

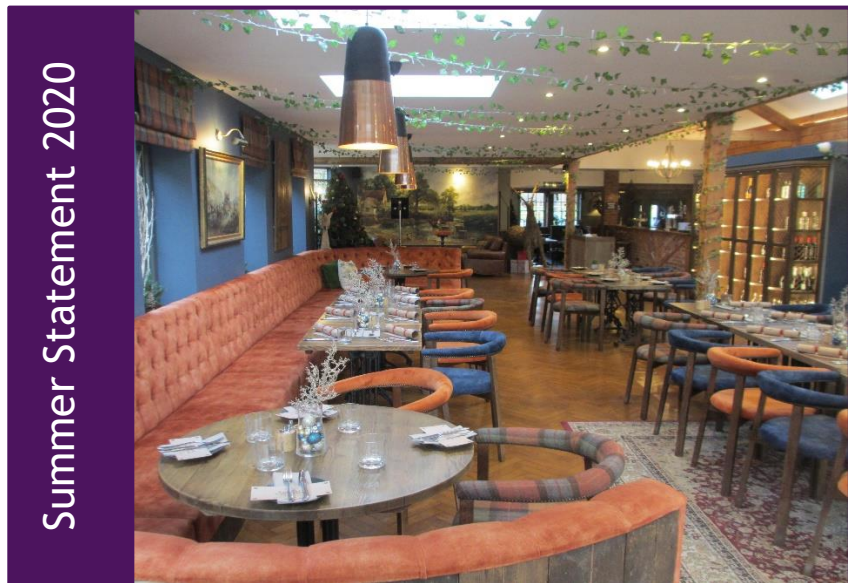
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Today, (Wednesday 08 July 2020) the Chancellor, Rishi Sunak MP, made a 'Summer Statement' to update the Government's fiscal incentives to help re-energise the UK economy and particularly new measures to support the delicate recovery of our leisure, hospitality and tourism businesses.

He seemed determined to extend the valuable support for businesses,

with measures including bonus payments for employers taking back on furloughed staff and keeping them employed through to the end of January 2021.



“A surprising level of continued support and varied array of measures to help encourage spending in key sectors, protect jobs and stimulate further employment and economic activity across a range of sectors” - Alun Oliver, E³ Consulting Managing Director.

Further details are expected over the next few days. Herewith we draw upon the [‘Red Book’ details summarised below](#). This summary focuses on the key tax, property and construction changes and does not cover all aspects:

2.03 Job Retention Bonus

The government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021. Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. Payments will be made from February 2021. *Further detail about the scheme will be announced by the end of July.*

2.11 Kickstart Scheme

The government will introduce a new Kickstart Scheme in Great Britain, a £2billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

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2.14 Payments for employers who hire new apprentices

The government will introduce a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan - where that applies.

2.30 Eat Out to Help Out

In order to support around 130,000 businesses and to help protect the jobs of their 1.8million employees, the government will introduce the Eat Out to Help Out scheme to encourage people to return to eating out. This will entitle every diner to a 50% discount of up to £10 per head on their meal, at any participating restaurant, café, pub or other eligible food service establishment. The discount can be used unlimited times and will be valid Monday to Wednesday on any eat-in meal (*including on non-alcoholic drinks*) for the entire month of August 2020 across the UK. Participating establishments will be fully reimbursed for the 50% discount.

2.31 Temporary VAT cut for food and non-alcoholic drinks

From 15 July 2020 to 12 January 2021, to support businesses and jobs in the hospitality sector, the reduced (5%) rate of VAT will apply to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafés and similar premises across the UK. *Further guidance on the scope of this relief will be published by HMRC in the coming days.*

2.32 Temporary VAT cut for accommodation and attractions

From 15 July 2020 to 12 January 2021, to support businesses and jobs, the reduced (5%) rate of VAT will apply to supplies of accommodation and admission to attractions across the UK. *Further guidance on the scope of this relief will be published by HMRC in the coming days.*

2.39 Temporary Stamp Duty Land Tax (SDLT) cut

The government will temporarily increase the Nil Rate Band of Residential SDLT, in England and Northern Ireland, from £125,000 to £500,000. This will apply from 08 July 2020 until 31 March 2021 and cut the tax due for everyone who would have paid SDLT. Nearly nine out of ten people getting on or moving up the property ladder will pay no SDLT at all.

