabled us to respond with £407 billion of support over this year and next.** That's equivalent to 19 per cent of GDP and is one of the largest fiscal support packages of any country globally. And our plan is working. The OBR now expects the UK economy to recover to its pre-crisis level six months earlier than originally thought – the second quarter of 2022, instead of the fourth. And unemployment is now expected to peak at 6.5 per cent instead of nearly 12 per cent, as feared last summer.

- **But despite this, our economy and public finances have been hit hard.** In five years' time, the OBR still expect the economy to be 3 per cent smaller than it would otherwise have been. Debt and borrowing have shot up – this year we have borrowed £355 billion, or 17 per cent of GDP, and next year we are forecast to borrow a further £234 billion, or over 10 per cent of GDP. Without further action, borrowing would remain high and debt continue to rise indefinitely, even *after* we have recovered from the crisis and *with* strong growth. So we need to act – both to ensure we can respond strongly to future crises, but also because we are much more sensitive to interest rate changes. A 1 per cent increase in inflation and interest rates now would cost us over £25 billion.

- **That is why we must balance support for the economy – but also begin to fix our public finances.** This Budget puts in place measures to grow the economy into the future. But just hoping for **growth** alone to rescue us won't work – because our economy has been permanently scarred. And we can't reduce **spending** if we want stronger public services. Therefore, asking large, profitable companies to pay more **tax** must also play its part. If we take these actions, the OBR forecast that in five years' time, debt should be broadly stable or declining.

- **In 2023, the rate of corporation tax paid on large company profits will increase to 25 per cent.** To help fix the problems the pandemic has created, we are asking only the largest, most successful companies to contribute more, from April 2023, on the rate of tax on their *profits*. **In total, 90 per cent of businesses will pay less than the 25 per cent.** Additionally:
  - Even after this change the UK will still have the **lowest rate in the G7** – lower than the US, Japan, Canada, France, Germany and Italy – and the **fifth lowest in the G20**
  - The new rate **won't come in until two years' time in April 2023** – well after when the OBR and Bank of England expect the economy to have recovered
  - Because corporation tax is charged on **profits**, **any struggling business will by definition be unaffected**
  - We will create a **Small Profits Rate**, maintained at the current rate of 19 per cent, for businesses with profits less than £50,000 – this means nearly 70 per cent of businesses will be completely unaffected
  - There will be a taper above £50,000, so **businesses only start paying the full rate on profits from £250,000**
  - We are **extending tax loss carry backs for businesses from 1 year to 3 years:** if businesses are making a loss now, they can claw back tax paid on previous profits to get a cash refund from HMRC of up to £760,000
  - We will **review the 8 per cent bank surcharge** to ensure financial services remains globally competitive
  - Corporation tax **cuts have not led to a significant increase in investment**

- **We will support business investment through an unprecedented 'Super Deduction'.** Even with the lowest corporation tax rate in the G7, we must do even more to encourage companies to invest now and unlock their cash reserves. Historically, the UK has invested a lot less than our peers, but investment drives innovation, productivity and growth. That is why, for the next two years, when companies invest, they can **reduce their tax bill by 130 per cent** of the cost of that investment. The OBR have said this will lift business investment by 10 per cent, and lift us from 30th in the OECD's world rankings for business investment to 1st. And for the two-year period this is in place, this will be the **biggest business tax cut in modern British history – worth £25 billion**.

- **Personal tax thresholds will increase in April and then reman at that level.** The Income Tax Personal Allowance has doubled over the last decade to £12,500 under this Conservative Government, standing now as the **highest basic personal tax allowance of any G20 country** and meaning a typical basic rate taxpayer now pays £1,200 less tax than in 2010. Next year, it will rise in line with inflation to £12,570 – but we will keep it at this higher level until April 2026. Similarly, the Higher Rate will also increase next year to £50,270 until April 2026. We are clear that this does remove the incremental benefit had thresholds continued to increase with inflation. However:
  - **Current take home pay is not affected** by this policy
  - This is a progressive measure: the **richest households will contribute the most**
  - This **only starts in 2022** and even then only raises revenue slowly over time, supporting our recovery

- **We will also maintain inheritance, CGT and the pensions lifetime allowances, and the VAT threshold at present levels.** The inheritance tax-free thresholds will remain at existing levels until April 2026 (the Nil Rate band has been frozen since 2009). A surviving spouse or civil partner can pass on up to £1 million to their family without inheritance tax. The lifetime allowance will be maintained at just over £1 million until April 2026, but 95 per cent of individuals approaching retirement will be unaffected by this change. And for two years from April 2022, the VAT threshold will remain at £85,000, still more than twice as high as the EU and OECD averages.

- **We are standing by our manifesto pledge NOT to increase Income Tax, NICs or VAT and we are FREEZING alcohol and fuel duty.** And to keep the cost of living down, all alcohol duties will be frozen, and fuel duty will be frozen for the eleventh year in a row, saving motorists £1,600 since 2010.

- **We will tackle fraud in our business loan schemes.** We are investing £100 million in a new Taxpayer Protection Taskforce in HMRC, with 1,000 investigators seeking out and penalising fraud in our generous loan schemes.

BUILDING OUR FUTURE ECONOMY

- **Levelling up our country and spreading opportunity everywhere.** Today we are announcing 45 new Town Deals, locating Treasury North in Darlington, launching the £150 million Community Ownership Fund to help communities buy local assets such as pubs and theatres, and opening the first round of bids for the £4.8 billion Levelling Up Fund we announced at Spending Review last year to fund the infrastructure of everyday life.

