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Spring Budget 2020

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Introduction

Rishi Sunak delivered his first Budget today, four weeks after being appointed as Chancellor of the Exchequer aged 39, following Sajid Javid's resignation.

The Chancellor's age and lack of experience is mentioned in almost every article written since he became Chancellor, so today's Budget was his first major test and an opportunity to gain credibility. Given much of the media commentary is broadly positive, he seems to have been successful.

The speech was understandably overshadowed by the Government's response to the Coronavirus crisis. The Government response to the outbreak amounted to what Rishi Sunak called: 'a £30bn fiscal stimulus to support British people, British jobs and British businesses through this moment.'

The Chancellor was keen to calm nerves over the potential risks of the virus taking a wider hold across the UK and said: 'We will protect our country and our people – we will rise to this challenge'

He unveiled a detailed plan that was 'temporary, timely and targeted' and included support for small businesses which was welcomed by representative bodies including the FSB.

Campaigners were listened to in this Budget. The long running campaign to 'axe the reading tax' saw the Chancellor announce a removal of VAT on e-publications from 1 December 2020 and from 1 January 2021 the Government will set a zero rate of VAT on women's sanitary products. The Chancellor took the opportunity to remind MPs that this was not legally possible when the UK was a still member of the EU.

As promised during the General Election campaign, the Chancellor confirmed that the National Insurance threshold will be increased to £9,500 which equates to a tax cut for 31 m working people. Boris Johnson's Government is keen to deliver on its election promises, not just 'getting Brexit done' but delivering tax cuts for working people across the UK.

The big question was how was Sunak going to pay for these new promises. The Government has clearly decided that rather than make difficult tax raising choices to fund its plans, that it will increase borrowing to fund these projects.

The Office for Budget Responsibility said: 'The Government's policy decisions increase the Budget deficit by 0.9 per cent of GDP on average over the next five years and add £125 billion (4.6 per cent of GDP) to public sector net debt by 2024-25.'

Environmental campaigners are unhappy with the decision that fuel duty remained frozen, whereas many business and trade bodies welcomed the announcement.

The Budget gave the Government its first opportunity to set out its high profile 'levelling up' agenda, with significant new spending on infrastructure and shifting the focus away from London and the South East to the north of England. It also included a totemic pledge to move 750 Treasury jobs to the North of England and the Chancellor signalled that more civil service jobs will also move away from London. A series of welcome announcements aimed at new Conservative voters in the north of England.

In summary Rishi Sunak will be satisfied with his first major fiscal event as Chancellor, considering his short time in office and backdrop of pandemic priorities.

Who is Rishi Sunak?

Rishi Sunak is the Conservative MP for Richmond in Yorkshire. He was elected in 2015, following his selection as the Conservative party candidate to succeed former party leader William Hague, who had previously held the seat for 26 years.

During the February 2020 reshuffle he was appointed Chancellor of the Exchequer following Sajid Javid's resignation.

Sunak's father is a NHS family GP and his mother is a local pharmacist. Sunak attended Oxford University where he graduated with a Philosophy, Politics and Economics degree and later went to the US where he obtained an MBA at Stanford University.

Prior to his election to Parliament, Sunak had a highly successful business career including a spell as an analyst for investment bank Goldman Sachs between 2001 and 2004. He co-founded a £1bn global investment business, working with companies from Silicon Valley to Bangalore. He used that experience to help small entrepreneurial British companies grow successfully. Sunak is also a school governor and board member of a youth club.

Whilst serving Richmond, Sunak has sat on the Environmental, Food and Rural Affairs Committee and the Speaker's Committee on the Electoral Commission.

In January 2018, after a spell as a Parliamentary Private Secretary in the Department for Business, Energy and Industry Strategy, Sunak was appointed Parliamentary Under-Secretary in the Ministry of Housing, Communities and Local Government. He remained in this post until July 2019, which was when he was appointed Chief Secretary to the Treasury by Prime Minister Boris Johnson. After Sajid Javid's resignation, he was appointed Chancellor of the Exchequer in February 2020.

Sunak is married to Akshata Murthy, daughter of Indian businessman and billionaire N.R. Narayana Murthy, whom he met in California where they lived for a number of years before returning to the UK. Together they have two daughters.



Budget overview

Coronavirus

- The Government has announced £30bn of action as a result of COVID-19, comprising £12bn in support measures and £18bn in additional spending. It is ready to provide more support if needed, working with the Bank of England and devolved administrations, as well as G7 and G20 counterparts.
- A COVID-19 emergency response fund to support public services including the NHS has been created, initially with a value of £5bn.
- The National Institute for Health Research has been given £30m of new research funding.
- To increase Public Health England's diagnostic testing, £10m will be given to the Department for Health and Social Care.
- Statutory Sick Pay is being reformed by:
 - Allowing people to be paid from the first day of absence.
 - Covering those told to self-isolate and unable to work.
 - Covering those caring for others in their household with symptoms.
 - Providing a notification via NHS111 which can be used as a sick note.
 - Businesses will be refunded some of the costs, subject to eligibility criteria.
 - Those not eligible for Statutory Sick Pay are being supported by:
 - Making the 'new style' Employment and Support Allowance payable to those directly affected or self-isolating from the first day.
 - Being able to claim Universal Credit if directly affected or self-isolating without going to a jobcentre.
- Relaxing the Universal Credit minimum income floor requirements for those directly affected or self-isolating.
- A £500m hardship fund will be given to local authorities to support the economically vulnerable in their area, e.g. through council tax relief.
- Business Rates Relief will be increased to 100% for 2020-21 and expanded to the leisure and hospitality sectors. The discount for pubs will be increased to £5000. Local authorities will be compensated for the cost.
- Local authorities will be given £2.2bn of small business grant funding, providing £3000 to around 700,000 businesses eligible for Small Business Rate Relief or Rural Rate Relief.
- Time to pay agreements with HMRC will be made available for businesses and the self-employed, via a dedicated helpline.
- The British Business Bank will provide a Coronavirus Business Interruption Loan Scheme, helping businesses to access bank lending and overdrafts and banks to continue to provide SMEs with finance. Initially this will cover £1bn of lending.
- The Government is making £150m of overseas development assistance available to the IMF's Catastrophe Containment and Relief Trust, with £75m committed immediately.

