

# **BEIS in the Budget 2021**

The government has published a Budget aimed at protecting the jobs and livelihoods of the British people through the COVID-19 pandemic. The Department for Business, Energy and Industrial Strategy (BEIS) will have a key role to play in delivering this commitment.

The Budget builds on the government's existing support, which has helped to limit lasting damage while strengthening the economy in the longer term. Including measures announced at Budget 2020, total support for the economy comes to £407 billion this year and next year – the largest peacetime economic support package on record.

Alongside addressing the immediate challenges of COVID-19 and putting the UK's public finances on a sustainable footing in the medium term, the government recognises the importance of acting now to create the conditions for an investment-led recovery driven by private sector growth.

Business Secretary Kwasi Kwarteng said:

Through this Budget, we will continue to stand by workers and businesses as we have done throughout the pandemic – supporting millions of jobs and livelihoods across the United Kingdom.

Recognising the critical role our innovators and wealth creators will play in driving our economic recovery, the government has also unveiled a raft of measures to stimulate private investment, including a radical new super-deduction to cut companies' tax bills if they invest in Britain's future.

As we look forward with optimism to easing restrictions and carefully reopening our economy, we are investing in the people, the businesses, and the innovative, climate friendly projects that will strengthen our Union, create new jobs and ensure we can build back better, greener and stronger from the pandemic.

## **Protecting jobs and livelihoods, and backing business**

In his Budget statement on Wednesday 3 March the Chancellor pledged to continue doing whatever it takes to support the British people and businesses through the pandemic.

This includes:

### **Jobs**

- to protect the livelihoods of those hardest hit, the furlough scheme

(the Coronavirus Job Retention Scheme) will be extended to September and the Self-Employment Income Support Scheme (SEISS) will continue with a fourth and a fifth grant. The Chancellor announced that more than 600,000 people, many of whom became self-employed in 2019-20, may now be able to claim direct cash grants under SEISS

- as part of the UK government's Plan for Jobs to support, protect and create jobs, the Chancellor is increasing support with £126 million of new money to enable 40,000 more traineeships, and doubling the cash incentive to firms who take on an apprentice to a £3,000 payment per hire

## **Businesses**

- £5 billion for new Restart Grants – a one off cash grant of up to £18,000 for hospitality, accommodation, leisure, personal care and gym businesses in England. Non-essential retail businesses will open first, so they will receive grants of up to £6,000 per premises. Hospitality and leisure businesses, including personal care and gyms, will open later, or be more impacted by restrictions when they do, so will be given grants of up to £18,000. This brings the total spent on business grants to £25 billion
- a new UK-wide Recovery Loan Scheme to make available loans between £25,001 and £10 million, and asset and invoice finance between £1,000 and £10 million, to help businesses of all sizes through the next stage of recovery. This replaces the existing COVID-19 loan schemes which have supported £73 billion of lending to date and close to applications at the end of March
- the business rates holiday in England has been extended by an additional 3 months. That means 750,000 retail, hospitality and leisure properties in England will pay no business rates for three months from 1 April when combined with Small Business Rates Relief, with further relief available for the rest of the year
- to continue supporting the 150,000 businesses in the hospitality and tourism sectors and to protect 2.4 million jobs, the government has extended the temporary 5% reduced rate of VAT until 30 September 2021. To help businesses manage the transition back to the standard rate, a 12.5% rate will then apply for a further 6 months, until 31 March 2022
- small and medium-sized employers in the UK will continue to be able to reclaim up to two weeks of eligible Statutory Sick Pay (SSP) costs per employee from the government – a temporary COVID-19 measure intended to support employers while levels of sickness absence are high
- to help otherwise-viable UK businesses which have been pushed into a loss-making position, the trading loss carry-back rule will be temporarily extended from the existing one year to 3 years
- £100 million for a new Taxpayer Protection Taskforce to crack-down on COVID fraudsters who have exploited UK government support schemes. Government will also raise awareness of enforcement action in order to deter fraud and will significantly strengthen law enforcement for Bounce Back Loans

## **An investment-led recovery**

The Budget will spread investment and opportunity across the UK, helping businesses to grow, and improving access to skills, capital and ideas.