- **Announcing the locations of eight freeports in England.** To encourage free trade and bring investment to all regions of the country through lower taxes and cheaper customs, we are today revealing the locations of the first eight freeports in England: Teesside, Humberside, Felixstowe, Thames Gateway, Solent, Plymouth, Liverpool and the East Midlands. We will continue to work with the devolved nations on freeports across the union.

- **Creating green jobs.** We are today investing in offshore wind port infrastructure in Teesside and Humberside, announcing a new environmental retail savings product to build on our world-leading sovereign green bond, making the City a leader in carbon offset markets trading, and launching the first ever UK Infrastructure Bank – located in Leeds – to invest in public and private projects, drive green growth and create green jobs.

- **Launching a new Help to Grow scheme to boost the productivity of our small businesses.** Too often our brilliant small firms don't have the time or resources to get the extra skills they need to be more productive. So our new **Help to Grow: Management** scheme will help SMEs get world-class management training through government-funded programmes delivered through business schools, with businesses contributing only £750, just 10 per cent of the overall cost of the course. **Help to Grow: Digital** will level up the digital skills of our small businesses with a voucher entitling them to 50 per cent off the purchase of new productivity-enhancing software, up to a total of £5,000 each. **Help to Grow** will launch this Autumn and could benefit 130,000 SMEs.

- **Making the UK the best place in the world for high growth, innovative companies.** These businesses account for just 1 per cent of companies, but generate 80 per cent of our employment growth. At today's Budget we are launching a wide-ranging consultation to make sure our **Research and Development Tax Credits** are internationally competitive; reviewing our **Enterprise Management Incentive** scheme so it supports growing companies to retain talent; attracting world-class talent to the UK through **visa reforms aimed at highly skilled migrants**, including a new unsponsored points-based visa and new visa processes for scale ups/entrepreneurs; ensuring high growth firms have access to capital by giving the **pensions industry more flexibility** to unlock billions from pension funds into innovative new ventures; launching a new **Future Fund Breakthrough** to support innovative tech businesses; and taking forward **Lord Hill's review of the UK's listing regime**.

STRENGTHENING ALL FOUR PARTS OF THE UNITED KINGDOM

- **Our future economy depends on remaining a United Kingdom.** As a result of the policies announced in today's Budget, **Scotland will receive £1.2 billion**, **Wales £740 million**, and **Northern Ireland £410 million** in Barnett consequentials. Taken together with additional funding from last year's Spending Review, the devolved nations are receiving an **extra £7.2 billion in 2021-22**.

- **Furthermore, most of the policies today are UK-wide:** extensions to furlough and self-employed schemes, Universal Credit extension, Recovery Loans, our reduced VAT cut, mortgage guarantee, Super Deduction capital investment, Community Ownership Fund, Levelling Up Fund, freeports, investment in green jobs, Help to Grow, visa reforms, Future Fund Breakthrough, and reforms to pension funds.

- **This Budget is also delivering bespoke projects in Scotland, Wales and Northern Ireland.** We are funding the Aberdeen Energy Transition Zone, North Sea Transition Deal, and Global Underwater Hub in Scotland; the Global Centre for Rail Excellence and Holyhead Hydrogen Hub in Wales; accelerating six growth deals in Wales and Scotland, and exempting the Northern Ireland Housing Executive from corporation tax.

FIXING OUR PUBLIC FINANCES

CORPORATION TAX

- **In 2023, the rate of corporation tax paid on large company profits will increase to 25 per cent.** To help fix the problems the pandemic has created, we are asking only the largest, most successful companies to contribute more on the rate of tax on their profits – and **won't come into effect until April 2023**. This is well after GDP is forecast to recover to its pre-pandemic levels, which the OBR believe is Q2 of 2022 and the Bank of England expect slightly sooner than that. **Because corporation tax is charged on profits**, any struggling business will by definition be unaffected. Companies need to be successful and making money to pay it at all.

- **Even after this change, the UK will still have the lowest corporation tax rate in the G7.** Our rate will be lower than the US (25.8), Japan (29.7), Canada (26.5), France (25.8), Germany (29.9) and Italy (27.8). We will also have the **fifth lowest rate in the G20** – with only Indonesia, Saudi Arabia, Russia and Turkey below us.

- **70 per cent of businesses will not be affected at all – and only 10 per cent of businesses will pay the full 25 per cent rate.** To protect small businesses we will create a **Small Profits Rate**, maintained at the current 19 per cent rate, for businesses with profits less than £50,000 – meaning nearly 70 per cent of businesses will be completely unaffected (that compares to a rate of 21 per cent they were paying in 2010). There will also be a taper above £50,000, so businesses only start paying the full rate of 25 per cent on profits from £250,000. This means that 1 in 10 companies will pay the full 25 per cent rate.

- **It will remain lower than the average rate under Labour.** At 25 per cent, the rate will be significantly lower than the average main rate between 1997 and 2010 (30 per cent), lower than the main rate before 2010 (28 per cent), lower than the main rate in Labour's 2019 manifesto which Sir Keir Starmer and Anneliese Dodds stood and campaigned on (26 per cent), and lower than any non-Conservative-led government. Dodds even said that 'the top five per cent of people and profitable companies should be paying more tax'.

- **Corporation tax cuts haven't necessarily led to a step change in business investment.** Between 1997 and 2017, the ONS found the UK had the lowest average private sector investment of any G7 as a percentage of GDP – despite sustained cuts to the rate of corporation tax over this period. Similarly, research by the IMF has shown that cuts in US tax rates were not a major driver of business investment. As the Chief Economist of E&Y said: 'quality of infrastructure and skills were the top two criteria identified every year [to drive decisions]'.