Economy and Taxation

- The Office for Budget Responsibility (OBR) forecasts that annual global GDP growth will be 3%, down from the Spring Statement 2019 forecast of 3.6%. This is based on a 'relatively limited' Coronavirus outbreak.
- The Office for National Statistics (ONS) estimates that the UK economy grew by 1.4% in 2019.
- The OBR is expecting the unemployment rate to remain at 3.8% in 2020-21. It is expected to rise to 4.1% by 2024.
- OBR forecasts for Consumer Prices Index (CPI) inflation are 1.4% for 2020, 2.1% for 2022 and 2023, and 2% by 2024.
- The Treasury will review the UK's fiscal framework and report back by Autumn Statement 2020. The review will:
 - Make sure the fiscal framework is appropriate for the current macroeconomic environment.
 - Support the agenda of investing and levelling up in every part of the country.
 - Ensure the UK is at the forefront of best practice when it comes to macroeconomic policy.
- During the review stated above the following areas will be considered:
 - Environment of low interest rates.
 - Macroeconomic stabilisation.
 - Incentives for value for money prioritisation.
 - Developments in the management and measurement of the balance sheet.
 - Mitigating fiscal risks and pressures.
 - Building on the strength of the world class institutions in the UK.
- The Budget marks the launch of the Comprehensive Spending Review (CSR), which will last until July. This will set resource budgets for departments until 2023-24 and capital budgets until 2024-25.
- Priorities in the CSR will be 'levelling up' the country, improving public service outcomes, strengthening the UK's global position, reducing carbon emissions and improving the natural environment.
- Over the CSR period, departmental spending will grow twice as fast as the economy, with day-to-day spending increasing from £360.6bn in 2020-21 to £417.6bn by 2023-24. Brexit allows an additional £14.6bn of spending to be allocated. In 2024-25 Government spending will be 40.7% of GDP.
- The Treasury's Green Book is to be reviewed to ensure that project appraisal enables all areas to achieve their economic potential, and the revised version will be published with the CSR.
- Public sector investment will be £640bn over the next five years, with public R&D investment increased to £22bn a year by 2024-5 (0.8% of GDP).
- All necessary funding is being made available for a no-deal Brexit at the end of 2020, and this is the 'baseline scenario'.

- National Insurance thresholds will be increased to £9500 from April 2020, with aim of eventually increasing these to £12,500.
- The following measures will be legislated for in the Finance Bill 2020:
 - Exempting the bursary paid by the Education and Skills Funding Agency to care leavers starting an apprenticeship from income tax and National Insurance.
 - Introducing income tax, inheritance tax and capital gains tax exemptions for payments under the Troubles Permanent Disablement Payment Scheme and the Windrush Compensation Scheme.
 - Clarifying the income tax treatment of three new Scottish Government social security payment and empowering the Government to decide on treatment of future benefits via secondary legislation.
 - Reforming off-payroll working rules in the private and third sectors.
 - Clarifying the calculation of Top Slicing Relief on life insurance policy gains.
- The Government will introduce a National Insurance holiday for employers of veterans in their first year of employment, fully from April 2022 but effectively from April 2021 under transitional arrangements.
- The Government will extend the scope of counselling services provided by employers which are not taxed, e.g. to include cognitive behavioural therapy.
- The Government will publish a call for evidence on pension tax administration.
- The Government will increase the tapered annual allowance thresholds for pensions by £90,000. The 'threshold income' will be £200,000 from 2020-21 and the 'adjusted income' over £240,000. For those with total incomes over £300,000 the minimum level will be cut to £4,000 from April 2020.
- The lifetime allowance for pensions will increase in line with CPI to £1,073,100.
- The band of savings income subject to the 0% starting tax rate and the adult ISA subscription limit will not be changed, but the Junior ISA and Child Trust Fund annual subscription limit will increase to £9,000.
- The Employer Allowance for National Insurance Contributions will increase from £3,000 to £4,000 from April 2020.
- A review of business rates will be published in the autumn. The Terms of Reference have been published with the Budget and a call for evidence will follow in the spring.
- From 1 January 2021 the Government will enable a zero rate of VAT to be charged on women's sanitary products.
- Duty rates on beer, spirits, wine and cider will be frozen.
- Duty rates on all tobacco products will increase by 2% until the end of this Parliament. The rate on hand-rolling tobacco will increase by 6% this year. These changes will take effect from 6pm on 11 March 2020.
- The annual rate of capital allowances available for qualifying investments to construct new, or renovate old, non-residential structures and buildings will increase from 2% to 3%.
- The change will take effect from 1 April 2020 for corporation tax and 6 April 2020 for income tax.
- From 11 March 2020, the lifetime limit on gains eligible for Entrepreneurs' Relief will be reduced from £10m to £1m.
- The rate of Research & Development Expenditure Credit (RDEC) will increase from 12% to 13% from 1 April 2020.
- The Government will legislate to retain the current 19% rate on corporation tax in April 2020.
- The Government will introduce a new 2% tax on the revenues certain digital businesses earn from 1 April 2020.

