ROTHESAY BENNETT

FINANCIAL PLANNING

GUIDE TO

AUTUMN BUDGET STATEMENT 2021

ANALYSIS OF THE KEY TAX CHANGES AND OUTLINING THE PRACTICAL IMPLICATIONS FOR YOU, YOUR FAMILY AND BUSINESS

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With the economic recovery underway and emergency support winding down, the Autumn Budget and Spending Review 2021 (SR21) set out the government's plans over the rest of the Parliament. The SR21 sets departmental budgets up to 2024/25.

Autumn Budget Statement 2021

Preparing the country for an 'age of optimism'

The Chancellor of the Exchequer, Rishi Sunak, delivered his Autumn Budget and Spending Review 2021(SR21) to Parliament on Wednesday 27 October 2021.

The Autumn Budget and SR21 take place as the country focuses on recovering from a period of unparalleled global economic uncertainty and challenge to move towards a more promising future.

With the economic recovery underway and emergency support winding down, the Autumn Budget and SR21 set out the government's plans over the rest of the Parliament. The SR21 sets departmental budgets up to 2024/25.

At the heart of these plans is the government's ambition to level up, reducing regional inequality so that no matter where in the UK someone lives, they can reach their full potential, find rewarding work and take pride in their local area.

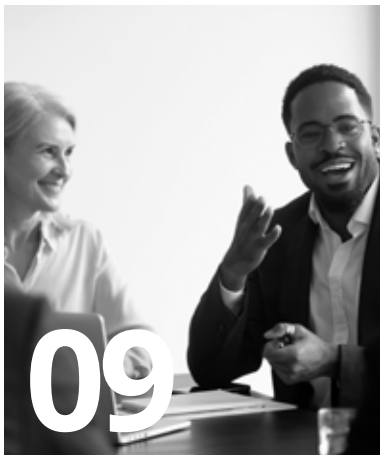
The optics of the Autumn Budget were that taxpayers' money will be spent where it makes the most difference to people's daily lives: creating high-wage and high-skilled jobs, reducing NHS waiting lists, putting more police on the streets, upgrading roads and railways, and building new homes, hospitals and schools.

The pandemic has demonstrated the risk of unforeseen shocks and there remains uncertainty around the path of the virus. The Chancellor admitted the months ahead will be 'challenging'. He said: 'The Budget does not draw a line under COVID' but he declared it will pave the way for a 'new economy post-COVID'.

Mr Sunak said employment is up and investment is growing, outlining that the UK is 'recovering faster than major competitors'. He announced he would prepare the country for an 'age of optimism'. ◂

What does the Autumn Budget 2021 mean for you?

In our comprehensive guide to the Autumn Budget and Spending Review 2021, we reveal the key announcements. If you have any questions or would like to discuss your situation – please contact us.



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Focus on the 'post-COVID' era

Key announcements from Chancellor Rishi Sunak's Autumn Budget speech

Chancellor of the Exchequer, Rishi Sunak, outlined the government's spending plans to Parliament in the Autumn Budget and Spending Review 2021(SR21) on 27 October 2021 to help the UK economy recover following the global COVID-19 pandemic.

Mr Sunak said the Budget will focus on the 'post-COVID' era but was keen to stress that the government is aware that the battle with COVID is not over. These are the key announcements from the Chancellor and what he had to say.

State of the economy and public finances

Growth

- Annual growth for the UK economy is set to increase by 6.5% in 2021, followed by growth of 6.0% and 2.1% in 2022 and 2023 respectively
- The Office for Budget Responsibility (OBR) expects the UK economy to regain its pre-pandemic size around the turn of the year, earlier than mid-2022 previously expected

Borrowing

- Borrowing as a percentage of GDP is forecast to fall 7.9% of GDP this year to 3.3% in 2022 and then 2.4% in 2023
- Debt levels are set to fall as a share of national income

Inflation

- The Consumer Prices Index (CPI) increased by 3.1% in the 12 months to September, compared to a low of 0.4% in February 2021 – of this, energy and goods contributed 1.9% to CPI inflation in September
- The Office for Budget Responsibility (OBR) expects inflation will remain elevated over 2022 and 2023, reflecting the lagged effects of recent increases in wholesale energy and other input prices
- Inflation is expected to rise further to 4.4% in Q2 2022 before returning to target by the end of 2024

Employment

- Since February 2020 wages increased in real terms by 3.4%
- Following the end of the furlough scheme in September, the OBR expects unemployment to peak at 5.2% in Q4 2021, equivalent to around 2 million fewer people
- The unemployment rate is forecast to fall to 4.2% in 2024 and remain there for the remainder of the forecast period

Spending

- Spending Review 2021 (SR21) confirms that total departmental spending is set to grow in real terms at 3.8% a year on average over this Parliament – an increase of over £150 billion a year by 2024/25 – £90 billion in real terms
- £24 billion earmarked for housing: £11.5 billion for up to 180,000 affordable homes, with brownfield sites targeted for development
- Extra £2.2 billion for courts, prisons and probation services
- Tax relief for museums and galleries will be extended for two years, to March 2024
- Government scheduled to reinstate its commitment to spend 0.7% of GDP on foreign aid by 2024/25
- Funding to rise by an average of £4.6 billion for the Scottish Government, £2.5 billion for the Welsh Government, and £1.6 billion for the Northern Ireland Executive
- Grant to fund local government of £4.8 billion, the 'largest increase in core funding for over a decade'
- Planned rise in fuel duty will be cancelled amid the highest pump prices in eight years

Health and Social Care

- Spending on healthcare to increase by £44 billion to over £177 billion by the end of this Parliament
- In a pre-Budget announcement, an additional £5.9 billion will go to the NHS to tackle the backlog in care following the COVID-19 pandemic – with investment in diagnostic services, surgical hubs and boosting bed capacity
- The health budget set to be the largest since 2010, with investment in research and development, better screening, 40 new hospitals and 70 hospital upgrades among other improvements
- 50,000 more nurses, 50 million more primary care appointments
- Extra revenue from the Health and Social Care Levy to go towards the NHS and social care
- £4.8 billion for local government over the next three years for social care

