



Chancellor of the Exchequer Rishi Sunak presented HMG's Budget 2021 to the House of Commons on 3 March 2021. The Chancellor outlined measures in the [Red Book](#) aimed at supporting jobs and businesses and stabilizing public finances. The [plan for growth strategy](#) appears to supersede the Industrial Strategy, and is led out of HMT rather than BEIS (see Annex A for more details).

The Chancellor prefaced his announcements by highlighting some of the challenges facing the country, including a 10% fall in growth in the last year and 700k rise in unemployment. The announcements were made across three themes;

- Business and people
- Fixing public finances
- Building the future economy

## Business and people

Key business related announcements made by the Chancellor were:

- £126m to fund 40,000 more traineeship places, and employer incentives for apprenticeships will rise to £3,000, regardless of the age of the apprentice.
- New restart grant to help businesses re-open – nonessential retail to receive up to 6k per premise and up to £18k for hospitality and leisure businesses (replacing rather than in addition to additional business grant support measures).
- A £300 million [Cultural Recovery Fund](#).
- A £300 million Sports Recovery Fund to focus on cricket.
- An extension to the [£500m Film and TV restart scheme](#).
- The [Recovery Loan Scheme](#) will replace CBILS and CBBLs. Firms will be able to borrow £25k to £10m and the Government will guarantee 80% of individual loans made to businesses.
- The 100% business rate holiday for retail, hospitality and leisure businesses will continue until the end of June 2021. This will then be followed by a reduced concession rate of 66% until March 2022.
- Hospitality and tourism businesses will pay 5% VAT rate until September 2021 and then an interim rate of 12.5% until April 2022.

Key measures to support employment, income, home ownership and mental health:

- The [Job Retention Scheme](#) is to be extended until September 2021. Government contributions will fall to 60% in July, 60% in August, from its current level of 80%. A similar process is to be put in place for the [Self-Employment Income Support Scheme](#).
- The Universal Credit uplift of £20 per week will be extended for another six months. Claimants on Working Tax Credit will get a one off payment of £500.
- Stamp duty holiday will be extended until June 2021 for property sales under £500,000. The nil rate band will be £250,000 until the end of September, returning to the usual level of £125,000 from 1 October 2021.
- A new Government mortgage guarantee will enable 95% mortgages.
- £19m for domestic violence programme which includes piloting “respite rooms” for victims of domestic violence.
- £10m will be allocated to support army veterans dealing with mental health issues.

## Public finances

Key taxation measures:

- Personal tax thresholds will stand at 12,570 and 50,270 next year (until April 2026).
- Corporation tax on company profits is to increase to 25% and will start in April 2023. It is estimated that 10% of firms will pay this rate due to profit levels, with smaller firms paying lower rates.
- The Government will introduce a “Super Deduction” meaning that companies will have a capital investment allowance of 130%.
- Cancelled duty increases on all alcohol products and fuel.

## Building the future economy

The Chancellor introduced this section of the budget by emphasizing the Government’s green growth ambitions:

- Budget 2021 confirmed the creation of the [UK Infrastructure Bank](#) (located in Leeds) that will invest across the UK in public and private projects. Beginning this spring, the bank will have an initial capitalisation of £12bn and is expected to support at least £40bn of total investment in infrastructure.
- [Support for small and medium-sized enterprises](#) to grow through two new schemes to boost productivity. These will launch in the autumn, and appear to be managed centrally rather than through region business support infrastructure, with businesses being invited to express interest through Gov.uk
  - Help to Grow: Management, a new management training offer
  - Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.
- To launch [consultation on tax relief](#), alongside the budget

## Levelling up

- The Government is launching the prospectus for the £4.8 billion [Levelling Up Fund](#) alongside Budget. This will be delivered through LAs, with a 3-tier system indicating levels of support and need. MPs will play a role in championing projects. CAs will be able to put forward 1 transport proposal of up to £20m.
- £1bn new town deals confirmed - this includes funding for Wolverhampton, Rowley Regis, Smethwick and West Bromwich.
- £150m [Community Ownership Grant](#) to allow communities to take ownership of pubs at risk.
- A number of Freeports announced, the closest to region is East Midlands Airport.
- Detail on Community Recovery Fund – CAs in lead role with £3m pilot bids for priority places (Birmingham, Dudley, Sandwell, Walsall, Wolves), to inform future Shared prosperity fund.
- Review on geography of LEPS (reporting later in the year).