- The Government will introduce a new Plastic Packaging Tax from April 2022 to incentivise the use of recycled plastic in packaging, The Budget sets the rate at £200 per tonne of plastic packaging that contains less than 30% recycled plastic.
- The Government will reopen and extend the Climate Change Agreement (CCA) scheme by two years.
- The Government will also legislate for a carbon emissions tax and consult on the design of a tax in spring 2020.
- The Government will remove entitlement to the use of red diesel and rebated biofuels from April 2022, except for agriculture, rail and for non-commercial heating.
- To tackle tax avoidance the Government has announced the creation of a UK-wide HM Revenue and Customs (HMRC) intelligence sharing hub.
- The Government is investing in additional compliance officers and new technology for HMRC. This investment is forecast to bring in £4.4b of additional tax revenue up to 2024-25.
- The Government will invest an additional £12.5m in HMRC in 2020-21 to begin work immediately on the implementation of breathing space, those in problem debt can access a 60-day breathing space.
- The Government will launch a second round of the Regulators' Pioneer Fund, this £10m of funding will enable regulators to unlock the potential of emerging technologies.
- The Government will extend the funding of the British Business Bank's Start-Up Loans programme to the end of 2021-22.
- £10m will be invested across all 38 Growth Hubs.
- New guidance will be launched by HMRC that will make it easier for the self-employed to navigate the tax system.
- All six of the Furman Review's strategic recommendations have been accepted by the Government with the intention of unlocking competition in digital markets.
- A review of the fintech sector will be led by Ron Kalifa OBE.
- Corporation tax will be at 19% in 2020.
- The Budget commits to a new, ambitious target for the national living wage to reach two-thirds of median earnings and extending this to workers aged 21 and over by 2024.
- The Government is launching a new £5m general grants transformation programme to create digital tools to increase efficiencies and improve administration of general grants.
- The Government is developing a public sector value framework.
- The Government will provide £3m of funding for face-to-face training and assessment of staff across government who manage the most important contracts.
- The Government will introduce the Economic Crime levy to be paid by firms subject to the Money Laundering Regulations to help fund new government action to tackle money laundering and ensure delivery of the reforms committed to in the Economic Crime Plan.
- Devolution deal areas - Cornwall, Greater Manchester, Liverpool City Region, West of England, West Midlands - will continue to benefit from the 100% Business Rates Retention pilots.
- London will receive 67% retention of Business Rates in 2020-21.
- The Government confirms it will eliminate negative Revenue Support Grant in 2020-21.
- The Government will invest up to an additional £5m in Be the Business and will extend the funding of the British Business Bank's Start-Up Loans programme to the end of 2021-22.
- The Budget will provide the British Business Bank with the resources to make up to £200m of additional investment in UK venture capital and growth finance in 2020-21.

Trade (Global Britain)

- The Government will give £8m to the Department for International Trade (DIT) and the Department for Culture, Media and Sport to pilot a Digital Trade Network in the Asia Pacific region.
- The UK Export Finance (UKEF) Direct Lending Facility will have a new £2bn lending facility for projects supporting clean growth and a new £1bn facility to support overseas buyers of UK defence and security goods and services.
- UKEF will enhance its face-to-face support in the North of England and Scotland.
- DIT will drive investment into and end-to-end support for exporters from the Northern Powerhouse, the Midlands Engine and the Western Gateway through dedicated local champions based at key overseas posts.
- DIT will increase its capacity to support exporters focused on the Northern Powerhouse, the Midlands Engine and the South West by increasing the number of international trade advisers available to provide personalised support to exporters.
- DIT will increase its resource and capability to identify and address market access barriers preventing UK exporters from accessing particular markets.
- The Budget allocates £4.8m to expand the work of the British Film Commission to promote the UK as a destination of choice for studio space investment.
- DIT will become an endorsing body to allow it to directly support visa applications for eligible foreign investors.

Work and Welfare

- The Government will provide £2.5m for research and developing best practice around the integration of services for families.
- The Government will launch new interactive online guidance for self-employed people this summer including guidance on applying for a mortgage.
- This Government is ending the benefit freeze and increasing working age benefits by 1.7% from April 2020.
- The Government will reduce the maximum rate at which deductions can be made from a Universal Credit award from 30% to 25% of the standard allowance. This gives claimants up to 24 months to repay advances.
- The Government confirms funding to increase the rate of transitional payments for claimants in receipt of Severe Disability Premium when they move to Universal Credit.
- The Government guarantees Personal Independence Payment claimants will not have an award period of less than 18 months.
- The frequency of health assessments for Personal Independence payment reassessments will be reduced.
- The new welfare cap for 2024-25 will be £137.2m, with a 3% margin in case of unavoidable spending fluctuations.
- The Government will consult on the terms of the Public Works Loan Board.
- The Government commits £46m from the Shared Outcomes Fund to provide improved support to individuals experiencing multiple complex needs, such as homelessness, reoffending and substance misuse.
- The Government will consult on the design of Carer's Leave, an in-work entitlement for employees with unpaid caring responsibility.
- There will be an increase in the repayment period for Universal Credit advances and reduction in the maximum debt deduction cap on the Universal Credit standard allowance from October 2021.
- There will be funding for operational changes to ensure claimants do not experience a gap in their benefit entitlement when moving from Universal Credit to Pension Credit
- Only large income spikes above £2,5000 will be taken into account when considering surplus earnings for Universal Credit. The threshold will be reduced to £300 in April 2021.
- The Government is removing the three-year sanction from Universal Credit and Jobseeker's Allowance which will make Tax-Free Childcare compatible with school payment agents.
- The Government is stopping the export of Child Benefit payments made in respect of children living overseas.
- The Government is introducing exemptions from the SAR for claimants of Universal Credit and Housing Benefit covering rough sleepers aged 16-24, care leavers up to the age of 25, and victims of domestic abuse and human trafficking.
- The Government will provide funding which ensures an extension to Civil Partnerships which ensures individuals can derive or inherit a State Pension from a same-sex partners.