Universal Credit

- Universal Credit taper rate cut by 8% no later than 1 December, bringing it down from 63% to 55%, worth more than £2 billion
- Work allowance increased by £500

Housing

- Further £1.8 billion investment to meet the government's commitment to £10 billion investment in housing supply and unlock over 1 million new homes
- Reconfirmation of £11.5 billion investment through the Affordable Homes Programme (2021 to 2026), of which £7.5 billion is over this period
- £640 billion a year to help combat rough sleeping and the homeless

Children and education

- Schools to receive an extra £4.7 billion by 2024/25
- Nearly £2 billion of new funding to help

Mr Sunak said the Budget will focus on the 'post-COVID' era but was keen to stress that the government is aware that the battle with COVID is not over.

schools and colleges to recover from the pandemic
- Schools funding to return to 2010 levels in real terms, an equivalent per pupil cash increase of more than £1,500
- £300 million to be spent on 'Start for Life' parenting programmes, with an additional £170 million by 2024/25 for childcare
- A UK-wide numeracy programme will be set-up to help improve basic maths skills among adults
- 30,000 new school places for children with special needs and disabilities

Levelling up

- £1.7 billion of funding in the first grants from the Treasury's Levelling Up Fund, for towns and cities including Stoke-on-Trent, Leeds, Doncaster and Leicester
- Libraries to be renovated, restored and revived
- Tax relief on museums and galleries due to be announced in March next year, extended until March 2024

Business

- Changes to business rates reformed to support companies, including a new 12-month relief for firms to invest in their premises
- Next year's planned increase in the business rates multiplier cancelled, worth £4.6 billion over the next five years
- 50% business rates discount for companies in retail, hospitality and leisure sectors, up to a maximum of £110,000, worth £1.7 billion
- A 4% levy placed on property developers with profits over £25 million to help create a £5 billion fund for removing unsafe cladding
- Bank surcharge cut from 8% to 3%
- Investment incentives announced worth £750 million

Infrastructure and investment

- Increased investment to support London-style transport across the regions of England
- £21 billion on roads and £46 billion on railways to improve journey times between cities
- Target for hitting research and development spending will reach £22 billion by 2026/27
- Investment of £20 billion in R&D by 2024/25 to secure the UK's future as a global science superpower
- Tax relief limited for business R&D spending so that it only applies to domestic activities

Air travel

- New ultra-long-haul band in Air Passenger Duty for flights of over 5,500 miles to be introduced from April 2023
- Financial support for English airports extended for a further six months
- Flights between airports in the UK nations subject to a new lower rate of Air Passenger Duty from April 2023

Alcohol

- Most radical simplification of alcohol duties in more than 140 years will see the number of rates drop from 15 to six
- Small brewers' relief announced, including for cider makers
- A planned rise in the duty on spirits, wine, cider and beer cancelled
- Stronger red wines, fortified wines and high-strength ciders set to see a small increase in their rates
- Rates on many lower-alcohol drinks including rosé wine, fruit ciders, liqueurs, lower-strength beers and wines reduced
- All sparkling wines to pay the same duty as still wines of equivalent strength
- A new, lower rate of duty on draught beer and cider to cut the rates by 5%

Economic outlook

Strong recovery in the labour market across every part of the UK

Overall, this government has provided £378 billion of direct support for the economy over the last year, including the Coronavirus Job Retention Scheme, which supported 11.7 million jobs in total.

Chancellor of the Exchequer, Rishi Sunak, commented 'the government's action has led to a strong recovery in the labour market across every part of the UK, and the pandemic is now expected to have a smaller long-term effect on the economy than previously anticipated.'

Following the transition away from emergency economic support, the Autumn Budget and Spending Review 2021 (SR21) focuses on economic recovery. At the same time, the easing of restrictions and the rapid return of economic activity globally has led to a substantial rise in commodity and raw material prices, as demand for inputs has outpaced production.

The Chancellor confirmed the government is taking action to help firms tackle supply chain issues and labour market shortages, including by helping people into work and helping businesses get the skills they need through the Plan for Jobs.

Alongside these global supply issues, Mr Sunak said, 'Increases in transportation and energy costs have pushed up inflation in many advanced economies, including in the UK, and the Office for Budget Responsibility (OBR) expects inflation to remain elevated across 2022 and 2023.'

He continued, 'The government is committed to price stability and re-affirmed the Bank of England's 2% consumer price inflation target.

'The strong recovery in the labour market has been accompanied by rising wages, which has helped to support household living standards in the face of price rises.' ◂

Delivering for all parts of the UK

£8.7 billion per year on average to the devolved administrations

The government will make levelling up a reality across Scotland, Wales and Northern Ireland by providing UK-wide support in critical areas, while also targeting action to meet local needs.

The Autumn Budget and Spending Review 2021(SR21) provide an additional £8.7 billion per year on average to the devolved administrations over the period through the Barnett formula, on top of their annual £66 billion baseline. This will enable further investment into schools, housing, health and social care, and transport across Scotland, Wales and Northern Ireland.

The Autumn Budget and SR21 also fund specific initiatives tailored to the strengths and circumstances of Scotland, Wales and Northern Ireland. This includes: 38 successful projects funded through the Levelling Up and Community Ownership Funds; new British Business Bank funds in Scotland and Wales, alongside an expansion of the Northern Ireland fund; more funding to support union connectivity; and funding for trade and investment hubs in Cardiff, Belfast and Edinburgh.