- **The increase in tax receipts since 2010 HAS NOT been driven by the reduction in the rate.** The increase in tax receipts since 2010 has been driven largely by the cyclical recovery in corporate profits since the financial crisis. In fact, despite corporation tax cuts, it actually took far *longer* for corporate taxes to recover to previous levels than any other recent recession. Furthermore, at the same time we took several steps to broaden the tax base (e.g. limiting interest deductibility, bank taxes) which also increased receipts. Ultimately, as 25 per cent is lower than any of our G7 counterparts, it's difficult to argue that the UK is on the wrong side of the Laffer curve.

- **Instead, we will unlock capital investment through 'Super Deduction'.** Even with the lowest corporation tax rate in the G7, we must do more to encourage businesses to invest now. That is why, for the next two years, when companies invest in new equipment, they can **reduce their tax bill by 130 per cent** of the cost of that equipment – that's more than the 100 per cent which other countries have. The OBR have said this will boost business investment by 9 per cent, lifting us from 30th in the OECD's world rankings for business investment to 1st. And for the 2-year period this is in place, this will be the **single biggest tax cut in British history – worth £25 billion.**

- **We are also tripling the length of time businesses can offset their tax losses.** If businesses make a loss now, they claim a cash refund from HMRC on taxes they previously paid over the past THREE years up to a maximum of £2 million losses. This is worth up to £760,000 per business – more generous than almost all other countries.

- **The Treasury has provided over £100 billion of support for businesses during the pandemic.** As part of the £290 billion in total support, we have provided £66 billion in loans, £27.5 billion in VAT deferrals, £11 billion in business grants, and over £10 billion in business rates relief – and this Budget today delivers much more.

- **Since 2010 Conservative governments have supported businesses in many other ways.** We have increased the Employment Allowance from £3,000 to £4,000 – giving a half a billion pound tax cut for small businesses and ensuring over 600,000 SMEs pay no National Insurance at all. We expanded Small Business Rate Relief, ensuring over 300,000 businesses pay no business rates. We launched the Start Up Loans programme in 2012, delivering 75,000 loans worth more than £623 million to small businesses. And we increased the Annual Investment Allowance to £1 million, up from £100,000 in 2010.

- **And going forward, today's Plan For Growth supports businesses by investing in infrastructure, innovation and skills.** We are investing £640 billion of capital investment in infrastructure over the course of the Parliament, establishing a new UK Infrastructure Bank in Leeds to finance major new infrastructure projects, reforming the apprenticeship levy and delivering the Lifetime Skills Guarantee.

PERSONAL TAX THRESHOLDS

- **Personal tax thresholds will be maintained at their current levels.** The Income Tax Personal Allowance will rise in line with inflation next year to £12,570 – but we will keep it at this higher level until April 2026. Similarly, the Higher Rate Threshold will also increase next year to £50,270 and will remain at this level for the same period. Nobody's take home pay will be less than it is now, and the richest households will contribute the most: anyone earning £12,570 or less in 2026 still won't pay any income tax at all.

- **Nobody's current cash take home pay will be affected by this policy.** The real terms (theoretical) loss for an average taxpayer in 2022/3 will be **very small**. An average basic rate taxpayer is estimated to be only around £40 worse off in 2022-23 than they would have been – and they will **still** be £650 better off in 2026 than if the government hadn't increased the Personal Allowance above inflation since 2010.

- **Under Labour, personal allowance thresholds were frozen** at £4,615 between 2002 and 2004, and at £6,475 between 2009 to 2011. And Sir Keir Starmer ran for the Labour leadership pledging to 'increase income tax for the top 5 per cent of earners'. The Conservatives also froze the personal allowance twice, in 1992 and 2019.

- **This policy supports our economic recovery.** The policy only starts **next** financial year (2022/2023) and raises revenue only slowly over time. The IFS have reinforced that this is a good way to raise revenue: 'It raises you money, broadens the tax base over time without, probably, doing enormous economic damage'.

- **This is a progressive policy.** The biggest real terms losses are felt by higher rate payers – and the Distribution Analysis published in the Budget Red Book shows this clearly. The Resolution Foundation have also supported this approach, saying, proportional losses would rise progressively with income. And the top 1 per cent of income taxpayers are expected to pay over 29 per cent of all income tax in 2020, compared to 25 per cent in 2010.

- **The Personal Allowance remains one of the most generous in the world.** It has nearly doubled over the last decade to £12,500 under Conservative Governments, standing now as the highest basic personal tax allowance in the G20 and meaning a typical basic rate taxpayer pays £1,200 less tax than in 2010. We have increased the number of people taken out of income tax altogether since 2015 to 1.74 million, while the % of the working age adult population who pays income tax has decreased from 70 per cent in 2008 to 59 per cent in 2021.

- **Those earning the National Minimum/Living Wage will still benefit by £350.** Following the recommendations of the independent Low Pay Commission, in April 2021 workers on the National Living Wage will see their pay rise by 2.2 per cent to £8.91 per hour. They will also benefit from the increase to the personal allowance to £12,570 and the NICs Primary Threshold/Lower Profits Limit to £9,568 if their earnings are above these thresholds in 2021/22. This will mean a full-time worker on the NLW will see earnings rise by £350.

- **We will also maintain inheritance tax, pensions lifetime allowance and the VAT threshold at present levels:**
  - The **inheritance tax-free thresholds** will remain at existing levels until April 2026 – meaning a surviving spouse or civil partner can pass on up to £1 million to their family without inheritance tax. The Nil Rate Band of IHT has been frozen since 2009. The Residence Nil Rate Band has also now reached its target level. The average price of a home is around £260,000 and only around 5 per cent of estates are subject to IHT.
  - The **lifetime allowance** will be maintained at just over £1 million until April 2026. 92 per cent of individuals currently approaching retirement will not be affected by this change, and the median pension pot for individuals approaching retirement is around £150,000. In 6 of the last 8 years, the allowance has been either cut or frozen. Budget 2020 also increased the generosity of how taper relief works for pension contributions for higher earners, to ensure 96 per cent of GPs and 98 per cent of consultants are not affected by the taper.
  - And for two years from April 2022, the **VAT threshold** will remain at £85,000 – still more than twice as high as the EU and OECD averages.