### Potential for funding regional priorities

The Chancellor also announced a further £225m of investments to back some of the region’s key schemes. These include:

- £59m for five new stations in the region in the Black Country and south Birmingham.
- £50m will go to Solihull Council’s Urban Growth Company to help fund transport improvements around the HS2 Birmingham Interchange Station.
- £116m for the regeneration for Rowley Regis (£19m), Smethwick (£23.5m), West Bromwich (£25m) Wolverhampton (£25m) and Nuneaton (£23.5m).
- A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes.

### Progress on WMCA Budget Submission Asks

The table below tracks the region’s budget asks against measures outlined in the Red Book. The funding status of most projects/programme will become clearer after further engagement with Government, although the CA has received confirmation on some aspects i.e. UK Central Hub.

It should be noted that the list of measures in the table are greater than those listed in the headline summary above.

Theme	Budget asks	Budget 2021 Document Excerpt
Infrastructure	<ul style="list-style-type: none"> <li>• Transport Infrastructure</li> <li>• UK Central Hub</li> <li>• Residential and Commercial Development</li> <li>• Natural Capital</li> <li>• Culture &amp; Placemaking</li> <li>• Investment Programme</li> </ul>	<ul style="list-style-type: none"> <li>• £59m for new rail stations at Darlaston and Willenhall on a reopened passenger line between Wolverhampton and Walsall and for new Moseley, Kings Heath and Hazelwell stations on a re-opened Camp Hill line.</li> <li>• £50 million to develop proposals for transport improvements around the High Speed 2 Birmingham Interchange Station.</li> <li>• A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes.</li> <li>• Creation of the <a href="#">UK Infrastructure Bank</a> that will invest across the UK in public and private projects. The bank will have an initial capitalisation of £12bn and is expected to support at least £40bn of total investment in infrastructure, based in Leeds.</li> <li>• First Sovereign Green Fund will be launched in the summer.</li> </ul>

Theme	Budget asks	Budget 2021 Document Excerpt
Economy & Skills	<ul style="list-style-type: none"> <li>Business Resilience and Productivity Programme</li> <li>Integrated Employment and Skills Ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>Plan for Growth published by HMT, understood to supersede BEIS led Industrial Strategy</li> <li>The 100% business rate holiday for retail, hospitality and leisure and leisure businesses will continue until the end of June 2021. This will then be followed by a reduced concession rate of 66% until the end of the financial year.</li> <li>Hospitality and tourism businesses will pay 5% VAT rate until September 2021 and then followed by an interim rate of 12.5% until April 2022.</li> <li>Government will introduce a “Super Deduction” meaning that companies can reduce their tax bill by 130% of the cost of an investment.</li> <li>An additional £425m of discretionary business grant funding to local authorities.</li> <li><a href="#">Support for small and medium-sized enterprises</a> to grow through two new schemes to boost productivity (expected to be managed centrally): <ul style="list-style-type: none"> <li>Help to Grow: Management, a new management training offer</li> <li>Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.</li> </ul> </li> <li>To launch <a href="#">consultation on tax relief</a>, alongside the budget</li> <li>£400 million to help young people catch up on lost learning as a result of COVID-19, as part of a total £700 million package</li> <li>An additional £126m in England for high quality work placements and training for 16-24 year olds in the 2021/22 academic year.</li> <li>Employers who hire a new apprentice between 1 April 2021 and 30 September 2021 will receive £3,000 per new hire</li> <li>A £7m fund from July 2021 to help employers in England set up and expand portable apprenticeships.</li> <li>£1.3m over 2021-22 and 2022-23 to pilot the use of new technologies to support out-of-work people to find new jobs.</li> </ul>
Public Services	<ul style="list-style-type: none"> <li>Sustaining homelessness reduction post COVID -19</li> <li>Investment in Public Service Data and Evidence Innovation</li> <li>West Midlands Safe Centre</li> <li>Building resilience into public services</li> </ul>	<ul style="list-style-type: none"> <li>£150m <a href="#">Community Ownership Grant</a> to allow communities to take ownership of pubs at risk.</li> <li>£300 million <a href="#">Cultural Recovery Fund</a>.</li> <li>£300 million Sports Recovery Fund to focus on cricket.</li> <li>£220 million <a href="#">UK Community Renewal Fund prospectus launch</a>, providing funding for local areas across the UK in 2021-22 for projects investing in people, communities and businesses.</li> <li>Government will provide up to £3.8m of funding to deliver a pilot no-interest loans scheme. The scheme will help vulnerable consumers who would benefit from affordable short-term credit to meet unexpected costs as an alternative to relying on high-cost credit.</li> <li>£19m for domestic violent programme which includes piloting “respite rooms” for victims of domestic violence.</li> </ul>