Funding allocations for farming and fisheries have also been confirmed, and the government is announcing new investment in hydrogen, wind and nuclear energy, which will benefit existing industry leaders across Scotland, Wales and Northern Ireland. ◂

Investing in growth

Vision for a high-wage, high-skilled, high-productivity economy

To deliver on the Prime Minister's vision for a high-wage, high-skilled, high-productivity economy, the government is putting its Plan for Growth into action, with significant investment in innovation, infrastructure and skills.

Investment in R&D and innovation, the Chancellor of the Exchequer, Rishi Sunak, said, 'will help drive economic growth and create the jobs of the future.' Announced as part of the Autumn Budget and Spending Review 2021(SR21), the government is increasing public R&D investment to record levels: £20 billion by 2024/25.

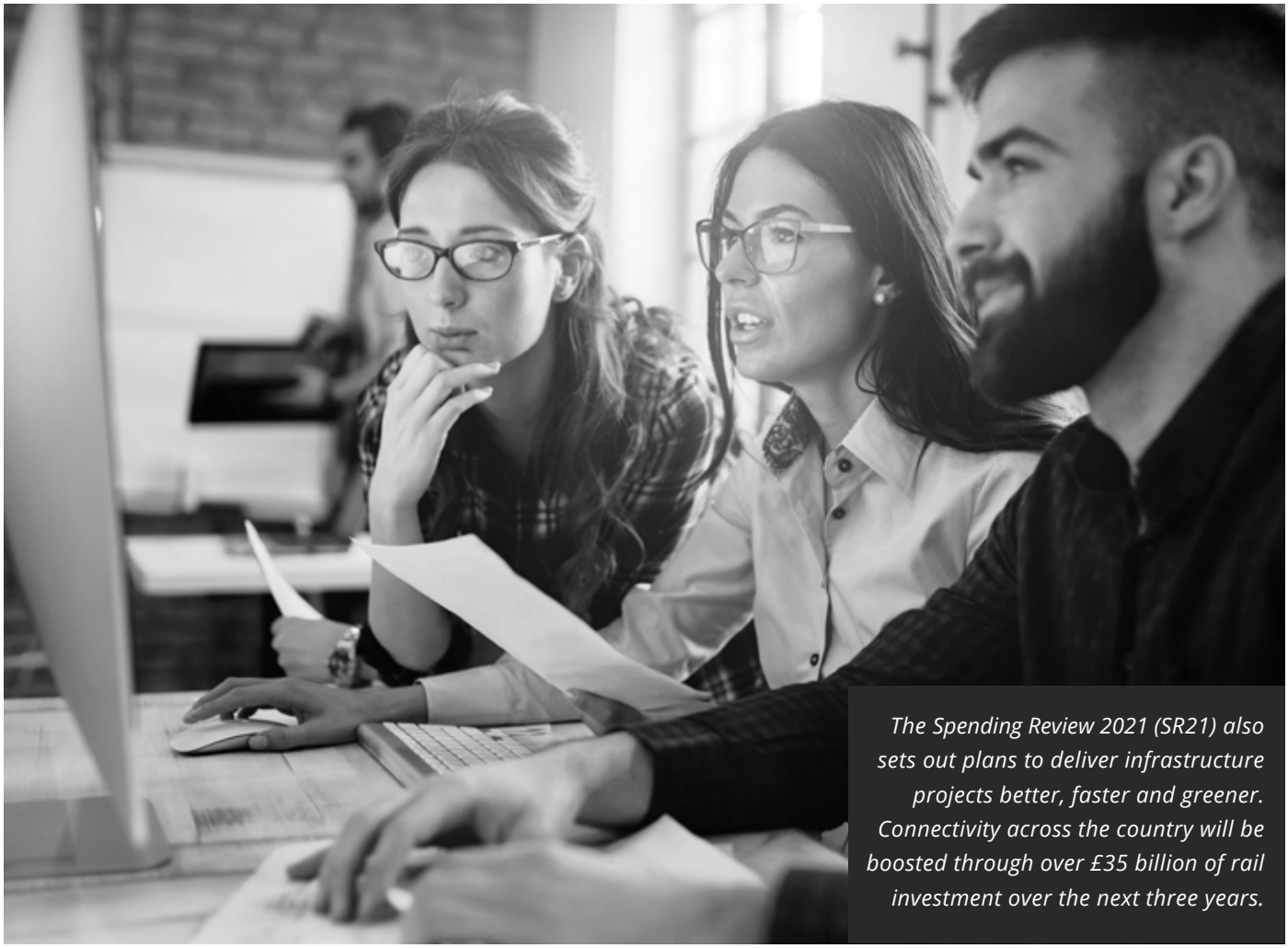
This is an increase of around a quarter in real terms over the period, and makes significant progress towards the government's ambition to spend £22 billion on R&D by 2026/27 and towards achieving the economy-wide target to invest 2.4% of GDP in R&D in 2027.

The SR21 also sets out plans to deliver infrastructure projects better, faster and greener. Connectivity across the country will be boosted through over £35 billion of rail investment over the next three years.

To boost wages and prospects for all, total spending on skills will increase over the Parliament – by £3.8 billion by 2024/25 – equivalent to a cash increase of 42% (26% in real terms) compared to 2019/20. This funding will quadruple the number of places on Skills Bootcamps, expand the Lifetime Skills Guarantee on free Level 3 qualifications, and improve numeracy skills through the new Multiply programme.

This is in addition to providing extra classroom hours for up to 100,000 T Level students. Funding to open 20 Institutes of Technology and for upgrades to the Further Education college estate across England is also confirmed in the SR21.

Apprenticeships funding will increase to £2.7 billion by 2024/25 to support businesses to build the skilled workforce they need. Funding for the Help to Grow schemes will enable SMEs to improve their productivity through world-class management skills training and support for digital adoption. ◄



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Public finances

Borrowing and debt remain at historically high levels

Delivering his Autumn Budget and the Spending Review 2021(SR21) to Parliament on 27 October 2021, the Chancellor of the Exchequer, Rishi Sunak, said, 'The recovery and the action taken by the government over the past year means that the public finances are stronger than expected in the Office for Budget Responsibility's March forecast.'

