

Spring Budget 2021

At a glance summary

Key measures...

Extending the furlough scheme until the end of September

Employees will continue to receive 80% of their current salary for hours not worked. There will be no employer contributions beyond NICs and pensions required in May and June.

Protecting jobs



11.2 million jobs supported by CJRS since it began.



1.3 million employers have made a claim through the CJRS.

A total of £53.8 billion has been made in claims.

Self-employed

For the self-employed, a fourth grant covering February - April has been announced and will be worth 80% of people's average trading profits.



Apprentice payments will be doubled to £3,000 for all new hires, of any age.



A fifth and final grant will start in May and target support to those most affected by the pandemic.

More than 600,000 people, many of whom became self-employed last year, can now claim the fourth and fifth grants.

// We welcome the number of measures that have been announced that will help businesses get through the pandemic and help start the recovery. The super deduction was a surprise and should help boost business investment.

Most of the tax gap is being achieved by freezing allowances and exemptions with the only real tax increase being corporation tax. Will this will be enough? I wouldn't be surprised to see additional rises in the future.

- Andrew Browne, Head of Tax, Bishop Fleming

Businesses reopening

£6,000

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

£18,000

Hospitality and leisure businesses will open later or be under more restrictions so will receive grants of up to £18,000.

£425m

All English local authorities will receive an additional £425 million of discretionary business grant funding.

This is on top of the £1.6 billion already allocated.

Loans Recovery Scheme



The Bounce Back Loans and Business Interruption Loans schemes come to an end and are replaced by a new Recovery Loans Scheme.



Businesses of any size can apply for loans from £25,000 up to £10m until the end of this year.

2/3

Business rates will then be cut by two thirds until the end of the year.

£2.5bn

The 100% business rates holiday will continue to the end of June.

Stamp Duty & Mortgages

The Stamp Duty cut will be extended by three months to July.



The Government will offer lenders the guarantee they need to provide 95% mortgages.

In 2023, the rate of corporation tax, paid on company profits, will increase to 25%.

The Corporation Tax rate rises to 25% on profits from the current 19%. The Small profits rate of 19% continues for profits below £50,000 and a taper above £50,000 will be introduced to £250,000.



reduced rate of VAT for hard hit sectors extended for six months

An interim rate of 12.5% will be in place from 1st October until April 2021.

Planned increased on...



Alcohol duties

Fuel duty

The Super Deduction

For the next two years, when businesses invest in new equipment they can offset all of the cost against tax, plus an additional 30%

£12,750

The rates of income tax, national insurance and VAT will be frozen. The personal tax threshold next year will be increased to £12,750.

And finally...

Help to Grow:

Digital will help SMEs to develop digital skills with free expert training and a 50% discount on new productivity-enhancing software.

Future Fund:

New Future Fund Breakthrough will help fill the scale-up funding gap.

Freeports:

8 new Freeport locations in England including:

- Thames
- Liverpool City Region
- Solent
- East Midlands
- Freeport East
- Plymouth & South Devon
- Humber
- Teeside

A Freeport is a place to carry out business inside a country's land border but where different customs rules apply.