- **We are sticking to our manifesto pledge to not increase the rates of income tax, National Insurance Contributions and VAT**. All alcohol duties will be frozen for the second year in a row, knocking 2p off a pint of beer and 8p off a bottle of wine – savings together worth £1.7 billion for consumers this year. And at a time when families can ill-afford to be spending more, the planned increase in fuel duty will be cancelled – meaning the eleventh consecutive yearly freeze, which has saved the average car driver £1,600 since 2010, or an average £12.84 per average tank of fuel.

LABOUR HAVE NO PLAN ON THE ECONOMY

Labour are utterly divided on corporation tax

- **Last week Sir Keir Starmer said 'now is not the right time' for tax rises.** 'Will he at least agree with me today that now is not the time for tax rises for families and for businesses?' (*Hansard,* 24 February 2021).

- **But at the weekend his Shadow Chancellor admitted they would 'look favourably' at increasing corporation tax and criticised previous cuts.** 'Over the last ten years, Conservative-led government have pulled us further and further away from the mainstream on corporation tax, and that hasn't increased investment, so there does need to be a change… if there's a long term plan for changing the corporation tax regime, we will look at that favourably' (*Andrew Marr*, 28 February 2021).

- **And that then became a 'sensible' and 'clear case'.** 'There is a clear long-term case for rises in the rate of corporation tax... If there was a sensible plan to raise the rate across this parliament, Labour would, of course, look at that carefully' (*Guardian*, 1 March 2021).

- **Shadow Foreign Secretary Lisa Nandy also confirmed Labour support higher corporation taxes.** 'We've long acknowledged that the corporation tax is below the OECD average and you could raise corporation tax and remain competitive. The problem is trying to raise taxes now on businesses…There will be a time for raising taxes, doing it fairly and paying down the debt – but that time is not now' (*Labour List*, 25 February 2021, link).

- **Sir Keir's position clearly upset the left of his party – showing how divided Labour is.** Former hard-left party chairman Ian Lavery said that any decision by the Labour leadership to oppose a corporation tax rise would be 'grotesque' and 'mind-blowing'. Corbyn frontbencher Jon Trickett said it would be a 'shameful betrayal'. Left-wing grassroots group Momentum said Labour 'should support raising corporation tax', while Andrew Fisher – author of the 2019 Labour manifesto – said it would be 'perverse if Labour chose to protect profits', calling on Labour to 'change course'. Richard Burgon labelled the dispute a 'debacle'. And Labour columnist Owen Jones slammed Labour's position as 'devoid of any meaningful coherent vision for the country'.

- **Indeed, Anneliese Dodds has previously said Labour would increase taxes on people and businesses in response to coronavirus.** 'We need to have an approach, which is essentially recognising that there will be some people and some corporations…which will be better able to bear the burden than others' (BBC One, *Andrew Marr Show*, 19 April 2020).

- **She also believes that those with the 'broadest shoulders' should have a tax hike.** 'It should be those who have the broadest shoulders, who are asked to make more of a contribution' (Anneliese Dodds, 3 July 2020).

- **Dodds has even said that any company that makes a profit should be taxed more. '**We think that the top five per cent of people and profitable companies should be paying more tax and we have been very, very explicit and upfront about that' (*BBC News,* 23 September 2019).

- **Sir Keir Starmer called for corporation tax to return to previous levels – the average rate under the last Labour government was 30 per cent, implying he supports an 11 point hike.** 'Corporation tax needs to go back to near where it was under the last Labour government, and we need to close that tax gap' (*Sophy Ridge,* Sky News, 16 February 2020).

- **Don't forget, he ran for the Labour leadership pledging to 'reverse cuts to corporation tax'.** Starmer's campaign to replace Jeremy Corbyn said it would 'increase income tax for the top 5 per cent of earners and reverse cuts to corporation tax'. And in October last year, he doubled down – saying they were 'very important pledges' which 'remain my priorities', and that Labour 'might have to be bolder than we might have imagined' (*Huffington Post,* 2 October 2020, link).

- **Both he and Dodds stood on a manifesto in 2019 calling for corporation tax to increase to 26 per cent.** Their manifesto also called for a hike in the Small Profits Rate to 19 per cent (Labour Party, *Manifesto 2019*, 21 November 2019).

- **The new 25 per cent tax rate will remain lower than the average rate under Labour.** At 25 per cent, the rate will be significantly lower than the average main rate between 1997 and 2010 (30 per cent), lower than the main rate before 2010 (28 per cent), and lower than any non-Conservative-led government.

Starmer has previously called for the wealthy to pay more income tax as well

- **Sir Keir ran for the Labour leadership pledging to 'increase' income tax.** Starmer's campaign to replace Jeremy Corbyn said it would 'increase income tax for the top 5 per cent of earners'. And in October last year, he doubled down – saying they were 'very important pledges' which 'remain my priorities', and that Labour 'might have to be bolder than we might have imagined' (*Huffington Post*, 2 October 2020, link).

- **Last weekend, Anneliese Dodds agreed she wanted to see 'progressive' tax increases.** 'I've always been clear that I want to see a more progressive tax system' (Times Radio, 28 February 2021).