Technology and Culture

- The Government is committing £5bn to support the rollout of gigabit-capable broadband in the most difficult to reach 20% of the country.
- The Budget has announced the third wave of funding in the Local Full Fibre Networks Challenge Fund, which includes: North of Tyne (£12m), South Wales (£12m), Tay Cities (£6.7m), Pembrokeshire (£4m), Plymouth (£3m), Essex and Hertfordshire (£2.1m) and East Riding of Yorkshire (£1m).
- The Budget announced that the Shared Rural Network agreement has been finalised. The Government will commit up to £510m of funding, which will be more than matched by industry.
- The Government will invest over £900m to ensure UK businesses are leading the way in high-potential technology and sectors, including nuclear fusion, space, electric vehicles, and life sciences.
- The Government will increase investment in science, innovation and technology to £22bn by 2024-25.
- More than 100 schools in rural areas are due to receive full fibre broadband in the next 12 months under the Rural Gigabit Connectivity programme.
- The Government will invest at least £800m in a new blue skies research agency.
- The Government will invest up to £400m extra in 2020-21 to support world-leading research, infrastructure and equipment across the UK.
- The Government will invest £300m between 2020-21 and 2024-25 in mathematics research.
- The Government will invest £80m to support the UK's foremost specialist institutions, such as the London School of Hygiene and Tropical Medicine, the Royal College of Art and the Institute of Cancer Research.
- The Government will invest an additional £100m in Defence R&D.
- The Government will provide an additional £50m to the National Security Strategic Investment Fund.
- The Government will invest £1.4bn over 10 years in the animal health science infrastructure.
- The Government will provide an additional £2m in 2020-21 to the Government Chief Scientific Adviser and the Government Office for Science.
- The Budget allocates £180m capital funding for a new, state-of-the-art Collections, Research and Digitisation Centre for the Natural History Museum.
- The Government will provide up to £22m to support research and innovation in the steel and metals sector through the Materials Processing Institute.
- The Budget provides the British Business Bank with £200m for a new dedicated equity investment programme.
- The Budget announces a new fund of up to £5m per year, to support the development of new economic data.

- The Government will invest £16.4m in data sharing over the next three years, including £6.8m for the Office for National Statistics (ONS) to make it easier to share more, higher-quality data across government.
- The Government confirms a £250m Cultural Investment Fund for culture, heritage, local museums, and neighbourhood libraries. Of this, £90m will be made available from April for a Cultural Development Fund for cultural regeneration proposals outside of London.
- The Budget confirms £500m for a Youth Investment Fund for youth centres and facilities.
- The Government is providing £27m for critical maintenance work on the National Museums' estates.
- The Budget commits £8m investment in local football facilities alongside matched funding from the Premier League and Football Association.
- The Budget makes available up to £95m for the British Library site at Boston Spa.
- The Budget allocates £21.3m for the Birmingham 2022 Commonwealth Games Trade, Tourism, and Investment Programme.
- The Government will invest £13m to expand the British Library's network of Business and Intellectual Property Centres to 21 cities and 18 surrounding local library networks.
- The Government commits to supporting TV station S4C.
- The Government will invest £180m over six years for a new storage and research facility for the Natural History Museum.

Energy and Environment

- The Government will at least double the size of the Energy Innovation Programme.
- The Government will invest £800m in a new Carbon Capture Storage (CCS) Infrastructure Fund to create at least two sites.
- The Government will support the construction of the UK's first privately financed gas CCS power station through consumer subsidies.
- The Government will consult on introducing levy-funded support for biomethane production.
- The Government will consult on introducing a new low carbon heat grant scheme from April 2022.
- The Government will extend the Domestic Renewable Heat Incentive until 31 March 2022.
- The Budget confirms £96m for the final year of the Heat Networks Investment Project, which ends in March 2022.
- After March 2022, the Government will invest a further £270m in a new Green Heat Networks Scheme.
- The Government is allocating an additional £10m in 2020-21 to support the design and delivery of net zero policies and programmes.
- The Government will provide £500m over the next five years for electric vehicle charging infrastructure.
- The Office for Low Emission Vehicles will complete a comprehensive review of electric vehicle charging infrastructure.
- The Government will provide £403m for the Plug-in Car Grant, extending it to 2022-23.
- The Government will provide £129.5m to extend the Plug-in Van Grant, Plug-in Taxi Grant, and Plug-in Motorcycle Grant to 2022-3.
- The Government will provide an additional £304m to reduce nitrogen dioxide emissions.
- HM Treasury will publish two reviews this year, one into the economic costs of reaching net zero, and the other into the economics of biodiversity
- The Government will invest £640m in afforestation and peatland restoration in England through the new Nature for Climate Fund.
- The Government will invest up to £25m in England to partner with landowners, businesses, and local communities in the creation of Nature Recovery Areas through the Nature Recovery Network Fund.
- The Government will commit up to £10m to stimulate private investment and market-based mechanisms to improve and safeguard the environment through the Natural Environment Impact Fund.
- The Government will triple the Darwin Plus programme to £10m per year to support biodiversity in UK overseas territory.
- The Government will commit £700,000 to develop IT capability to administer the future Extended Producer Responsibility scheme for packaging.
- The Government will invest £7.2m in a national system to enable digital waste tracking.