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2.40 Green Homes Grant

The government will introduce a £2billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. In total this could support over 100,000 green jobs and help strengthen a supply chain that will be vital for meeting our target of net zero greenhouse gas emissions by 2050. The scheme aims to upgrade over 600,000 homes across England, saving households hundreds of pounds per year on their energy bills.

2.47 Construction Talent Retention Scheme

The government is funding a Construction Talent Retention Scheme to support the redeployment of workers at risk of redundancy. This will help retain construction skills and match talented workers to opportunities across the UK.

2.49 Public Sector Decarbonisation Scheme

The Clean Growth Strategy set out the government's ambition to halve greenhouse gas emissions from the public sector by 2032. To help achieve this and support economic recovery, the government will invest £1billion over the next year in a Public Sector Decarbonisation Scheme that will offer grants to public sector bodies, including schools and hospitals, to fund both energy efficiency and low carbon heat upgrades.

2.50 Green Jobs Challenge Fund

The government will invest up to £40million in a Green Jobs Challenge Fund for environmental charities and public authorities to create and protect 5,000 jobs in England. The jobs will involve improving the natural environment, including planting trees, restoring habitats, clearing waterways, and creating green space for people and wildlife.

2.51 Direct Air Capture

The government will provide £100million of new funding for researching and developing Direct Air Capture, a new clean technology which captures CO₂ from the air.

2.52 Automotive Transformation Fund

Building on the announcement last year of up to £1billion of additional funding to develop and embed the next generation of cutting-edge automotive technologies, the government is making £10million of funding available immediately for the first wave of innovative R&D projects to scale up manufacturing of the latest technology in batteries, motors, electronics and fuel cells. The government is also calling upon industry to put forward investment proposals for the UK's first 'gigafactory' and supporting supply

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chains to mass manufacture cutting-edge batteries for the next generation of electric vehicles, as well as for other strategic electric vehicle technologies.

2.53 Courts sustainability

The government will invest £40million to improve the environmental sustainability of the courts and tribunals estate in England and Wales, investing in initiatives to reduce energy and water usage.

2.54 Social Housing Decarbonisation Fund

The government will establish a new Social Housing Decarbonisation Fund to help social landlords improve the least energy-efficient social rented homes, starting with a £50million demonstrator project in 2020-21 to decarbonise social housing. This will mean warmer homes and lower annual energy bills for some of the lowest income households.

2.55 Affordable Homes Programme

The government has confirmed that the £12.2billion Affordable Homes Programme announced at Budget will support up to 180,000 new affordable homes for ownership and rent in England. The £12.2billion will be spent over five years, with the majority of homes built by 2025-26 and the rest by 2028-29. The Affordable Homes Programme will also include a 1,500 unit pilot of First Homes.

2.56 Short-Term Home Building Fund extension

The government will support small- and medium-sized housebuilders that are unable to access private finance by boosting the Short-Term Home Building Fund, providing an additional £450million in development finance to smaller firms. This is expected to support around 7,200 new homes in England, boosting housing supply and adding resilience to the market. A proportion of this fund will be reserved for firms using innovative approaches to housebuilding such as 'Modern Methods of Construction'.

2.57 Brownfield Housing Fund

The government will allocate a £400million Brownfield Housing Fund to seven Mayoral Combined Authorities to bring forward land for development and unlock 24,000 homes in England. To allow authorities to begin delivering projects quickly, 90% of the fund will be allocated immediately on a per capita basis, with 10% to be allocated through a competitive process.