They have repeatedly praised our economic schemes and called for the furlough scheme to be extended

- **Labour have called for a 'smart' furlough scheme' – but is yet to set out the detail of what this would look like.** 'Labour is calling for Sunak to immediately announce an extension to the furlough scheme alongside urgent reform to make it smarter, with new training to help furloughed workers improve their skills and tough conditions on employers to stop abuse' (*Labour Press*, 4 February 2021, link).

- **Anneliese Dodds said the furlough scheme has been a 'success'**. *Studio*: Let's go into the detail of that because the furlough scheme has been a success up to this point, hasn't it? *Anneliese Dodds*: Well, in some regards, it has been a success' (*Times Radio*, 5 February 2021).

- **Dodds said that the furlough scheme has 'undoubtedly' prevented unemployment from being worse than it is.** 'Yes, initially this scheme was about preventing mass unemployment. Sadly it looks like we are still going to have very significant unemployment, but it undoubtedly has prevented a worse situation, there's no question about that' (CBI, *Youtube*, 24 April 2020, link).

- **She said it had 'no parallel' in UK history.** 'The furlough scheme, created by the government, business representatives and trade unions working together, has had no parallel in UK history' (*Guardian*, 20 May 2020).

- **Dodds described the self-employment scheme as a 'lifeline'.** 'The scheme has been a lifeline for two million self-employed people who have used it to-date' (*City AM*, 1 June 2020, link).

- **And she said the Kickstarter scheme was a 'step in the right direction'.** 'So that Kickstarter scheme that I mentioned, that the UK Government announced, last week, we do think it's a step in the right direction' (Fabian Society, *Youtube*, 14 July 2020, link).

They have no clear plan on the economy

- **Keir Starmer's latest 'policy blitz' announced just two policies – one taken from the Conservatives and one taken from the CPS, a think tank co-founded by Margaret Thatcher.** Labour would introduce a British Recovery Bond – a policy he has stolen from the Centre for Policy Studies. He also said he would provide start-up loans for 100,000 new businesses – a Conservative policy that was launched nine years ago in 2012 (*CPS*, 14 February 2021, link; *British Business Bank*, accessed 18 February 2021, link).

- **But Anneliese Dodds swiftly admitted that Keir Starmer's so-called policy blitz was a 'slow burner'**. 'I do think that a lot of what Keir said is quite kind of slow burner I suppose' (*Guido*, 24 February 2021, link).

- **Dodds said last year it would be 'pretty silly' for Labour to be making their own policies.** 'It would be irresponsible and you know, pretty silly for an opposition spokesperson to set out precise plans four years away from a general election?' (*5Live*, 9 July 2020, archived).

- **She failed to answer how much Labour would put towards economic support when pressed five times.** Despite claiming 'For every different call that we have made on Government we have set out what the impact of that would be', Dodds was unable or unwilling to provide a total figure to the BBC, pressed on five separate occasions to answer the simple question and provide a cost for Labour's plans (*BBC News*, 5 January 2021, link).

- **Labour said they would have a 20-year budgeting horizon, alongside greater transparency.** 'In addition, the Red Book's projection of tax take and public spending is currently restricted to the next five years. Where possible this should be extended to include a projection of revenue and spend over ten years, and estimates for the ten years beyond that, giving an overall 20-year budgeting horizon' (*Labour Press*, 13 January 2021, link).

- **Anneliese Dodds was unable to explain what an acceptable level of Government deficit would be.** 'I don't think it's possible at all to say, in absolute terms, what an acceptable level would be' (Anneliese Dodds, *Reuters Discussion*, 23 November 2020, archived).

STRENGTHENING OUR UNITED KINGDOM

- **This is a Budget for the whole of the United Kingdom.** Now more than ever, we need the strength and stability of the UK's economic union, which provides for the whole country.

- **Most of the policies announced in today's Budget are UK-wide**: extensions to furlough and self-employed schemes, Universal Credit and Working Tax Credit extension, support for the armed forces, Recovery Loans, our reduced VAT cut, mortgage guarantee, Super Deduction capital investment, Community Ownership Fund, Levelling Up Fund, freeports, Help to Grow, visa reforms, and Future Fund Breakthrough.

- **As a result of the policies announced in today's Budget, the devolved nations will receive an additional £2.4 billion in Barnett consequentials.** Taken together with the additional funding at last year's Spending Review, the devolved nations are receiving an additional £7.2 billion from the UK Government in 2021-22 through Barnett – on top of the UK-wide measures announced today.
  - **Scotland:** **£1.2 billion** in Barnett, **£59 million** for tax devolution, **£14 million** for welfare devolution
  - **Wales:** **£740 million** in Barnett, **£26 million** for tax devolution
  - **N. Ireland:** **£410 million** in Barnett

- **This Budget is also delivering bespoke projects in Scotland, Wales and Northern Ireland.** We are committing funding towards the Aberdeen Energy Transition Zone, North Sea Transition Deal, Global Underwater Hub in Scotland; the Global Centre for Rail Excellence and Holyhead Hydrogen Hub in Wales, accelerating six growth deals in Wales and Scotland, and exempting the Northern Ireland Housing Executive from corporation tax.

