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A Strong Voice for Mid Norfolk

# Breakdown of today's Statement by the Chancellor

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The Chancellor's Summer Statement included £30bn of funding initiatives to protect jobs and to soften the impact of coronavirus on the economy. This is on top of the £150bn of direct support and £123bn of loans and guarantees already provided.

## **Supporting Jobs**

The focus of today's statement was the protection and creation of jobs, especially once the furlough scheme begins to wind down and finishes in October.

## **Job Retention Bonus**

The Government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021.

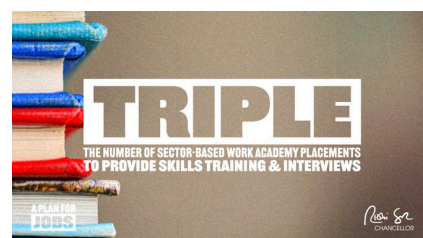
Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme on 31 October 2020 and the end of January 2021. Payments will be made from February 2021. Further details about the scheme will be announced by the end of July.



## **Kickstart Scheme**

A new Kickstart Scheme will be introduced in Great Britain (excluding Northern Ireland) to create 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment.

Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment pension contributions.



## **Traineeships for Young People**

Additional funding will be provided this year for traineeships in England. This is to provide high quality work placements and training for 16-24 year olds. Funding will be available to employers who provide trainees with work experience, at a rate of £1,000 per trainee.

The Government will improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below, to ensure that more young people have access to high quality training.



## **Payments for Employers Hiring New Apprentices**

A new payment of £2,000 will be provided to employers in England for each new apprentice hired under 25 years old. There will be a £1,500 payment for new apprentices



hired that are aged 25 years and over. The payments will apply from 1 August 2020 to 31 January 2021.

These payments will be in addition to the existing £1,000 payment the Government provides for new apprentices aged 16 to 18 years old, and to those aged 25 and under with an Education, Health and Care Plan – where that applies.

### **Support for Hospitality and Tourism**

The Chancellor announced further measures aimed at revitalising hospitality and tourism sectors, including attractions and theme parks. Businesses in these sectors have suffered a particularly heavy toll through lockdown and many are still facing significant challenges.

#### **Temporary VAT Cut for Accommodation and Attractions**

From 15 July 2020 to 12 January 2021, the reduced (5%) rate of VAT will apply to supplies of accommodation and admission to attractions across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.



#### **Temporary VAT Cut for Food and Non-Alcoholic Drinks**

From 15 July 2020 to 12 January 2021, the reduced (5%) rate of VAT will apply to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafés and similar premises across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.

### **Eat Out to Help Out**

The government will introduce the Eat Out to Help Out scheme to encourage people to return to eating out. This will entitle every diner to a 50% discount of up to £10 per head on their meal, at any participating restaurant, café, pub or other eligible food service establishment.

The discount can be used unlimited times and will be valid Monday to Wednesday on any eat-in meal (including on non-alcoholic drinks) for the entire month of August 2020 across the UK. Participating establishments will be fully reimbursed for the 50% discount.

### **Support for the Housing Market**

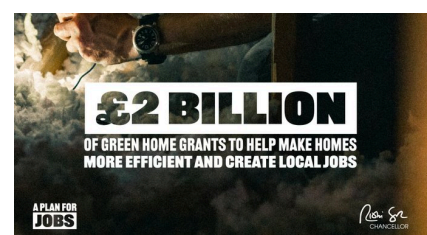
The housing market and house building have also suffered in recent months and various measures have been announced to re-energise the market.

#### **Temporary Stamp Duty Land Tax (SDLT) Cut**

The Nil Rate Band of Residential SDLT, in England and Northern Ireland, will be temporarily increased from £125,000 to £500,000. This will apply from 8 July 2020 until 31 March 2021 and cut the tax due for everyone who would have paid SDLT.

### **Green Homes Grant**

The Government will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household.



## **Affordable Homes Programme**

The Government has confirmed that the Affordable Homes Programme announced in the Budget will support up to 180,000 new affordable homes for ownership and rent in England.

The £12.2 billion fund will be spent over five years, with the majority of homes built by 2025-26 and the rest by 2028-29. The Affordable Homes Programme will also include a 1,500 unit pilot of

### **First Homes.**

Short-Term Home Building Fund extension

Support will be provided for small and medium-sized house builders that are unable to access private finance by boosting the Short-Term Home Building Fund, providing an additional £450 million in development finance to smaller firms. A proportion of this fund will be reserved for firms using innovative approaches to house building such as 'Modern Methods of Construction'.



### **Planning Reform**

New regulations to be introduced this summer will make it easier to convert buildings for different uses, including housing, without the need for planning permission.

In July 2020, the Government will launch a policy paper setting out its plan for comprehensive reforms of England's planning system to better support the economy and release more land for housing in areas that need it most.

### **Research and Development**

Finally, the Government will be providing new funding for the research and development of Direct Air Capture technology which captures CO2 from the air and for the scaling up of the manufacture of automotive batteries, motors, electronics and fuel cells.