However, the Chancellor acknowledged that while the costs of inaction would have been far greater, borrowing and debt remain at historically high levels. This additional borrowing is currently affordable, but there are significant risks associated with elevated levels of debt – including the increased sensitivity of the public finances to changes in interest rates and inflation.

Taking early action to repair the public finances

Mr Sunak, said, 'The fiscal impact of a one percentage point rise in interest rates in the next year would be six times greater than it was just before the financial crisis, and almost twice what it was before the pandemic. Taxpayer money spent servicing debt is money which could have been invested in public services.

'That is why the government has taken early action to repair the public finances. This has included taking difficult but responsible decisions to raise taxes to ensure sustainable public finances and deliver the long-term funding needed for public services.'

Public sector net investment averaging 2.7% of GDP

The government's commitment to sustainable public finances over the medium term is underpinned by new fiscal rules. These will ensure the government's spending plans are consistent with reducing debt from its historically high level.

The OBR forecast confirms the fiscal mandate is met with debt as a proportion of GDP falling from 2024/25. The current budget is in surplus in 2024/25, with public sector net investment averaging 2.7% of GDP over the rolling forecast period, which also means the welfare cap is met.

Government's investment in health and the NHS

To deliver the government's priorities while meeting these fiscal rules, Mr Sunak, said, 'The Spending Review ensures the government continues to spend taxpayers' money well. Decisions have been based on how spending will contribute to the delivery of each department's priority outcomes, underpinned by high-quality evidence.'

The SR21 confirms the government's investment in health and the NHS, part-funded by the new Health and Social Care Levy. NHS England's day-to-day budget is set to grow by 3.8% on average in real terms over the SR21 period, ensuring it can tackle the elective backlog, deliver the Long Term Plan and has the resources to fight COVID-19.

Recovering children's and young people's lost learning

Additional support was also announced for pupils and teachers. The government's commitment to level up education sees an additional allocation of £4.7 billion by 2024/25 for the core schools budget in England, over and above the Spending Round 2019 (SR19) settlement for schools in 2022/23.

Support is being expanded to recover children's and young people's lost learning as a result of the pandemic, providing a new package of £1.8 billion over the period. This brings total investment specifically to support education recovery to £4.9 billion since academic year 2020/21.

£11.5 billion investment in Affordable Homes Programme

To turn Generation Rent into Generation Buy, the government is building on existing commitments by confirming a nearly £24 billion multi-year settlement for housing. This includes up to 180,000 affordable homes through investment of £11.5 billion in the Affordable Homes Programme – with 65% of funding for delivery outside London.

The government confirmed a commitment to unprecedented grant funding of over £5 billion to remove unsafe cladding from the highest-risk buildings, supported by revenues raised from the new Residential Property Developer Tax.

Providing support for the criminal justice system

The Autumn Budget and SR21 is also providing support for the criminal justice system. To ensure swift access to justice for victims, it is allocating almost £650 million additional funding by 2024/25.

This is to manage the increased number of offenders being brought to justice and almost £500 million over the next three years to address the courts backlog and start to reduce the waiting times caused by COVID-19. ◄

Supporting people and businesses

Backing to capitalise on the UK recovery

The best way to help people to get on in life, and raise living standards across the UK, is to help people into work and to progress once in work.

The Chancellor of the Exchequer, Rishi Sunak, said, 'The Autumn Budget and the Spending Review 2021(SR21) build on the success of the Plan for Jobs by extending its most successful schemes, including: investment of over £900 million for each year on work coaches who will help jobseekers on Universal Credit move into work and progress once in work, and support for older workers via an enhanced 50 plus offer.'

To ensure that work always pays, the government is increasing the National Living Wage to £9.50 an hour from April 2022, and is reducing the taper rate in Universal Credit (UC) from 63% to 55%, as well as increasing work allowances in UC by £500 a year.