- beginning April 2021, the new super-deduction will cut companies' tax bill by 25p for every pound they invest in new equipment. This is worth around £25 billion to UK companies over the 2-year period the super-deduction will be in full effect
- the £375 million UK-wide 'Future Fund: Breakthrough' will invest in highly innovative companies such as those working in life sciences, quantum computing, or clean tech, that are aiming to raise at least £20 million of funding
- up to 130,000 small and medium sized businesses will be supported through the new UK-wide Help to Grow scheme, providing the digital and management tools needed to innovate, grow and help drive recovery
- the government is launching a review of Research & Development tax reliefs to make sure the UK remains a competitive location for cutting-edge research
- the new UK Infrastructure Bank will provide financing support to private sector and local authority infrastructure projects across the UK, to help meet government objectives on climate change and regional economic growth
- to help progress the Prime Minister's ambitious ten point plan for a green industrial revolution, new port infrastructure will be built to support the next generation of offshore wind projects on Teesside and on the banks of the River Humber
- £20 million will be provided to fund a UK-wide competition to develop floating offshore wind demonstrators and help support the government's aim to generate enough electricity from offshore wind to power every home by 2030
- £68 million to fund a UK-wide competition to deliver first-of-a-kind long-duration energy storage demonstrators that will reduce the cost of net zero by storing excess low carbon energy over longer periods
- £4 million for a biomass feedstocks programme in the UK to identify ways to increase the production of green energy crops and forest products
- plans for at least £15 billion of green bond issuance in the coming financial year, to help finance critical projects to tackle climate change and other environmental challenges, fund important infrastructure investment, and create green jobs across the UK
- the Budget also coincides with the publication of the government's new Build Back Better: our plan for growth strategy, setting out how infrastructure, skills and innovation will drive the UK economy

## **Strengthening the public finances**

In the near term, continuing to support businesses, jobs and people's livelihoods up and down the country is vital to give the economy the best possible chance of rebounding as restrictions are lifted. However, it will be necessary to take steps to get the public finances back on track once the economic recovery is durably underway.

We will maintain the income tax Personal Allowance and higher rate threshold from April 2022 until April 2026.

To balance the need to raise revenue with the objective of having an internationally competitive tax system, the rate of Corporation Tax will increase to 25%, which will remain the lowest rate in the G7. In order to support the recovery, the increase will not take effect until 2023. Businesses with profits of £50,000 or less, around 70% of actively trading companies, 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

## **Delivering for every part of our United Kingdom**

The majority of the measures set out in the Budget apply to individuals and businesses in every part of the UK. On top of these UK-wide measures, the Budget also confirms an additional £2.4 billion for the devolved administrations in 2021-22 through the Barnett formula and targeted investment in specific places and sectors across Scotland, Wales and Northern Ireland.

### **Scotland**

The government will provide £27 million for the Aberdeen Energy Transition Zone, helping to support North East Scotland to play a leading role in meeting our net zero ambitions.

The government will also provide a further £5 million for the Global Underwater Hub, and up to £2 million to further develop industry proposals as part of the government's support for the North Sea Transition Deal (NSTD). Taken together, these three funding proposals are the first stage in delivering on the North Sea Transition Deal commitment and will support areas like Aberdeen transition to a low-carbon future. The UK government is also accelerating City Deals across Scotland, including the Ayrshire, Argyll and Bute, and Falkirk Growth Deal.

### **Wales**

The government will provide £4.8 million in 2021-22 to support the development of a green demonstration hydrogen hub in Holyhead, Anglesey, which will create 30 high-skilled green jobs and indirectly support a further 500 jobs.

Government will also provide up to £30 million for the Global Centre for Rail Excellence in Wales, which will support innovation in the UK's rail industry, including the testing of cutting-edge, green technology. The UK Government is also accelerating City Deals across Wales, including the Swansea Bay, North-Wales and MidWales City and Growth Deals.

### **Northern Ireland**

Businesses in Northern Ireland will benefit from UK-wide initiatives to

invest in the future of firms from start-up to scale up, such as the new Help to Grow scheme and Future Fund: Breakthrough.

## **More pounds in the public's pocket**

To put more money in the public's pocket, fuel duty will be frozen for the 11th consecutive year. And there will be a freeze in duty rates for beer, cider, wine and spirits – saving drinkers £1.7 billion, and further supporting the hospitality sector.

An increase in the National Living Wage from April ensures that the lowest paid will continue to receive pay rises.

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## **US suspends tariffs on UK goods in trade dispute**

The UK and US have today agreed a new joint approach to the longstanding trade conflict over aerospace tariffs.

The United States will temporarily suspend all retaliatory tariffs on direct exports from the UK to the US resulting from the Airbus dispute for four months, in an effort to reach a negotiated solution to the 16- year long dispute. This measure will come into force on Monday 8 March, backdated to today (4 March).

In 2018, the year before the tariffs were imposed, the US imported around £550m of goods affected by these measures from the UK. The tariff suspension will help protect jobs on both sides of the Atlantic in industries who have been targeted by these unfair tariffs, particularly Scotch whisky. Scotch was the UK's largest food and drink export in 2020, and exports of single malt Irish and Scotch whiskies to the US were worth around £340m in 2018.

This follows the UK's decision to suspend Boeing tariffs against the US from January, a show of good faith which ensured the UK was not hit by further tariffs and allowed both countries to work on ending the dispute and focus on deepening our future trading relationship.