SCHEME	UK	ENGLAND	SCOTLAND	WALES	NI
Furlough extension	✓				
SEISS grants 4 & 5	✓				
UC/WTC extension	✓				
Recovery loans	✓				
VAT cut extension	✓				
Armed forces support	✓				
Mortgage guarantee	✓				
Apprenticeships & traineeships		✓	BARNETT	BARNETT	BARNETT
Business rates holiday extension		✓	BARNETT	BARNETT	BARNETT
Domestic abuse funding		✓	BARNETT	✓	BARNETT
Stamp duty cut extension		✓	BLOCK GRANT	BLOCK GRANT	✓
Restart grants		✓	BARNETT	BARNETT	BARNETT
Corporation tax increase	✓				
Personal tax thresholds freeze	✓		PARTLY DEVOLVED		
Fuel duty freeze	✓				
Alcohol duty freeze	✓				
Super Deduction	✓				
Taxpayer Protection Taskforce	✓				
Freeports	✓				
Community Ownership Fund	✓				
Levelling Up Fund	✓				
Community Renewal Fund	✓				
Help to Grow	✓				
Visa reforms	✓				
Future Fund Breakthrough	✓				
UK Infrastructure Bank	✓				
Review of listings	✓				
Future vaccines review	✓				
Reforms to pension funds	✓				
Green jobs	✓				

SCOTLAND

- **Delivering our manifesto commitment to transform the oil and gas industry.** We are committing £27 million for the Aberdeen Energy Transition Zone. We are also funding an initial £2 million towards the North Sea Transition Deal, and providing a further £5 million for the Global Underwater Hub.

- **Accelerating three City and Growth Deals in Scotland.** We are reprofiling three City and Growth Deals by bringing £25.8 million forward from 15 years to 10 – in Ayrshire, Argyll & Bute, and Falkirk.

- **Scotland continues to benefit from the UK-wide support schemes.** Almost 780,000 jobs have been saved through the furlough scheme, 431,000 self-employed people have benefitted from self-employed grants, while our business loan guarantee schemes have supported over 90,000 Scottish businesses.

- **Scotland is receiving a total of £13.3 billion in Barnett consequentials over last year and this year.** Last year, Scotland received £9.7 billion. Today's Budget allocates £1.2 billion, building on the £2.4 billion from SR.

WALES

- **We are match funding up to £30 million towards the Global Centre of Rail Excellence.** Alongside contributions from the Welsh Government and the private sector, this will create up to 120 high-skilled jobs in Port Talbot and showcase Wales as a hub for R&D investment and rail technology.

- **Holyhead Hydrogen Hub.** We are investing £4.8 million to pilot a hydrogen hub in Anglesey. This project will create local, highly-skilled green jobs and reduce emissions from transport, as well as developing Welsh expertise in hydrogen production and playing a key role in decarbonising the UK economy.

- **Accelerating three City and Growth Deals in Wales.** We are reprofiling three City and Growth Deals by bringing £58.7 million forward from 15 years to 10 – in Swansea Bay, North Wales, and Mid Wales.

- **Wales continues to benefit from the UK-wide support schemes we have put in place.** Over 400,000 jobs have been saved through the furlough scheme, 295,000 self-employed people have benefitted from self-employed grants, while our loan guarantee schemes have supported over 57,000 Welsh businesses.

- **Wales is receiving a total of £7.9 billion in Barnett consequentials over last year and this year.** Last year, Scotland received £5.8 billion. Today's Budget allocates £740 million, building on the £1.3 billion from SR.

NORTHERN IRELAND

- **Exempting the Northern Ireland Housing Executive from corporation tax.** The Northern Ireland Housing Executive is currently liable to Corporation Tax on its income. The exemption we are introducing today brings it in line with state-funded housing providers and local authorities elsewhere in the UK.

- **Northern Ireland continues to benefit from the UK-wide support schemes we have put in place.** Almost 250,000 jobs have been saved through the furlough scheme, 210,000 self-employed people have benefitted from self-employed grants, while our loan guarantee schemes have supported over 39,000 Northern Ireland businesses.

- **Northern Ireland is receiving a total of £4.6 billion in Barnett over last year and this year.** Last year, N. Ireland received £3.3 billion. Today's Budget allocates £410 million, building on the £900 million from SR.

UK-WIDE FUNDS

- **Levelling Up Fund.** Last week, we announced that the £4.8 billion Levelling Up Fund is now UK-wide. Communities in Scotland, Wales and Northern Ireland will now benefit from at least £800 million of investment by the UK Government. We are launching the bidding prospectus today at Budget.

- **Community Renewal Fund.** People across the UK will benefit from new support for local communities, skills and jobs through launch of the £220 million UK Community Renewal Fund. The prospectus we are publishing today provides guidance for local areas on how to apply.

- **Community Ownership Fund.** We are today fulfilling our manifesto commitment by launching a new £150 million Community Ownership Fund to ensure communities across then whole of the UK can buy local assets such as pubs, sports clubs and theatres.

- **Freeports.** Discussions continue between the UK Government and the devolved nations to ensure the delivery of freeports in Scotland, Wales and Northern Ireland as soon as possible.

CORPORATION TAX

Why can't we just cut taxes and rely on growth to reduce the deficit that way?

- This Budget is a pro-investment and pro-growth Budget which DOES cut taxes – introducing super deductions for businesses which is the biggest tax cut in modern British history, worth £25 billion over two years.
- We're also extending the 5 per cent VAT cut, the stamp duty cut, the business rates holiday for retail, hospitality and leisure businesses, freezing alcohol duty, and freezing fuel duty for the eleventh year in a row.
- This Budget puts in £407 billion of investment into the economy this year and next. But even with super high levels of growth, it won't be enough to get our public finances under control due to economic scarring.
- In five years' time, the OBR still expect the economy to be 3 per cent smaller than it would otherwise have been. Debt and borrowing have shot up – this year we have borrowed £355 billion, or 17 per cent of GDP, and next year we are forecast to borrow a further £234 billion, or 10 per cent of GDP.
- Without further action, borrowing would remain high and debt continue to rise indefinitely, even *after* we have recovered from the crisis and *with* strong growth. So we need to act – both to ensure we can respond strongly to future crises, but also because we are much more sensitive to interest rate changes. A 1 per cent increase in inflation and interest rates now would cost us over £25 billion.
- That is why asking the largest, most successful companies to pay more tax in two years' time is the right thing to do.