Theme	Budget asks	Budget 2021 Document Excerpt
Sustainable finance	<ul style="list-style-type: none"> <li>Levelling up health in the West Midlands</li> </ul>	<ul style="list-style-type: none"> <li>£10m to support army veterans with mental health needs.</li> <li>£1.7 billion to support the continuation of the vaccine deployment programme.</li> </ul>
	<ul style="list-style-type: none"> <li>The Single Pot Approach</li> <li>Long Term Sustainable Funding for the Region</li> <li>Financial Flexibilities</li> </ul>	<ul style="list-style-type: none"> <li>Government is launching the prospectus for the £4.8 billion <a href="#">Levelling Up Fund</a> alongside Budget.</li> <li>UK Shared Prosperity Fund – to be published in the autumn after further consultation.</li> </ul>

### Annex A – Plan for Growth

Following the Budget, the Chancellor has unveiled government’s ‘Plan for Growth’. This will build upon the national Industrial Strategy and will be led by HM Treasury. It responds to major changes since 2017, included the UK’s adoption of the 2050 net zero target, coronavirus and the post-Brexit trade deal with the EU. It includes sections on: global Britain infrastructure; skills; innovation and the low-carbon economy, as well as levelling-up.

This builds on the national industrial strategy and consolidates several recent policy announcements, such as the 10 Point Plan for a Green Industrial Revolution, into a longer-term vision. The Plan also sets out its delivery priorities for the next twelve months:

In the next three months...	<ul style="list-style-type: none"> <li>Getting Smarter: Knowledge Assets Implementation Strategy</li> <li>Heat and Buildings Strategy</li> <li>Industrial Decarbonisation Strategy</li> <li>Integrated Rail Plan for the Midlands and the North</li> <li>Integrated Review of Security, Defence, Development and Foreign Policy</li> <li>National Bus Strategy</li> </ul>
In the next six months...	<ul style="list-style-type: none"> <li>Hydrogen Strategy</li> <li>Innovation Strategy</li> <li>Lifelong Loan Entitlement Consultation</li> <li>National Space Strategy</li> <li>Research &amp; Development Places Strategy</li> <li>Research &amp; Development People and Culture Strategy</li> <li>Transport Decarbonisation Plan</li> </ul>
In the next twelve months...	<ul style="list-style-type: none"> <li>Devolution and Local Recovery White Paper</li> <li>Digital Strategy</li> <li>Export Strategy</li> <li>Full Conclusion of the Post-18 Review of Education and Funding</li> <li>Net Zero Strategy</li> <li>Procurement Reform</li> <li>Sector Visions</li> <li>Union Connectivity Review</li> </ul>