The Prime Minister Boris Johnson said:

From Scotch Whisky distillers to Stilton-makers, businesses across the UK will benefit from the US decision today to suspend tariffs in this dispute.

It shows what the UK can do as an independent trading nation, striking deals that back our businesses and support free and fair trade.

I now look forward to strengthening the UK-US relationship, as we drive economic growth and build back better together.

International Trade Secretary Liz Truss said:

I am delighted to say that our American allies – under their new President and his hard-working staff at the US Trade Representative – have embraced our move to seek a fair settlement.

This is Global Britain in action: securing new opportunities as a newly nimble nation. The benefits will be felt across our nation, especially in Scotland, where Scotch whisky distillers will be able to sell at lower prices in the United States, their most valuable market.

The easier it is for Americans to buy a bottle of Macallan, Talisker or Glenfiddich, the more money those producers will have to invest in their businesses, their staff and futures.

Today's agreement shows that both the UK and the US are determined to work together to build back better and take our trading relationship to new heights.

Scottish Secretary Alister Jack said:

This is great news for the Scottish whisky industry – a cornerstone of Scotland's economy.

The UK Government has fought incredibly hard on this issue, petitioning the highest levels of the US administration to remove tariffs which were harming our Scottish exporters.

We are very pleased to have negotiated an agreement to lift tariffs temporarily, and will use this four month window to bring an end to the trade dispute.

I look forward to our close trading relationship with the US going from strength to strength, opening up new opportunities for Scottish businesses.

The Department for International Trade will continue to engage with the US to agree a fair settlement to the dispute, that removes punitive tariffs and works for the whole of the UK.

This announcement will protect jobs across the UK – as well as Scotch whisky producers, it would also benefit businesses including:

- Cashmere producers in Ayrshire, in 2018 the UK exported to the US around £11m worth of the knitted and crocheted clothing that were targeted by the tariffs, of which around £6m are cashmere.
- Pig farmers in Yorkshire, in 2018 the UK exported to the US around £38m of the pig meat that was targeted by the tariffs.
- Stilton makers in the Midlands, in 2018 the UK exported to the US around £45m of the cheeses that were targeted by the tariffs, of which around £4m was stilton cheese.

The UK will continue to engage with the US to agree a fair settlement to the dispute, that permanently removes punitive tariffs and works for the whole of the UK. This would benefit the UK's aerospace industry which employs people across the country, including Wales, Belfast and Sheffield.

The government reserves the right to re-impose tariffs at any point if satisfactory progress towards an agreeable settlement is not made.

On a separate track, the UK and US are continuing to work towards an ambitious trade deal, which could eliminate almost £500m in tariffs on UK exports to the US.

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## **[The Secretary of State has reappointed John Baillie and Catharine Seddon as Commissioners of the Gambling Commission](#)**

News story

John Baillie and Catharine Seddon have been reappointed by the Secretary of State for Digital, Culture, Media and Sport as Commissioners of the Gambling Commission for a one year period from 11 April 2021 to 10 April 2022.



John Baillie is a chartered accountant and former partner of KPMG in Scotland and London. He is a former chair of Audit Scotland and of the Scottish local authority watchdog, the Accounts Commission for Scotland. He was also a member of the reporting panel of the Competition and Markets Authority for nine years. John has held various roles in Scottish universities, including visiting professor of accountancy at the University of Edinburgh, and the Johnstone Smith Chair of Accountancy at the University of Glasgow.

Catharine Seddon has 20 years experience as an award-winning documentary film maker for the BBC and running her own production company, and 13 years of NED experience with national regulators in four different government departments. She has served five years with the Gambling Commission where she is currently the Senior Independent Director. As a Commissioner, she sits on the fourth National Lottery Competition Committee, on the Remuneration Committee, and on the Commission's change programme, RESET. Catharine has also held non-executive and committee roles with the Human Tissue Authority, the Legal Services Board, the HFEA and the Pensions Regulator Catherine also sits on tribunals in mental health and employment and as a lay assessor on civil cases in the county courts and she is a presiding magistrate. She has recently been appointed to the Health Service Products Appeal Tribunal. She is also a trustee for CPotential, a special needs charity.

These roles are remunerated at £295 per day. These reappointments have been made in accordance with the [Cabinet Office's Governance Code on Public Appointments](#), the process is regulated by the Commissioner for Public Appointments. The Government's Governance Code requires that any significant political activity undertaken by an appointee in the last five years is declared. This is defined as holding office, public speaking, making a recordable donation or candidature for election. John Baillie and Catharine Seddon have not declared any activity.

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# Rule changes to make it easier to recruit health and care staff

Foreign workers in key health and care roles will have a greater opportunity to come to the UK following changes announced to the Immigration Rules.