- The Government will launch a £2m fund to support innovative approaches to tackling fly-tipping.
- The Government will double the amount it invests in the flood and coastal defence programme in England to £5.2 billion over six years.
- The Government will make £120 million available to the Environment Agency to repair the assets damaged by the storms this winter.
- There will be £200 million available over the next 6 years for a place-based resilience programme.
- The government will invest £39 million in the Environment Agency's network of water supply and water navigation assets.
- The Climate Change Levy on gas will be raised in 2022-23 and 2023-24, and that on electricity frozen.
- The Government is reopening and extending the Climate Change Agreement scheme by two years, and freezing the carbon price support rate.
- The Government will introduce a new Plastic Packaging tax from April 2022 to incentivise the use of recycled plastic, with a rate set at £200 per tonne of packaging containing less than 30% recycled plastic.
- The Government will legislate at Finance Bill 2020 to prepare for a UK Emissions Trading System (ETS), which could be linked to the European Union ETS. It will also legislate for a carbon emissions tax as an alternative carbon pricing policy, with a consultation this spring.

Transport and Infrastructure

- The Government commits to investing £27bn in the Strategic Road Network, including:
 - Dualling the A66 Trans-Pennine and upgrading the A46 Newark bypass
 - Improving the M60 Simister Island in Manchester
 - Building the Lower Thames Crossing
 - Building a new, high-quality dual carriageway and a two-mile tunnel in the South West to speed up journeys on the A303, and to remove traffic from Stonehenge
 - Exploring improvements to the A1/A19 north of Newcastle and the A1 Doncaster to Darrington in Yorkshire
- Exploring improvements to links between the M4 and the Dorset Coast.
- The Government is investing £20m to develop the Midlands Rail Hub.
- The Budget allocates over £1bn from the Transforming Cities Fund. This will deliver a range of schemes by 2022-23:
 - £79m for Bournemouth, Christchurch & Poole, including four new cycle freeways and new bus priority infrastructure.
 - £161m for Derby and Nottingham, including over £25m for bus rapid transit in Derby and over £10m for a new cycle route between Nottingham, Derby and East Midlands Airport.
 - £33m for Leicester, including £8m for the development of a sustainable transport corridor from St Margaret's to Birstall.
 - £198m for the North East, including £95m for improvements across the Tyne and Wear Metro system and to complement the Government's recent £337m investment in new rolling stock.
 - £51m for Plymouth, including £36m for an iconic new Central Park cycling and walking bridge.
 - £40m for Preston City Region, including £25m for a new station at Cottam Parkway on the Preston-Blackpool line.
 - £166m for Sheffield City Region, including a new Bus Rapid Transit link in Barnsley and a new tram stop on the Tram-Train line to Rotherham at Magna
 - £57m for Southampton, including new Rapid Bus links
 - £317m for West Yorkshire, including £39.9m for Halifax delivering a new bus station, improved rail station and other improvements; and £30m for active and sustainable travel across Bradford.
 - A further £117m for Portsmouth City Region, Norwich and Stoke-on-Trent.
- The Government is investing £4.2bn in the transport networks of eight city regions across England from 2022-23, including the new West Yorkshire Combined Authority, Sheffield City Region, Tyne and Wear, West of England and Tees Valley.

- The Government is devolving over £160m from the Local Growth Fund to West Midlands Combined Authority to accelerate progress on the Eastside Metro extension and phase one of the Sprint bus rapid transit network.
- The Government is providing up to £500,000 to support Bradford to develop plans that would maximise the benefits of potential Northern Powerhouse Rail connections.
- The Government is investing £500m per year in repairing potholes.
- The Government will invest £50m to improve accessibility at 12 stations.
- The Government will launch a £30m Changing Places Fund.
- The Infrastructure and Projects Authority will lead a study into supply chain capacity for local transport.
- The Government will build a new rail station at Cambridge South.
- The Budget announces plans to develop a long-term Spatial Framework to support strategic planning in the OxCam Arc.
- The Government will publish a National Infrastructure Strategy later in the spring.
- The Government will reply to the National Infrastructure Commission's report 'Strategic investment and public confidence' later this year.
- The Government allocates £2m in 2020-21 to carry out targeted reviews of PFI contracts.
- The Government is considering long-term incentives for zero emission vehicles alongside the 2040 phase-out date consultation.
- The Government will provide £403m for the Plug-in Car Grant and will extend this to 2022-23.
- The Government will provide £129.5m to extend the Plug-in Grants for vans, taxis and motorcycles to 2022-23.
- The Government announces the exemption of zero emission cars from the Vehicle Excise Duty.
- The Government is providing £500m over the next five years to support the rollout of a fast-charging network for electric vehicles, including a Rapid Charging Fund to help businesses cover the cost of connecting fast charge points to the electricity grid.
- The Office for Low Emission Vehicles will complete a comprehensive electric vehicle charging infrastructure review.