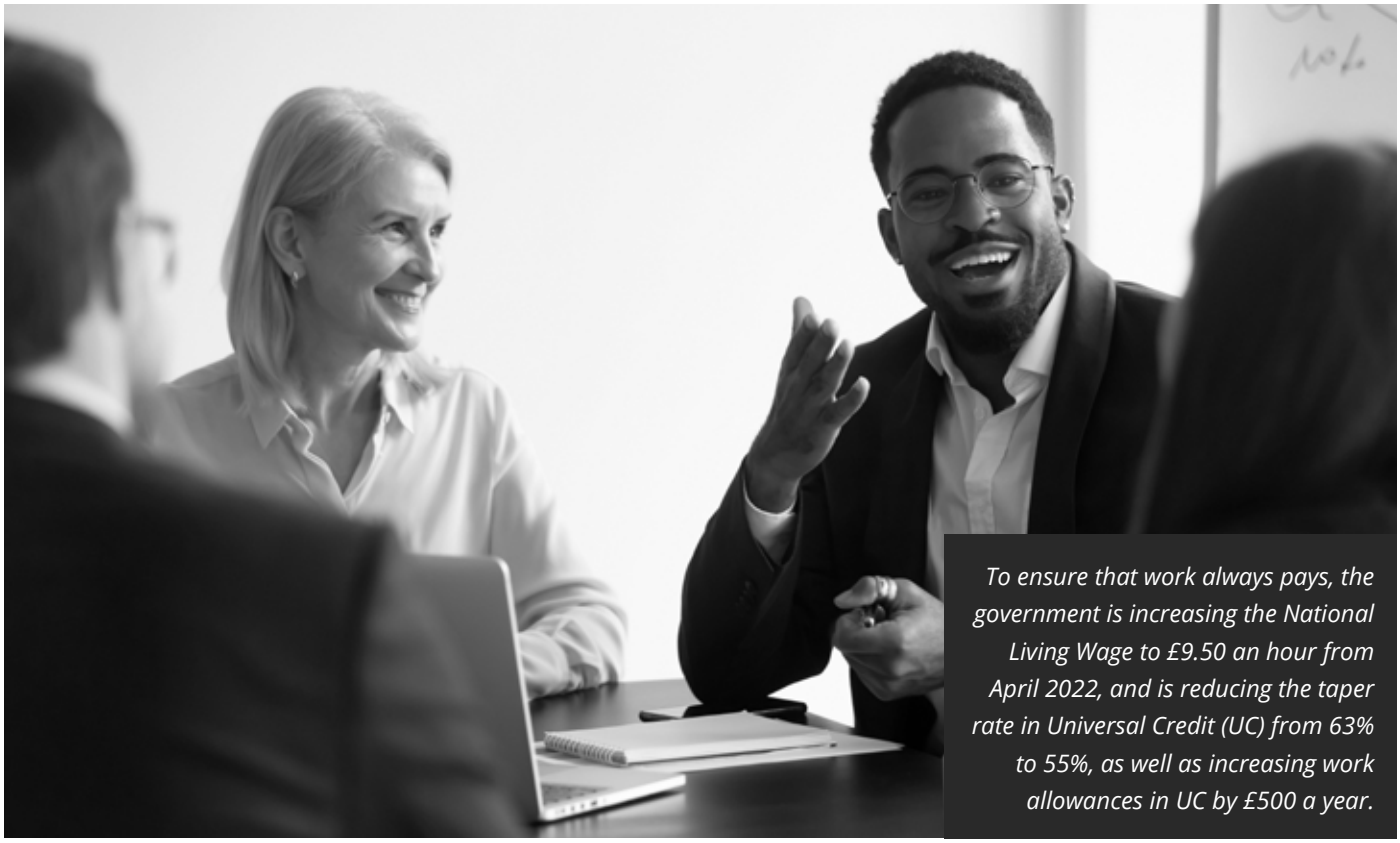
To help the most vulnerable families with the cost of living this winter, the government has introduced a £500 million Household Support Fund. The announcement includes expanding the Supporting Families programme to help up to 300,000 families who face multiple issues, rolling out and improving Family Hubs in 75 Local Authorities across England, and increasing the rate to be paid to early years providers for the government's free hours offers.

Mr Sunak announced further backing for businesses to capitalise on the recovery, building on the support provided through the COVID-19 pandemic. To help local high streets as business adapts and recovers from the pandemic, the government is introducing a new temporary business rates relief in England for eligible retail, hospitality and leisure properties for 2022/23, worth almost £1.7 billion.

Over 90% of retail, hospitality and leisure businesses will receive at least 50% off their business rates bills in 2022/23. Reform of business rates will make the system fairer, more responsive and more supportive of investment. Mr Sunak said, 'The proposals set out will collectively reduce the burden of business rates in England by over £7 billion over the next five years.'

Reforms to R&D tax reliefs will ensure businesses can better support cutting-edge research methods, enabling the UK more effectively to capture the benefits of R&D funded by the UK taxpayer through the reliefs.

In light of the upcoming increase in the main rate of Corporation Tax, the rate of the Bank Surcharge has been set at 3% from April 2023 to ensure that banks continue to pay their fair share of tax, while maintaining the UK's financial services competitiveness and safeguarding British jobs and tax revenue. ◄



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What it means for you, your family and business

Analysis of Chancellor Rishi Sunak's financial statement

Public services

The new Health and Social Care Levy, along with an increase to the rates of dividend tax, the Chancellor of the Exchequer, Rishi Sunak, said, 'will raise around £13 billion per year for spending on health and social care across the UK.'

This provides further funding for the NHS, for the government's reforms to social care, public health and prevention programmes, and investment in training the workforce of the future.

£2.3 billion over the next three years will provide diagnostic services with at least 100 community diagnostic centres across England – this will enable millions of patients access earlier diagnostic tests closer to home.

Over the next three years, £2.1 billion will support innovative use of digital technology so hospitals and other care organisations are as connected and efficient as possible, freeing up NHS staff time and ensuring the best care for patients wherever they are.

£1.5 billion over the next three years is being provided for new surgical hubs, increased bed capacity and equipment to help elective services recover, including surgeries and other medical procedures.

A further £4.7 billion by 2024/25 has also been confirmed for the core schools budget in England, over and above the Spending Review 2019 (SR19) settlement for schools in 2022/23, as well as £2.6 billion of capital funding for new school places for children with special educational needs and disabilities, and £1.8 billion of additional money for education recovery – this is in addition to the £1.4 billion announced in June 2021.

Investment of £11.5 billion is confirmed for the Affordable Homes Programme in England from 2021 to 2026 to help build up to 180,000 new affordable homes – with 65% of funding for homes outside London.

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To resource funding for England's criminal justice system to manage the increased number of offenders being brought to justice and start to reduce backlogs in criminal courts caused by COVID-19 and improve waiting times, an additional £1.9 billion is announced.

Annual funding increased for Ministry of Justice's victims support services to over £185 million a year by 2024/25. £355 million is allocated to keep people safe, cut crime and help victims of sexual abuse in England and Wales, including £50 million towards the Safer Streets Fund helping it continue its vital role in working with police forces in local crime-prevention.

Supporting people

The Universal Credit taper rate is permanently cut by 8% from 63p to 55p.

From 1 April 2022, the National Living Wage increases by 6.6% to £9.50 an hour. Young people and apprentices will also see pay increases as the National Minimum Wage rates will also increase next April. Alcohol duties will be frozen across the board for the third year running, saving consumers £3 billion.