## Annex B – Overview of business and economic support measures

Type of support	Support
Grants for businesses – either required to close or those that experience severe impact	<ul style="list-style-type: none"> <li>• <b>Local Restrictions Support Grant (Closed)</b> – to £3,000 per month according to rateable value - continues to operate while businesses cannot open.</li> <li>• <b>Closed Business Lockdown Payment</b> – grants of up to £9,000 announced in January 2021 for firms required to close. In addition to LRSRG (Closed).</li> <li>• <b>Additional Restrictions Support Grant</b> – local authorities put in place discretionary schemes to support firms that do not receive other forms of support, or to provide further support.</li> <li>• <b>Restart Grants</b> – grants for businesses once they are able to resume operating – (they will continue to receive LSRG in the meantime): <ul style="list-style-type: none"> <li>• Up to £6,000 (depending on RV) for non-essential retail, due to reopen on 12 April.</li> <li>• Up to £18,000 (depending on RV) for hospitality businesses, due to reopen (indoors) on 17 May.</li> </ul> </li> </ul>
Loans and investment	<ul style="list-style-type: none"> <li>• Deadlines for loan applications for <b>CBILS</b>, <b>BBLs</b>, etc. open to end of March 2021 and option to top-up BBLs for firms that didn't originally borrow the maximum.</li> <li>• New <b>Recovery Loan Scheme</b> launched with a 80% Government guarantee for loans between £25k and £10m.</li> <li>• On <b>capital allowance</b>: a "super-deduction" until March 2023 of 130% of investment in new plant and equipment.</li> <li>• <b>UK Infrastructure Bank</b> with £12bn capital to invest in public and private green infrastructure schemes.</li> <li>• Launch of <b>Future Fund Breakthrough</b></li> </ul>
Other support for business	<ul style="list-style-type: none"> <li>• 100% <b>business rates relief</b> for hospitality, retail and leisure businesses extended until end of June 2021... <ul style="list-style-type: none"> <li>• Then 66% reduction for up to a further six months for those hardest hit businesses, with a lower cap for those who can open.</li> </ul> </li> <li>• Reduction in <b>VAT</b> to 5% for hospitality extended to end of September, when it will increase to 12.5% until April '22.</li> <li>• Introduced new national business support services through '<b>Help to Grow Management</b>' and '<b>Help to Grow Digital</b>'.</li> <li>• Doubled the employer incentive for <b>apprentices</b> of any age to £3,000.</li> </ul>
For workers and people looking for work	<ul style="list-style-type: none"> <li>• <b>National living wage</b> increased to £8.91 per hour for over 23s (increase of 19p, or 2.2%).</li> <li>• <b>CJRS (furlough)</b> extended until end of September for any business. Workers continue to receive 80% of wages up to £2,500/mth for hours not worked. Employers cover NICs and pension. In July, employers will need to contribute 10% of wages for non-worked hours, increasing to 20% in Aug/Sept.</li> <li>• Continuation of <b>Restart</b> and <b>Kickstart</b> schemes.</li> <li>• Extended <b>£20 per week uplift to Universal Credit</b> to September 2021.</li> <li>• People claiming <b>Working Tax Credit</b> to receive one-off £500 payment.</li> </ul>
Self-employed (SEISS)	<ul style="list-style-type: none"> <li>• <b>Fourth SEISS round</b> covering February – April confirmed at 80% of 3 months average trading profits, capped at £7,500.</li> <li>• <b>Fifth SEISS round</b> from May – July. Payments will vary for those who've seen a reduction of income up to/below 30%: <ul style="list-style-type: none"> <li>• More than a 30% reduction in turnover: receive 80% of 3 months' average trading profits</li> <li>• A reduction in turnover of less than 30%: 30% of 3 months' average trading profits.</li> </ul> </li> <li>• Extended <b>qualification criteria</b> to include newly self-employed people who submitted tax returns by 2/3/21.</li> </ul>

Key = New support or details announced on 3/3 highlighted in red  
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### Further Information

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