Education & Skills

- The Government have set an objective of increasing economy-wide investment in Research and Development (R&D) to 2.4% by 2027.
- R&D investment is to be increased to £22bn per year by 2024-25.
- The Government will experiment with new funding models for R&D.
- A new funding agency will focus on high-risk, high-reward research.
- The increase in investment for R & D will tackle societal challenges such as climate change and the ageing population.
- The Government has allocated an immediate funding boost of up to £400m in 2020-21 for world-leading research, infrastructure and equipment.
- This funding will be available to research institutes and universities across the UK.
- The Government has allocated £300m for experimental mathematical research, doubling funding for new PhDs.
- The Government has allocated £800m in a new blue skies funding agency which will fund high-risk high-reward science.
- The Government has allocated £80m for specialist institutions such as the London School of Hygiene and Tropical Medicine.
- The Government will examine how R&D funding can be best distributed as part of its plan to level up every region.
- The size of the Energy Innovation programme will be doubled.
- The Government will invest an extra £12m for the National Institute for Health Research in 2021.
- The Government has allocated £2m to expand the science and resilience capabilities provided by the Government Chief Scientific Adviser and the Government Office for Science in 2020-21.
- The Government will invest £1.4bn over 10 years in the animal health science facility at Weybridge.
- To encourage private investment the Government will increase the rate of Research and Development Expenditure Credit from 12% to 13%.
- The Government will consult on whether qualifying R&D tax credit costs should include investments in data and cloud computing.
- The Life Sciences Investment Programme Will provide the British Business Bank with additional resources to make up £200m in equity commitments.
- The Government will invest £1.5 bn over five years supported by funding from further education colleges themselves, to bring the facilities of colleges everywhere in England up to a good level and to support improvements to colleges to raise the quality and efficiency of vocational education provision.
- The Government has allocated £120m to bring further education and higher education providers in England together with employers to open eight new Institutes of Technology. These institutions will be used to deliver high-quality higher-level technical education and to help close skills gaps in their local area.
- The Government has allocated £95m for providers in England to invest in facilities and equipment to support the rollout of T levels which will support T level routes being delivered from autumn 2021, including construction, digital, and health and science.

- The Government will consult in the spring on how to use the National Skills Fund.
- The Government has allocated £2.5bn for a new National Skills Fund for adult technical skills.
- The Government will look at how to improve the working of the Apprenticeship Levy to meet the long-term skills needs of the economy.
- The Government has allocated £7m to will support a total of 11 maths schools in England.
- The Government has allocated £29m a year to support primary school PE teaching and help schools make the best use of their sports facilities in England.
- The Government has allocated £90m a year to introduce an Arts Premium from September 2021, to help schools in England to provide high-quality arts programmes and extracurricular activities for pupils.
- The Government is removing the three-year ordinary residence requirement for student finance for those granted Indefinite Leave to Remain as victims of domestic abuse.
- An updated School Sport and Activity Action Plan will be brought forward.
- The Government has allocated £29m a year by 2023-24 to support primary school PE teaching and use of sport facilities.
- The Government has allocated funding to support an increase in the number of new apprenticeships in SMEs in 2020-2021.

Housing

- The Budget announces an additional £9.5bn for the Affordable Homes Programme.
- The Budget confirms allocations from the Housing Infrastructure Fund totalling £1.1bn for nine different areas.
- The Government will launch a new long-term Single Housing Infrastructure Fund to unlock new homes in areas of high demand.
- The Budget launches a new £400m brownfield fund for pro-development councils and ambitious Mayoral Combined Authorities.
- The Government will announce plans for a Future Homes Standard.
- The Budget confirms an additional £1bn to remove unsafe cladding from residential buildings above 18 meters.
- HMLR will be provided with £392m to transition from a Trading Fund into part of central government.
- The Government is cutting the interest rates for investment in social housing by 1 percentage point.
- The Government is making an extra £1.15bn of discounted loans available for local infrastructure projects.
- The Secretary of State for Housing, Communities and Local Government will shortly set out comprehensive reforms to bring the planning system into the 21st century, followed by a Planning White Paper in the spring.
- The Government will provide further investment up to £13m per year in local authority resource to maximise capacity to tackle Housing Benefit fraud and error.
- The Government will amend the SMI loan regulations to allow recipients moving home to transfer their existing loan to their new property.
- The Budget sets out £643m for accommodation and support services.
- The Government is introducing additional exemptions from the Shared Accommodation Rate for Universal Credit and Housing Benefit claimants to protect people from homelessness.

Health

- The budget provides a further £6bn of funding for the NHS in England.
- A significant funding package to improve the recruitment and retention of nurses ensuring there are 50,000 more nurses, 6,000 more GPs and 6,000 more primary care professionals.
- Adjustments to pension tax rules to ensure that NHS staff across the UK, including senior doctors, can work additional hours for the NHS without their annual allowance being reduced.
- The funding already announced for the 40 new hospital projects will be accompanied by an increase in the Department for Health and Social Care's capital budget of £683m in the 2020-21 financial year.
- The Immigration Health Surcharge will be increased to £624. The government will also introduce a new discounted rate of £470 for children, for students and those entering on the youth mobility scheme, the surcharge will rise to £470.
- As announced in the 2019 Spending Round the Government will invest £1bn of additional funds for social care next year, it has been announced today that this will continue every year of the current Parliament.
- From September 2020 all new and existing students on nursing, midwifery and allied health courses in England will benefit from additional non-repayable maintenance grants
- The Government will provide a Learning Disability and Autism Fund to speed up the discharge of individuals with learning disabilities into the community from mental health inpatient care
- The Government is committing £12m of new funding for the National Institute for Health Research to invest in prevention research, supporting local authorities to grow their research capabilities for the longer term