Additional investment of £170 million in 2024/25 to increase the hourly rate to be paid to early years providers to deliver the government's free childcare hours.

New investment of £302 million to fund new programmes to support parents, provide bespoke breast feeding services and parent-infant mental support, and funding to roll out Family Hubs across England.

A £639 million resource funding per annum by 2024/25 will form part of the government's commitment to end rough sleeping in England. This brings total funding to £1.9 billion resource and £109 million capital investment over the period.

Fuel duty rates will be frozen UK-wide for the 12th consecutive year.

An increase in adult skills funding by 29% in real terms compared to 2019/20 – this funding will go towards a range of policies in England, such as continuing the Prime Minister's Lifetime Skills. Guarantee to offer free Level 3 courses for adults, and quadruple the current scale of Skills Bootcamps.

£560 million of new funding is being made available through the UK Shared Prosperity Fund for the new UK-wide Multiply programme, which will support up to half a million adults to improve their numeracy.

New investment of £1.6 billion for 16-19-year-olds' education in England. This will maintain funding in the face of demographic growth and provide additional hours for learners who take T Levels.

Apprenticeship funding will increase in England to £2.7 billion in 2024/25 and continue to invest over £900 million for each year of this Spending Review across Great Britain on work coaches to ensure Universal Credit claimants receive the best support to find employment.

Funding was confirmed for the Restart scheme in England and Wales, to continue providing intensive and tailored support to long-term unemployed people to help them find work

£90 million will extend the Job Entry Targeted Support Scheme to the end of September 2022 – helping those unemployed for between three and twelve months across Great Britain find work.

Levelling Up

Over £2.6 billion announced for the UK Shared Prosperity Fund over the Spending Review, focused on helping people into jobs and get on in life across the UK.

£560 million new funding for youth services in England over the next three years, enough to fund 300 youth clubs.

£205 million new funding to build or transform up to 8,000 state-of-the-art community football pitches across the UK.

Allocation of the first round of the UK-wide Levelling Up Fund with £1.7 billion of local investment in local areas, ranging from redeveloping Inverness Castle to upgrading the ferry to the Isles of Scilly, and from a bowling green in Portrush to a science lab in Peterborough.

Allocation of the first 21 projects to benefit from the £150 million Community Ownership Fund, which will help communities across the UK protect and manage their most treasured assets, from building the John Jenkins Stadium in Portsmouth to acquiring the Old Town Hall as part of a new museum development in Whithorn in Scotland, supporting the Ty'n Llan pub in Llandwrog in Wales, and developing a new community digital hub in Cushendall in Northern Ireland.

£3 billion investment over this Parliament to level up bus services in England, including a new dedicated £1.2 billion new funding for London-style bus transformation deals to improve infrastructure, fares and services.

£2.6 billion between 2020 and 2025 for a new, long-term pipeline of over 50 local road upgrades in England and over £5 billion for local roads maintenance, enough to fill millions of potholes a year.

£5.7 billion to eight English city regions over five years to transform local transport networks through London-style integrated settlements.

£3 billion investment over this Parliament to level up bus services in England, including a new dedicated £1.2 billion new funding for London-style bus transformation deals to improve infrastructure, fares and services.

Confirmation of £355 million new funding for zero emission buses, and an allocation of £70 million Zero Emission Bus funding to deliver buses and related infrastructure in Warrington, Leicester, Milton Keynes, Kent and Cambridgeshire & Peterborough.

£850 million to protect museums, galleries, libraries and local culture in England.

Investing in growth and supporting businesses

Increasing public investment in UK R&D to £20 billion by 2024/25, representing an increase of around a quarter in real terms.

Plans to reform R&D tax reliefs to support modern research methods.

Doubling the available scholarships for AI and Data Science Master's conversion courses with a £23 million investment for under-represented groups.

Supporting private R&D investment by increasing funding for core Innovate UK programmes, reaching circa £1 billion per year by 2024/25, over £300 million more per annum than in 2021/22.

Funding for the UK to become the first country to launch a rocket into orbit from Europe in 2022, with the aim of becoming a leader in commercial small-satellite launch, as set out in the National Space Strategy.

An extension of the temporary £1 million level of the Annual Investment Allowance to March 2023, providing more upfront support to help businesses across the UK to invest and grow.

The government is freezing the business rates multiplier for a further year, to reduce the burden of business rates and support investment in England, a tax cut worth £4.6 billion over five years.

New investment incentives in England totalling almost £750 million, including tax relief for eligible green investments and a new 'business rates improvement relief'.

A new 50% business rates discount for businesses in the retail, hospitality and leisure sectors in England. Overall reducing the burden of business rates in England by £7 billion over the next five years, alongside a commitment to modernise the business rates system with more frequent revaluations every three years.

Temporarily increasing the headline rates of tax relief for theatres, museums, orchestras and galleries across the UK from 27 October 2021 to 31 March 2024, increasing the relief organisations can claim as they invest in new productions and exhibitions.

£11 million funding to back the UK and Ireland bid to host the 2030 men's Football World Cup.

Building back greener

£6.1 billion to back the Transport Decarbonisation Plan, boosting the number of zero emission vehicles, helping to develop greener planes and ships, and encouraging more trips by bus, bicycle and foot.

Up to £1.7 billion of direct government funding to enable a large-scale nuclear project to reach a final investment decision this Parliament, subject to value for money and approvals. The government is in active negotiations with EDF over the Sizewell C project.

£380 million for the offshore wind sector, boosting jobs and investment across the UK including offshore wind ports in Teesside and the Humber.

£3.9 billion to decarbonise buildings, including £1.8 billion to support tens of thousands of low-income households to make the transition to net zero while reducing their energy bills.

