

## 2020 Budget – Key Tourism Points

### General Economic Status

- GDP growth for 2019 has been cut to 1.1%, down from 1.4% forecast in the 2019 Spring Statement, but forecasts for the next four years have been increased to 1.8% in 2021, before dropping again to 1.5% in 2022, 1.3% in 2023 and 1.4% in 2023.
- Debt is forecast to fall over the course of this parliament, going down from 79.5% of GDP this year to 75.2% in 2024-25

### Overall Points

- The comprehensive Spending Review will start today and conclude in July
- More than 750 staff from the Treasury and other departments will move to a campus in the north of England. Eventually the government wants to move 22,000 civil servants out of London.
- The national living wage will be raised to two-thirds of median earnings by 2024 – which works out to be £10.50 an hour

### Tourism Related Issues

#### Coronavirus Support

The Chancellor stated that he will do “whatever it takes” to protect the economy from the impacts of Coronavirus. He announced a £30bn support package was announced. This includes:

- business rates will be abolished this year for firms with a rateable value below £51,000.
- statutory sick pay will be available to anyone advised to self-isolate. They will be able to get a sick note through 111.
- The minimum income level will temporarily be removed from universal credit.
- There will also be a £500m hardship fund for local authorities.

- The cost of a business having to have someone off work for up to 14 days will be refunded with £2bn allocated to cover firms that lose out because staff are off sick. This will apply to firms that employ fewer than 250 staff.
- A Coronavirus Business Interruption Loan Scheme to support up to £1 billion
- A £2.2 billion grant scheme for small businesses
- A dedicated helpline for those who need a deferral period on their tax liabilities

### **DCMS Budget**

- This will be increased from £1.6bn to £1.7bn

### **Floods**

- £120m will be made immediately to repair damage caused by recent floods and spending on flood defences will double.

### **Fuel Duty**

- Fuel Duty will be frozen
- Tax relief on red diesel will abolish it for most sectors

### **Environment and Climate Change**

- Introduce a new plastic packaging tax from April 2022
- A new Nature for Climate Fund which will invest £640 million in tree planting and peatland restoration in England

### **Better Regulation**

- BEIS will launch a Reforming Regulation Initiative. This will invite ideas from business and the public for regulatory reform in order to ensure that regulation is sensible and proportionate now that the UK has left the EU, and that the interests of small businesses are taken into account.

### **Transport**

- The A303 tunnel will be undertaken
- There will be a new pothole fund, worth £500m a year
- £500m to support the rollout of new rapid charging hubs, so that drivers are never more than 30 miles away from being able to charge up their car.
- £4.2 billion for five-year, integrated transport settlements for eight city regions on top of £1 billion allocated to shovel-ready transport schemes
- Funding for the Shared Rural Network agreement to radically improve mobile coverage in rural areas,
- The Government will publish a National Infrastructure Strategy in Summer
- The second Road Investment Strategy (RIS2) will spend over £27 billion between 2020 and 2025

### **APD**

- The government will consider the case for changing the APD treatment of domestic flights, such as reintroducing a return leg exemption, and for increasing the number of international distance bands. These considerations will form part of a consultation on aviation tax reform that will be published in spring 2020.

**Growth Hubs**

- the government will invest £10 million to increase Growth Hub capacity and provide core business advice and guidance across all 38 Growth Hubs.

**Broadband**

- £5bn allocated to get gigabit-capable broadband into the hardest to reach places.

**Alcohol**

- Alcohol Duty will be frozen
- There will be £10m to help distilleries go green.

**Company Tax**

- The corporation tax rate of 19% will be maintained
- The annual rate of the structures and buildings allowance will be increased to 3%
- The Employment Allowance will be increased to £4,000
- The business rates discount will be increased and expanded to retail properties, and a new pub discount will be introduced.