You can't tax your way to prosperity – when we cut corporation tax, tax receipts went up?

- The increase in tax receipts since 2010 **HAS NOT** been driven by the reduction in the rate**.** The increase in tax receipts since 2010 has been driven largely by the cyclical recovery in corporate profits since the financial crisis.
- In fact, despite corporation tax cuts, it actually took far *longer* for corporate taxes to recover to previous levels than any other recent recession. Furthermore, at the same time, we took several steps to broaden the tax base (e.g. limiting interest deductibility, bank taxes) which also increased receipts.
- Ultimately, as 25 per cent is lower than any of our G7 counterparts, it's difficult to argue that the UK is on the wrong side of the Laffer curve.

Why don't you keep corporation tax at 19 per cent? Ireland have 12.5 per cent corporation tax?

- The new rate of 25 per cent will only apply to profits from £250,000, thanks to the taper we are introducing above £50,000. We are also introducing a Small Profits Rate which will be maintained at the current level of 19 per cent for businesses with profits less than £50,000 – compared to 21 per cent in 2010.
- Taken together, this means that 70 per cent of businesses (around 1.4 million companies) won't be affected at all – and only 10 per cent will pay the full 25 per cent rate.
- Don't forget – under Labour's manifesto, corporation tax would have been at 26 per cent.
- Ireland isn't a sensible comparator for the UK. The Irish Finance Ministry themselves said that GDP levels and access to markets were bigger factors than CT in attracting investment. Plus, Ireland is heavily reliant on a small number of large, foreign-owned companies for their CT receipts – like Amazon and Starbucks.

Putting up taxes is only going to choke off inward investment and businesses will move out of the UK?

- Between 1997 and 2017, the ONS found the UK had the <u>lowest average private sector investment of any G7 country as a percentage of GDP</u> – despite sustained cuts to the rate of corporation tax over this period.
- Similarly, research by the IMF has shown the cuts in US tax rates were not a major driver of business investment.
- Rather, broader economic factors play a role. As the Chief Economist of E&Y said: 'quality of infrastructure and skills were the top two criteria identified every year [to drive decisions]'.
- 25 per cent still means we have the lowest rate in the G7 and the fifth lowest rate in the G20.

Conservative governments have previously said low rates of corporation tax support growth?

- As above, between 1997 and 2017, the ONS found that the UK had the lowest average private sector investment of any G7 country as a percentage of GDP – despite sustained cuts to the rate of corporation tax.
- A 25 per cent rate (for those who earn profits of over £250,000) remains internationally competitive – it is still the lowest rate in the G7 and the fifth lowest in the G20.
- Corporation tax is one of many factors which supports growth. This Budget delivers a £407 billion investment into the economy over this year and next, including a £25 billion tax cut – the biggest in modern British history – through Super Deductions for businesses purchasing equipment.
- Our Plan For Growth builds on this by investing £640 billion of capital investment in infrastructure over the course of the Parliament, establishing a new UK Infrastructure Bank in Leeds to finance major new infrastructure projects, reforming the apprenticeship levy and delivering the Lifetime Skills Guarantee.

This isn't the time to be putting taxes up on people and businesses, just as we're emerging from the crisis?

- This Budget delivers a £407 billion investment into the economy this year and next – and delivers a £25 billion tax cut through Super Deductions for businesses purchasing equipment, extends the 5 per cent VAT cut, extends the business rates holiday, and extends the temporary stamp duty cut. All that happens IMMEDIATELY.
- But next year we are still forecast to borrow a further £234 billion, or 10 per cent of GDP.
- That is why we are asking the largest, most successful companies to pay a higher rate of corporation tax on profits in **TWO YEARS' TIME**. The freezing of the personal thresholds won't come into effect for **ONE YEAR**. This is **after** the Bank of England and the IMF predict we will return to pre-pandemic levels of growth (second quarter of next year).

What about small businesses who have struggled through the crisis and are now being asked to pay more tax?

- We have supported small businesses throughout this crisis with over £100 billion of support – including £66 billion in loans, £27.5 billion in VAT deferrals, £11 billion in grants, and £10 billion in business rates relief.
- Today's Budget goes even further through new Restart grants of up to £18,000, business rates relief for another twelve months, an extension of the furlough scheme – and a £25 billion tax cut through Super Deductions.
- We are asking the largest, most successful companies to pay more tax on their PROFITS – but this won't be introduced for **TWO YEARS** and any business with profits less than £50,000 won't pay any more than they do now. Only 10 per cent will pay the full 25 per cent – and 70 per cent won't be affected **AT ALL** by today's changes.

All economists are saying that interest rates are likely to stay low forever – so why worry about debt now?

- Our debt and deficit haven shot up – this year we have forecast to have borrowed £355 billion, or 17 per cent of GDP. And debt now stands at over 93 per cent of GDP. Without further action, we are extremely sensitive to change in interest rates – a 1 per cent increase in inflation and interest rates would cost us £25 billion more. This is clearly unsustainable.
- Over the past month alone, the interest rate on the benchmark, 10-year government bond has more than doubled from 0.3 per cent to 0.7 per cent, and is back to pre-pandemic levels. This interest rate is set by the market, showing how vulnerable we are to fluctuations in market conditions.

PERSONAL THRESHOLDS

Isn't this just a stealth tax by the back door?

- We are maintaining personal tax thresholds at their current levels by increasing the Income Tax Personal Allowance and Higher Rate Threshold by inflation next year, and then keeping them at these levels until April 2026. This will still be the highest basic personal tax allowance of any G20 country.
- This is a progressive measure as the richest households will contribute the most and current take home pay is not affected. It only starts in 2022 – in one year's time – and even then only raises revenue slowly over time.
- But we are clear that this will remove the incremental benefit had thresholds continued to rise with inflation.

