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Autumn Budget 2021 Highlights

Mr Sunak said the Budget is focused on the “post-Covid” era, paving the way for the “Prime Minister’s economy of higher wages, higher skills, and rising productivity”.

- The Office for Budget Responsibility (OBR) has scaled down its assumption of the scarring effect of Covid-19 on the economy from 3 per cent to 2 per cent.
- The OBR has downgraded its unemployment forecast due to the coronavirus pandemic from 12 per cent down to 5.2 per cent.
- The National Living Wage will increase to £9.50 an hour next year, up from the current £8.91.
- The Universal Credit taper rate will be cut by 8 per cent from no later than 1 December, bringing it down from 63 per cent to 55 per cent.
- Alcohol duty is being “radically” simplified by introducing a system designed around the principle of “the stronger the drink, the higher the rate”.
- A “draught relief” will apply a lower rate of duty on draught beer and cider, cutting the tax by 5 per cent on drinks served from draught containers over 40 litres and bringing the price of a pint down by 3p.
- A planned rise in fuel duty is being cancelled because of pump prices being at their highest level in eight years.
- Flights between airports in the UK will be subject to a new lower rate of Air Passenger Duty from April 2023.

R&R Accounting Services

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- Every Whitehall department is getting a “real terms rise in overall spending” as part of the Spending Review, amounting to £150 billion over this Parliament.
- A levy will be placed on property developers with profits over £25 million at a rate of 4 per cent to help create a £5 billion fund to remove unsafe cladding.
- Devolved administrations will be given the “largest block grants” since 1998, with an increase to Scottish Government funding in each year by an average of £4.6 billion, £2.5 billion for the Welsh Government, and £1.6 billion for the Northern Ireland Executive.
- An extra £2.2 billion has been announced for courts, prisons and probation services, including £500 million to reduce the courts backlogs.
- £300 million will go towards “A Start for Life” parenting programmes, with an extra £170 million by 2024/25 going into paying for childcare.
- Core science funding will rise to £5.9 billion a year by 2024-25, a cash increase of 37 per cent.
- A new 50 per cent business rates discount will apply in the retail, hospitality, and leisure sectors.
- Eligible businesses will be able to claim a discount on their bills of up to a maximum of £110,000.

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