Pharmacists, laboratory technicians, senior care workers and nursing assistants are among roles that have been added to the [Shortage Occupation List](#), which gives people in these roles an advantage in obtaining a skilled worker visa.

Health services and public health managers and directors, residential, day and domiciliary care managers and health professionals not elsewhere classified, such as audiologists and dental hygiene therapists, have also been added to the Shortage Occupation List, as have modern foreign language teachers.

It ensures that businesses and public services across the UK can get access to the best and brightest talent from across the world.

The changes build on the government's delivery of the new points-based immigration system, which works for the whole of the UK.

Minister for Future Borders and Immigration Kevin Foster said:

Every year we welcome healthcare workers from across the world to our United Kingdom, with many having played a key role on the frontline of the NHS during the recent pandemic. This latest set of changes, combined with our Health and Care Visa, will ensure they can easily get the immigration status they deserve.

As part of the points-based immigration system, people applying to come to the UK through the skilled worker route must reach 70 'points' to be eligible for a work visa.

A job on the Shortage Occupation List is worth 20 points. Combined with the mandatory criteria – having an acceptable standard of English, an offer from a licensed sponsor and the required skill level, which are worth 50 points – will ensure people in these roles reach the 70 points necessary.

The changes follow a review published by the independent Migration Advisory Committee last year. While the government has accepted some of the MAC's recommendations, it is not making wider changes to the list while the long-term economic impact of the Covid-19 pandemic is still uncertain.

This is part of a number of changes made under the Immigration Rules. Others include:

- Confirming the Graduate route will launch from July 1;
- Updating the Skilled worker visa going rate to include a minimum hourly rate to safeguard against employers who may require employees to work longer hours to make up for the lower rates of pay;
- [Replacement of the current Intimidation Policy with the Afghan Relocation and Assistance Policy](#); and
- Further building on the world-leading Global Talent route to automatically endorse recipients of international awards, including the Nobel Prize, to qualify for a visa, with more prizes to be added later in the year.

The government also unveiled plans to launch another new immigration route that will help start-ups and fast-growing firms recruit the talent they need to innovate and grow at yesterday's [Budget](#) as part of a range of measures for highly skilled migrants. As part of the route, highly skilled migrants with a job offer from a recognised high-growth firm will qualify for a visa without the need for sponsorship or third-party endorsement.

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## [Graduate route to open to international students on 1 July 2021](#)

The new Graduate route will open for applications on 1 July 2021, allowing the UK to retain the brightest and the best international students to continue to contribute to society and the economy post-study.

International students must have completed an eligible course at a UK higher education provider, with a track record of compliance with the government's immigration requirements to apply to the Graduate route. Students on the Graduate route will be able to work or look for work after their studies for a maximum period of 2 years, or 3 years for Doctoral students.

The launch of the new Graduate route shows that the government is continuing to deliver on its key manifesto promise to implement a points-based immigration system, which will attract talent and ensure that businesses can recruit the most highly qualified from across the globe to drive the economy forwards.

The Graduate route will work for all corners of the UK, ensuring that communities in England, Scotland, Wales and Northern Ireland can benefit from talented individuals who want to stay after their studies.

Minister for Future Borders and Immigration Kevin Foster said:

As we rebuild from the global pandemic we want the world's brightest talent, who aspire to a career at the highest levels of

business, science, the arts and technology to see our United Kingdom as the natural place to fulfil their aspirations.

The changes announced today will ensure once they have received a gold standard qualification from one of our world leading education institutions they can easily secure the status they need to continue living, working and fulfilling their dreams in the UK.

As detailed in the Immigration Rules laid in Parliament today (4 March), the new route will open for applications on 1 July 2021, to international students who successfully complete a degree at undergraduate level or above in the UK.

The Graduate route will be unsponsored, meaning applicants will not need a job offer to apply for the route. There will be no minimum salary requirements nor caps on numbers. Graduates on the route will be able to work flexibly, switch jobs and develop their career as required.

The new route will help the government to achieve the ambition set out in the International Education Strategy to increase the number of international students in higher education in the UK to 600,000 by 2030.

Coronavirus concessions for students unable to travel to the UK due to the pandemic have also been extended, recognising the continuing disruption many face due to international travel restrictions.

Applicants who began their studies in Autumn 2020 will now have until 21 June 2021 to enter the UK (updated from 6 April 2021) in order to be eligible for the Graduate route. Students who began their studies in January or February 2021 will need to be in the UK by 27 September 2021.

The Graduate route comes as the government also unveiled plans to launch another new immigration route that will help start-ups and fast-growing firms recruit the talent they need to innovate and grow at yesterday's Budget as part of a range of measures for highly skilled migrants. As part of the route, highly skilled migrants with a job offer from a recognised high-growth firm will qualify for a visa without the need for sponsorship or third-party endorsement.