



THE MARTLET  
*Partnership* LIMITED  
CHARTERED ACCOUNTANTS

# QUICK REFERENCE GUIDE: SUMMER ECONOMIC STATEMENT – WHAT’S NEW?

On Wednesday 8<sup>th</sup> July 2020, Rishi Sunak, the Chancellor, announced a number of measures to support businesses, jobs, the economy and individuals.

These are the latest in a series of measures aimed at countering the devastating impact of Covid-19. Focused predominantly on **supporting, creating and protecting jobs**, the measures announced included specific support for certain sectors that have been particularly hard hit, as well as some support for those looking to purchase property.

This handy quick reference guide highlights the key changes.

How these changes affect you will vary from business to business and person to person. We want to help you get through these tough times and benefit from the support that is available to you.

That is why we are offering a free initial business review to SMEs to help you navigate through these coming months. The review comes in the form of a 30-minute remote consultation.

Please do get in touch if you would like to book your consultation or for any further guidance or advice that is specific to your business and your circumstances.

For further information please contact us on 01903 600 555.

## SUMMER ECONOMIC STATEMENT – WHAT'S NEW?

### Job Retention Bonus

- **£1,000 one-off bonus payment to employers for each member of staff brought back from furlough**

If you are an employer and you bring back someone who has been furloughed – and continuously employ them until January 2021 – you can claim a bonus of £1,000 per employee.

There is no limit on the number of staff you can claim the £1,000 bonus for.

Employees must be paid at least £520 on average in each month from November to the end of January – the equivalent of the lower earnings limit in National Insurance.

Employers will be able to claim the bonus from February 2021.

### Kickstart Jobs Scheme

- **The "kickstart scheme" is a £2bn cash injection to businesses to create more jobs for young people.**

For each "kickstarter" job, the government will cover the cost of 25 hours' work a week at the National Minimum Wage - £4.55 for under 18s, £6.45 for 18 to 20-year-olds, and £8.20 for 21 to 24-year-olds.

Employers will be able to top up that payment if they wish.

The government said it would allow young people "the opportunity to build their skills in the workplace, and to gain experience that will improve their chances of going on to find long-term sustainable work".

The scheme will open for applications in August, with the first jobs expected to start in the autumn and run until December 2021 - with the option of being extended.

It will cover England, Scotland and Wales, and the government said it would provide additional funding to Northern Ireland for a similar scheme.

### Trainee and Apprentice Bonus Schemes

- **A bonus incentive package paying employers £1,000 in cash for every trainee offered a work experience placement.**
- **New apprentice scheme - £2,000 per apprentice.**

In his economic statement Rishi introduced a **trainee bonus incentive** that will see employers paid £1,000 in cash for every trainee offered a work experience placement, with triple the number of places.

The trainee positions can last for between six weeks and six months and are unpaid, but employers usually pay expenses and cover the cost of support courses.

The chancellor also confirmed a **bonus package for employers taking on new apprentices** in the aftermath of the coronavirus crisis.

He said: "For the next six months we are going to pay employers to create new apprenticeships. We will pay businesses to hire young apprentices with a new payment of £2,000 per apprentice, and we will introduce a brand-new bonus for businesses to hire apprentices aged 25 and over with a payment of £1,500."

## Green Homes Grants

- **Grants of up to £5,000 to help people make their homes more energy efficient.**

In the Green Homes Grant scheme, which will start in September, the government will pay at least two-thirds of the cost of home improvements that save energy. This will be paid as a voucher when the work is approved.

For example, a homeowner of a semi-detached or end-of-terrace house could install cavity wall and floor insulation for about £4,000 - the homeowner would pay £1,320 while the government would contribute £2,680.

Low-income households could receive a bigger contribution.

## Stamp Duty Cut

- **Zero stamp duty for property purchases up to £500,000 until 31<sup>st</sup> March 2021.**
- **Effective from 8<sup>th</sup> July 2020.**

The chancellor has announced a temporary holiday on stamp duty on the first £500,000 of all property sales in England and Northern Ireland.

The level at which the tax is charged has been temporarily raised until next March to £500,000 to boost the property market and help buyers struggling because of the coronavirus crisis.

The changes have come in with immediate effect.

Chancellor Rishi Sunak said: "The average stamp duty bill will fall by £4,500. And nearly nine out of 10 people buying a main home this year, will pay no stamp duty at all."

## VAT Reduction (Hospitality & Tourism Sector)

- **VAT cut from 20% to 5% for the hospitality industry from Wednesday 15<sup>th</sup> July 2020 until 12<sup>th</sup> January 2021.**

From Wednesday 15<sup>th</sup> July 2020, the Chancellor will cut VAT on food, accommodation and attractions from 20% to 5%.

This cut will apply to eat-in or hot takeaway food and non-alcoholic drinks from restaurants, cafes and pubs, accommodation in hotels, B&Bs, campsites and caravan sites, and attractions like cinemas, theme parks and zoos.

## Eat Out to Help Out

- **Diners to get a 50% discount off their restaurant bills Monday to Wednesday during August, up to a maximum of £10 per person.**

Diners will get a 50% discount off their restaurant bill during August under government plans to bolster the embattled hospitality sector.

The deal means people can get up to £10 off per head if they eat out between Monday and Wednesday.

Mr Sunak sought to reassure the public that it was safe to dine out. "I know people are cautious about going out. But we wouldn't have lifted the restrictions if we didn't think we could do so, safely," he said.

The discount will not apply to alcohol, but to food and soft drinks up to £10 per person.

The 50% discount can be used unlimited times during August and applies to participating restaurants, cafés, and pubs across the UK.

Each week in August, businesses can then claim the money back, with the funds in their bank account within five working days.

Please note that this guide provides the headlines only of the schemes and measures introduced. Please contact us for more specific information or advice regarding your particular circumstances and how these may be affected by the new measures.

For further information please contact us on 01903 600 555.