Confirmation of funding for the £1 billion Net Zero Innovation Portfolio, as announced in the Ten Point Plan, which is accelerating near-to-market low-carbon technology innovations and the aligned £385 million Advanced Nuclear Fund which is developing the next generation of small and advanced modular reactor technologies.

£3.9 billion to decarbonise buildings, including £1.8 billion to support tens of thousands of low-income households to make the transition to net zero while reducing their energy bills.

A further £625 million for the Nature for Climate Fund, ensuring total spend of more than £750 million by 2024/25 will help meet our commitment to plant at least 7,500 hectares of trees every year in England by 2025 and restore 35,000 hectares of peatland during this Parliament.

More than £250 million to protect and restore nature in England in support of the UK's world-leading target to halt biodiversity decline by 2030.

Advancing Global Britain and seizing the opportunities of Brexit

Modernising the UK's Tonnage Tax regime to ensure that our shipping industry remains highly competitive in the global market.

The first Freeport tax sites will be in Humber, Teesside and Thames, and those Freeports will be able to begin initial operations from November.

A new UK Global Talent Network, to work with businesses and research institutes to identify and attract the best global talent in key science and tech sectors.

The new £1.4 billion Global Britain Investment Fund will ensure that economic opportunities are spread more evenly across the UK by supporting investment in the UK's life sciences, offshore wind and automotive manufacturing sectors.

£11 billion of Overseas Development Assistance (ODA), including doubling our international climate finance to £11.6 billion between 2021/22 and 2025/26 and £430 million to the Global Partnership for Education to help educate young people, particularly girls.

Funding for the UK's commitment to welcome up to 20,000 Afghan citizens over the coming years, including £20,520 per person for Local Authorities who settle Afghan families, with an additional £17 million available to top up housing costs and an extra £20 million pot of flexible funding.

An additional £458 million by 2024/25 for asylum and refugee support, helping protect vulnerable people in our asylum system.

£703 million over the next three years to improve the safety, security and efficiency of the UK border.

Confirmation of the eligibility criteria for a new Scale-Up Visa, to help make it quicker and easier for fast-growing businesses to bring in highly skilled individuals.

A 50% cut in Air Passenger Duty for flights between airports in England, Scotland, Wales and Northern Ireland – which is set to benefit around nine million passengers

in 2023/24 and will be delivered via a new domestic band.

A new rate of Air Passenger Duty of £91 on flights of 5,500 miles or more. These reforms apply across the UK except for the direct long-haul rates for Northern Ireland which are devolved.

The alcohol duty system will be overhauled to make it fairer and more straightforward, with drinks taxed in proportion to their alcohol content and duty rules simplified.

Delivering for all parts of the UK

The first 21 places across the UK announced to benefit from the £150 million Community Ownership Fund, which will invest at least £12.3 million in Scotland, £7.1 million in Wales, and £4.3 million in Northern Ireland over at least eight bidding rounds.

In this round, nine projects will benefit from the Community Ownership Fund in Scotland, Wales and Northern Ireland worth £1.8 million, including supporting the community to save a town hall in New Galloway, a pub in Llandwrog, and to create a digital hub in Cushendall.

Accelerated funding for the Cardiff City Region Deal to fast-track support, including for advanced manufacturing capability in the region.

£172 million from the Levelling Up Fund for eight projects in Scotland, including the redevelopment of Inverness Castle, renovation of the Westfield Roundabout in Falkirk and a new marketplace in Aberdeen City Centre.

The establishment of new trade and investment hubs in Cardiff and Belfast and the expansion of the existing trade and investment hub in Edinburgh, ensuring the benefits of the UK's global trade policy are channelled across the UK.

The UK Shared Prosperity Fund will at a minimum match the size of EU Funds in all nations, each year. The government will also match current EU funding levels in Cornwall.

£120 million for a new Future Nuclear Enabling Fund to support nuclear projects across the UK, with a number of potential sites including the Wylfa in Anglesey, North Wales.

£121 million from the Levelling Up Fund for ten projects in Wales, including to revitalise the Pontcysyllte Aqueduct and Canal World Heritage Site and redevelopment of the Theatr Brycheiniog Arts Centre in Brecon.

A Veterans Commissioner for Wales, who will work to improve the lives and opportunities of the Welsh veterans' community, recognising their contribution to UK Armed Forces.

The establishment of new trade and investment hubs in Cardiff and Belfast and the expansion of the existing trade and investment hub in Edinburgh, ensuring the benefits of the UK's global trade policy are channelled across the UK.

A further £8 million from Project Gigabit to deliver full fibre broadband to 3,600 premises in Scotland, including Aberdeenshire, Angus, Highland, Moray, and Perth and Kinross.

£49 million from the Levelling Up Fund for 11 projects across Northern Ireland, including an Electric Vehicle charging network across the country, the redevelopment of a derelict Ministry of Defence site in Derry/Londonderry into an urban community farm, and improved sports facilities in Portrush. ◄

A new 50% business rates discount for businesses in the retail, hospitality and leisure sectors in England was announced. Overall reducing the burden of business rates in England by £7 billion over the next five years, alongside a commitment to modernise the business rates system with more frequent revaluations every three years.

Building back greener

Accelerating the decarbonisation of transport and buildings

The UK has reduced emissions faster than any other country in the G20 and continues to have the most ambitious targets for 2030: a 46% reduction in emissions compared to 2018. This is equivalent to achieving the same proportional fall in the next ten years as has been achieved in the last thirty.

The Net Zero Strategy confirmed £26 billion of public capital investment since the Ten Point Plan. The Chancellor of the Exchequer, Rishi Sunak, confirmed since March 2021 the government will have committed a total of £30 billion of public investment for the green industrial revolution in the UK, fully supporting the delivery of all of the priorities in the Ten Point Plan and going further in several key areas.