Devolution

- The Government is investing £3.6bn in the Towns Fund.
- The Scottish Government's block grant will increase by over £640m through to 2020-21.
- The Welsh Government's block grant will increase by over £360m through to 2020-21.
- The Northern Ireland Executive's block grant will increase by over £210m through to 2020-21.
- The Government will publish an English Devolution White Paper in the summer.
- The Budget confirms up to £387m in 2021-22 to provide certainty for Local Growth Fund projects.
- The Government has agreed a devolution deal with West Yorkshire to establish a Mayoral Combined Authority with a directly-elected Mayor from May 2021. The deal underpins the agreement of a long-term intra-city transport settlement for the region starting in 2022-23.
- The Government will set out further plans for the UK Shared Prosperity Fund at the CSR.
- The Government will relocate a minimum of 22,000 civil service roles outside of central London.
- The Government will provide funding for four City and Growth Deals in Scotland, Wales and Northern Ireland.
- The Government is freezing spirits duty for this year.
- The Government is allocating £10m for R&D spending to help decarbonise UK distilleries, including the whisky sector.
- The GREAT Britain and Northern Ireland campaign will fund a £1m campaign to promote the Scottish food and drink sector.
- The Government will provide up to £2m for Ofgem to secure new premises in Glasgow.

Home Affairs and Justice

- The Budget will include £114m in 2020-21 for counter-terrorism. This includes an extra £83 million for counter-terrorism policing and £31m for the UK Intelligence Community.
- The Government will also provide an additional £67m for the UK Intelligence Community to enable them to further develop technological capabilities.
- The Government will provide an additional £15m to improve our offer to victims, including victims of rape including a new digital hub.
- An additional £5m to begin a trial of domestic abuse courts in England and Wales, allowing criminal and family matters to be considered together.
- £10m for innovative new approaches to preventing domestic abuse.
- £5m for Youth Endowment Fund to support the creation of a Centre of Excellence for Tackling Youth Violence.
- The Budget will also provide £68.5m to toughen community sentences and increase the use of the electronic tag.
- The Government will provide £20m for Fire and Rescue Services for fire inspection, enforcement capability and to respond to the Grenfell Tower Inquiry findings.
- The Government is aligning EEA migrants' access to non-contributory benefits with non-EEA nationals applicable to the new immigration system from January 2021.
- Counter-terrorism spending will increase by £114m in 2020-21. This includes an additional £31m for the UK Intelligence Community and £83m for counter-terrorism policing. As a result, funding for counterterrorism policing will increase by £103m in 2020-21.
- The Government has provided the UK Intelligence Community with £67m additional funding to build on their world-leading technological capabilities.
- The Government will allocate £14m to Companies House to enable it to continue with vital capital projects to help its work tackling economic crime and anti-money laundering.
- The Government will allocate £14m to Companies House to enable it to continue with vital capital projects to help its work tackling economic crime and anti-money laundering.
- The Government is providing £20m for Fire and Rescue Services to increase inspection and enforcement capability and build a strategic response to the Grenfell Public Inquiry's findings.
- The Government is providing £10m in 2020-21 for innovative new approaches to preventing domestic abuse, working with Police and Crime Commissioners to expand projects like the "Drive" prevention programme.
- The Government will provide an additional £5m to begin a trial of integrated domestic abuse courts in England and Wales.
- The Government will provide an additional £68.5m to strengthen community sentences in England and Wales.
- The Government will provide an additional £15m to improve the justice system's offer to victims. This will boost the support available to victims of rape and create a new digital hub to make the criminal justice process in England and Wales easier to understand.
- The Government will provide an additional £156m in 2020-21 to tackle prison maintenance issues, helping to maintain prison operating capacity and improve conditions for those living and working in prisons in England and Wales.
- The Government is providing £5m in 2020-21 to support the creation of a Centre of Excellence for Tackling Youth Violence

Reaction

Stakeholders



Transport for the North

"Delighted to hear the government pledging to build better #railways. #Budget2020 reaffirms commitment to fund the Manchester – Leeds leg of #NorthernPowerhouseRail. Over £27bn to be spent on #roads to improve #connectivity across the county."



St. Mungos

"We have been calling for more investment in services which support people #SleepingRough with drug & alcohol problems & are pleased the Gov't has listened to these calls with the vital new funding outlined in #Budget2020."



John O'Connell, chief executive of the [TaxPayers' Alliance](#)

"The only thing this budget is getting done is net borrowing figures being spun. While there were some welcome wins on measures like the freezing of alcohol and fuel duties, this was basically a Gordon Brown-style budget of eye-watering bumper borrowing, a higher tax burden and billions in spending bungs."

FSB

“From suspending business rates, cutting the Jobs Tax, reforming Entrepreneurs’ Relief, freezing fuel duty and supporting employers through coronavirus - this was a Budget for small business and the self-employed.”



National Housing Federation

“Today’s #Budget2020 housing announcements are very welcome: House building The expanded £12bn Affordable Homes Programme over 5 years gives housing associations the certainty we’ve called for to build much-needed new homes.”



Henri Murison, Director of the Northern Powerhouse Partnership

“A northern Chancellor has given a budget which makes a credible start towards levelling up – closing the North – South divide by investing in the infrastructure which will underpin the Northern Powerhouse. Ensuring those living and growing up here today can take advantage of the opportunities that will be created here is the challenge for the Comprehensive Spending Review”

What have previous Chancellor's been saying?