2.58 Planning reform

The government will introduce new legislation in summer 2020 to make it easier to build better homes in the places people want to live. New regulations will make it easier to convert buildings for different uses, including housing, without the need for planning permission. In July 2020, the government will launch a policy paper setting out its plan

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for comprehensive reforms of England's planning system to better support the economy and release more land for housing in areas that need it most.

2.59 NHS maintenance and A&E capacity

The government will provide £1.05 billion in 2020-21 to invest in NHS critical maintenance and A&E capacity across England.

2.60 Modernising the NHS mental health estate

The government will provide up to £250 million in 2020-21 to make progress on replacing outdated mental health dormitories with 1,300 single bedrooms across 25 mental health providers in England.

2.61 Health Infrastructure Plan

The government will provide a further £200 million for the Health Infrastructure Plan to accelerate a number of the 40 new hospital building projects across England.

2.62 Further Education (FE) estate funding

Building on the £1.5 billion commitment for FE capital funding made at Budget 2020, the government will bring forward £200 million to 2020-21 to support colleges to carry out urgent and essential maintenance projects. This will be the first step in the government's commitment to bring the facilities of colleges everywhere in England up to a good level.

2.63 School estate funding

The government will provide additional funding of £560 million for schools in England to improve the condition of their buildings and estates in 2020-21. This is on top of the £1.4 billion already invested in school maintenance this year.

2.64 School rebuilding programme

The government has announced over £1 billion to fund the first 50 projects of a new, ten-year school rebuilding programme in England. These projects will be confirmed in the autumn, and further detail on future waves will be confirmed at the Comprehensive Spending Review. Construction on the first sites will begin in September 2021.

2.65 Court modernisation

The government will invest £102 million to modernise the court estate in England and Wales. This will include £55 million for essential court maintenance, £37 million for technology to fast-track the digitalisation of the courts, and £10 million for local regeneration projects outside London and the South East which will support employment and economic growth.

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2.66 Prison and probation estate funding

The government will invest £143million to improve the prison and probation estate in England and Wales. This will include £20million to accelerate the digitalisation of prisons, £60million for 1,000 temporary prison units to expand the capacity of the estate, and £63million in additional maintenance.

2.67 Local infrastructure projects

The government will provide £900million for shovel ready projects in England in 2020-21 and 2021-22 to drive local growth and jobs. This could include the development and regeneration of key local sites, investment to improve transport and digital connectivity, and innovation and technology centres. Funding will be provided to Mayoral Combined Authorities and Local Enterprise Partnerships.

2.68 Towns Fund capital acceleration

The government will accelerate £96million of investment in town centres and high streets through the Towns Fund this year. This will provide up to 101 towns across England with funding for projects such as improvements to parks, high streets, and transport.

2.69 Local road maintenance

The government will invest £100million to deliver 29 local road maintenance upgrades across England in 2020-21, including eight bridge and viaduct repairs and improving local roads. This is in addition to the government's plans to spend £1.5billion in 2020-21 on filling potholes, resurfacing roads and improving local highway infrastructure.

2.70 Unblocking Manchester's railways

The government will provide £10million to develop plans for improving the reliability and capacity of the Manchester rail network.

2.71 World-class laboratories

The government will provide a £300million investment in 2020-21 to boost equipment and infrastructure across universities and institutes across the UK.

Alun Oliver said "We believe this comprehensive range of measures will, if they all come to fruition, boost spending across the construction, property & infrastructure sectors helping to provide valuable post covid-19 economic activity and help protect jobs at local, regional and nation levels".

If have any property tax issues please do get in touch for a no obligation discussion. You can phone the team on 0345 230 6450 or email healthcheck@e3consulting.co.uk.

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E3 Consulting provides specialist property tax advice to owners, investors and occupiers of UK real estate from offices in Southampton and London advising on Capital Allowances, Land Remediation Relief, VAT, Repairs and Maintenance and Community Infrastructure Levy (CIL).

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