This includes £620 million of new investment over the next three years to support the transition to electric vehicles and a significant increase in new funding to encourage more people to walk and cycle. To make buildings and homes warmer and more environmentally friendly, the Autumn Budget and Spending Review 2021(SR21) provide £3.9 billion to decarbonise buildings, including £1.8 billion to support tens of thousands of low-income households to make the transition to net zero while reducing their energy bills.

As well as accelerating the decarbonisation of transport and buildings, the government is investing £1.5 billion in net zero innovation, and laying the foundations for the wider transition to a more resilient energy supply by investing in nuclear technologies and offshore wind.

To decarbonise industry and power the government has confirmed £1 billion for Carbon Capture, Usage and Storage (CCUS), selecting Hynet and East Coast as the first CCUS clusters. In addition, the government is providing up to £140 million over this period to support hydrogen producers and heavy industry adopting CCUS through the Industrial Decarbonisation and Hydrogen Revenue Support scheme.

The government is also expanding the Nature for Climate Fund to ensure total spending of more than £750 million by 2024/25 to help meet our commitment to plant at least 7,500 hectares of trees every year in England by 2025 and restore 35,000 hectares of peatland. This is in addition to significant public investment to support the government's world-leading target to halt biodiversity loss by 2030. ◂

Advancing Global Britain

Problem-solving and burden-sharing nation

The Autumn Budget and the Spending Review 2021(SR21) build on the government's vision of Global Britain as a problem-solving and burden-sharing nation, globally competitive and firmly committed to an open and resilient international order.

'In the coming years', the Chancellor of the Exchequer, Rishi Sunak said, 'the UK will continue to catalyse action from the international community to address the most pressing global issues, while defending its interests and demonstrating the government's values. This will build on significant progress made under the UK's G7 presidency – including an agreement to vaccinate the world by 2022 and a global tax agreement to ensure big international companies pay their fair share.'

The Chancellor also stated, 'The UK will remain a development superpower and one of the largest official development assistance (ODA) donors in the G7, spending the equivalent of 0.5% of its national income as overseas aid in 2022.'

The ODA's fiscal tests are now forecast to be met in 2024/25, earlier than the OBR forecast in March. As such, the SR21 has also provisionally set aside additional unallocated ODA funding in 2024/25, to the value of the difference between 0.5% and 0.7% of Gross National Income (GNI).

As the President of COP26, the UK aims to lead international efforts to agree coordinated action on climate change, and Mr Sunak said, 'SR21 reconfirms the government's commitment to double International Climate Finance from 2021. It also provides a significant increase in R&D funding, to help UK researchers and business push the frontiers of knowledge to find solutions to major international development challenges, including climate change.' ◂

The Autumn Budget and Spending Review 2021 (SR21) also set out commitments on local growth and infrastructure. This includes £1.7 billion worth of projects to upgrade local infrastructure through the first bidding round of the £4.8 billion Levelling Up Fund, and announcing the first 21 projects to benefit from the £150 million Community Ownership Fund – which will help communities across the UK protect and manage their most treasured assets.

Levelling up

Improving living standards for people and places across the UK

Delivering on the commitment to level up all of the UK underpins the choices made in the Autumn Budget and Spending Review 2021(SR21). The levels of investment the Chancellor of the Exchequer, Rishi Sunak, announced will improve living standards for people and places across the UK, helping ensure that people's opportunities in life are not determined by where they live.

Helping people access new opportunities in places of need

Mr Sunak said, 'Investing in people will boost employment, wages and prospects. The Autumn Budget and SR21 launch the UK Shared Prosperity Fund (UKSPF), worth over £2.6 billion, to help people access new opportunities in places of need. Funding will rise to £1.5 billion a year by 2024/25.'

Alongside SR21's wider investment in skills, the UKSPF will fund Multiply, a new UK-wide programme to equip hundreds of thousands of adults with functional numeracy skills to improve their employment prospects. To support young people, SR21 invests £560 million in youth services in England, including through the Youth Investment Fund and National Citizen Service.

Providing innovation and stimulating private investment

To ensure that every community has access to reliable public services, SR21 provides enough funding for at least 100 new Community Diagnostics Centres in England over the next three years, making healthcare testing more accessible.

The government is also providing innovation and stimulating private investment to spread prosperity throughout the UK. Through the Autumn Budget and SR21, the government will reinforce its efforts to ensure small and medium-sized enterprises (SMEs) can access the finance they need, wherever they are across the UK. In addition, the £1.4 billion Global Britain Investment Fund will support some of the UK's leading manufacturing sectors and stimulate regional growth across the UK.

Renewals to boost connectivity across the country

Mr Sunak said, 'Significant investment in high-quality transport infrastructure will bring communities across the country closer together and connect them to opportunity. This includes High Speed 2, rail enhancements and vital renewals to boost connectivity across the country – focusing on the Midlands and the North, dramatically reducing journey times.'

To spread digital connectivity and deliver 4G coverage across the UK, the government is to provide £180 million over the period as part of the £1 billion deal with network operators for the Shared Rural Network.

Commitments on local growth and infrastructure

The Autumn Budget and SR21 also set out commitments on local growth and infrastructure. This includes £1.7 billion worth of projects to upgrade local infrastructure through the first bidding round of the £4.8 billion Levelling Up Fund, and announcing the first 21 projects to benefit from the £150 million Community Ownership Fund – which will help communities across the UK protect and manage their most treasured assets.

Tax reliefs for museums, galleries, theatres and orchestras will further support the cultural life of towns and cities across the UK. In addition, the SR21 will fund up to 8,000 multi-use community sports facilities and football pitches, as well as refurbishing more than 4,500 tennis courts. The £9 million Levelling Up Parks Fund aims to create over 100 new parks to ensure access to green space in urban areas.◂

Autumn Budget 2021: What will it mean for your money?

If you want to find out or discuss how Chancellor Rishi Sunak's tax and spending plans could affect your finances, please contact us.

We look forward to hearing from you.

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