Former Chancellor George Osborne [praised Sunak's 'impressive' Budget](#) and [said in a Today Programme interview](#) that he fully supported additional resources going into the NHS, as well as support for individuals who need to self-isolate, especially the self-employed.

Philip Hammond, the former Chancellor [has warned recently that the coronavirus outbreak could cause a worse UK recession than a no-deal Brexit](#). He added that rather than some goods being 'stuck on the other side of the Channel' he said that 'goods and components are not being manufactured at all because factories have closed down and shipping is disrupted'.

He suggested that the Chancellor should mandate all companies to publish a 'supply chain resilience statement' alongside their annual reports. Hammond warned that if the virus continued into the summer, that the Brexit talks are likely to be impacted:

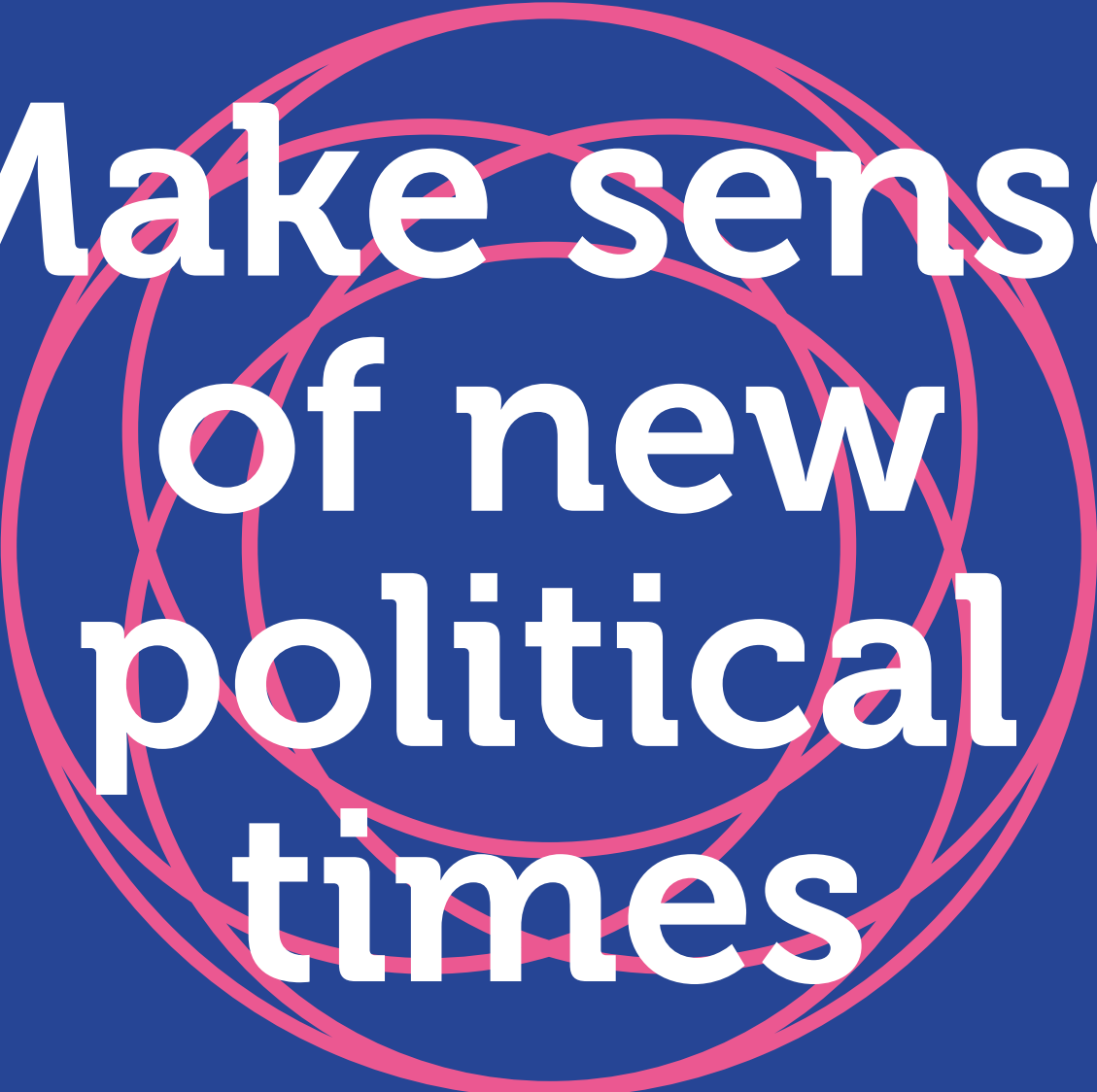
'If the virus starts to disrupt everyday life . . . and many other processes have slowed down as a consequence, there is no reason to think that Brexit trade talks will be immune, then the parties will have to work together in good faith to decide how to manage that'.

He also supported the decision of Sajid Javid to resign from the Government over the ultimatum from Number 10 to get rid of his team of advisers. [Hammond said he thought Javid had made 'the right call'](#) adding the request was 'a step too far'.

Sajid Javid [welcomed the decision by the Bank of England](#) to reduce interest rates in response to the global crisis saying it was 'Absolutely [the] right thing to do to support households and viable businesses during this economic emergency.'

Former Chancellor Lord Lamont has warned about the risks of additional tax increases on high earners and a so-called mansion tax, saying he was 'horrified' by the idea. He said: 'The UK's tax burden is already near a historically high level.'

He added that he hoped Mr Sunak would 'find ways to make economies, ensure infrastructure projects are properly managed and keep spending under sufficiently tight control so that at least we avoid penal tax increases.'



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