Why aren't you asking the wealthiest to shoulder the burden of the crisis?

- This is a progressive measure which will mean only the wealthiest households paying the most – as the Distribution Analysis published in the Red Book shows clearly, and the Resolution Foundation have said.
- Nobody's current cash take home pay will be affected – an average basic rate taxpayer will only be around £40 worse off in 2022-23 than they would otherwise have been. Don't forget that the personal allowance at £12,570 remains one of the most generous in the world – and has nearly doubled since 2010 under Conservative governments.

Doesn't this break your manifesto pledge?

- No. Our manifesto commitment pledged 'not to raise the rates of income tax, NICs or VAT'. What we are doing today is a progressive measure to maintain income tax *thresholds* at current levels, starting in one year's time.

OTHER

Why are you tapering support and not offering 12 months of full support to give certainty for businesses?

- In line with the Prime Minister's roadmap for unlocking the country, it is only right that as businesses reopen and the economy returns to normal, our generous support schemes are gradually withdrawn.
- This still strikes the right balance between supporting the economy now in the short term, but also getting people back to work as the economy reopens.

Why are you introducing employer contributions to the furlough again?

- In line with the Prime Minister's roadmap for unlocking the country, it is only right as businesses reopen that they contribute just 10 per cent of wages in July, and 20 per cent for August and September.
- Employees will still continue to receive 80 per cent of their current salary – and the furlough will still be one of the most generous in the world.
- [IF NEEDED] We have always been clear that we cannot save every job and every business.

Why aren't you backdating the self-employed grants to help the 19/20 starters?

- Now we have information on new starters, it's right that we bring them in and provide support for them. The principle of backdating is not being applied to any of our other support schemes so it would be unfair to single this group out as special. [IF NEEDED] If we backdate the SEISS grants, we will have spent more on SEISS than CJRS.

Why are you reducing the generosity of the self-employed scheme while paying the same to employees? Why are you creating missing months by spreading the final three month payment over five months?

- The SEISS will remain one of the most generous COVID schemes for self-employed people in the world and one of the few in which support is committed until September. As restrictions begin to be lifted over that period, it is right that the government begins to tailor the level of support provided, like many countries across the world have (including Spain, Germany and France). SEISS and CJRS are very different schemes. CJRS pays for hours which aren't worked, while SEISS claimants can work while claiming. And, as the Chancellor announced, employers will be required to contribute to CJRS payments as the economy reopens.

Why are you continuing to exclude so many from these schemes? Company owner directors?

- The CJRS and the SEISS are designed to target support to those who need it most, and to protect taxpayers' money against error, fraud and abuse whilst reaching as many people as possible.
- The government is bringing more people into the scheme: changes to the fourth grant mean that over 600,000 individuals previously ineligible for SEISS may now be eligible, including those ineligible for support based on their previous returns and those newly self-employed in 19/20.
- Those ineligible for SEISS may still be eligible for other elements of the unprecedented financial support available. For example, Directors who pay themselves through PAYE annually can access the CJRS and we are expanding access to the CJRS by extending the RTI cut-off point to 2 March 2021.

Why are you not extending Universal Credit by 12 months to help the poorest households?

- In line with the Prime Minister's roadmap for unlocking the country, it is only right that as businesses reopen and the economy returns to normal, our generous support schemes are gradually withdrawn.
- We are providing other help for the lowest paid by boosting the National Living Wage to £8.91 from April, and extending it to people over 23 – worth almost a £350 pay rise.
- We are also increasing the Local Housing Allowance for housing benefit, suspending the Universal Credit Minimum Income Floor for 12 months, and providing a £500 million Hardship Fund to support more than 3 million people with their council tax bills.
- And our Plan For Jobs aims to create and protect as many jobs as possible through measures such as the Kickstart scheme, the Restart scheme for the long-term unemployed, funding for apprenticeships and traineeships, and doubling the number of work coaches to get people back on their feet and into work.

Does this Budget do enough for the Union?

- This is a Budget for the entire United Kingdom. As a result of today's policies, Scotland will receive an extra £1.2 billion for Scotland, £740 million for Wales, and £410 million for Northern Ireland.
- Furthermore, most of the policies announced today apply UK-wide.
- We have also delivered bespoke projects across all four nations – such as the Holyhead hydrogen hub in Wales and funding for energy innovation in Aberdeen.

This doesn't do enough to tackle climate change?

- Today's Budget builds on the Prime Minister's Ten Point Plan by investing in offshore wind port infrastructure in Teesside and Humberside, announcing a new environmental retail savings product to build on our Sovereign Green Bond, and launching the first ever UK Infrastructure Bank to drive green growth and create green jobs.

Why are you not extending the business rates holiday for 12 months like Scotland has?

- The relief in England is worth over £6 billion to businesses. Eligible businesses in the retail, hospitality and leisure sectors will pay no business rates for 3 months from 1 April, with businesses able to claim up to 66 per cent relief for the rest of the year – which means the vast majority of businesses will receive the equivalent of 75 per cent relief over the year.
- The Government's plan is to reopen all businesses over the spring and summer (subject to health data), and it's right that businesses start contributing towards business rates at this point as restrictions end. The Scottish Government have set out their own plan for reopening businesses.

Who are eligible for the Restart grants?

- We expect over 680,000 business properties in England to benefit. Properties eligible for the grant will be those that are wholly or mainly being used as a retail, hospitality, leisure, or personal care venue, such as a shop, restaurant, café, bar or pub; cinema or live music venue; salon or barbers; assembly or leisure property – or example, a bingo hall, a sports club, a gym or spa; and a hotel, a guest house or self-catering accommodation.