ARTICLE

Budget 2021
A New Age of Optimism with a Large Measure of Small Print

Today the Chancellor of the Exchequer, Rishi Sunak, delivered his third budget. Although the pandemic still casts a cloud over everything the Government does, Sunak heralded "a new age of optimism". This positivity was grounded in figures showing the UK economy recovering faster than expected. Nevertheless, the Chancellor recognised the danger presented by inflation and made clear that the Government was taking the issue seriously. Although the next General Election remains some way off, it was clearly front of mind for the Chancellor and his ambition to reach a budget surplus by the end of the Parliament combined with a restatement of his desire to cut taxes signals what may be in store in two or three years' time.

Introduction

Budgets have always attracted considerable speculation and – with a view to controlling the narrative – in recent years the Treasury has increasingly turned to briefing out key measures in advance. For once this provoked the ire of the Speaker, Sir Lindsay Hoyle, who bemoaned the breaking of the (increasingly fragile) convention that Parliament should always be the first to know. Dame Eleanor Laing – the Deputy Speaker and Chairman of Ways and Means overseeing today's proceedings – also took aim at the Treasury.

The extent and range of the briefings – and the fact that they outlined only the measures perceived to be popular – led to suspicion in some quarters that the Treasury was trying to prepare the ground for less popular news on the day itself. In the event there was little in the way of overtly controversial measures, with the reinstatement of the commitment to spend 0.7% on GDP on international aid, a cut in the taper rate in Universal Credit, and reform of alcohol duty intended to grab the headlines that, thanks to pre-briefing, had not already been printed.

The Chancellor framed his Budget in an upbeat fashion and heralded the creation of "an economy fit for a new age of optimism". Buoyed by better-than-expected growth forecasts, Sunak set out his plan to return the economy to health and drew attention to the increase in funding for all departments. Nevertheless, he also attempted to burnish his credentials as a traditional Conservative who can be trusted to spend taxpayers' money judiciously. His plan to return the budget to surplus by the end of this Parliament is ambitious and may be a sign that Sunak plans to create space for some popular measures on taxation in advance of the next election.

The Chancellor will of course hope that today's Budget inches the UK a few steps further into the post-pandemic age. Nevertheless, inflation – and growing concern over its impact on the cost of living – will cast a shadow over the next few months at least. Today's announcement of the household support fund and cut in the Universal Credit taper rate are intended to address this. Whether it is enough remains to be seen.

Overall Economic Climate

The fiscal figures are at first glance good, and certainly helpful to the Chancellor: a significant upgrade of growth figures for this year of 6.5%, up from the 4% forecast last March, and a downwards revision to the scarring effect of Covid from 3% to 2% of GDP, which potentially unlocks another £10bn a year for the Chancellor. Some of that downward revision comes from bringing forward the growth forecasted for 2022-23, which has consequently been revised downwards; the vaccine rollout, and some of the economic tailwinds considered by the OBR last March not having materialised, accounts for much of the rest.

Debt, too, seems more or less under control – peaking at 85.7% of GDP in 2024 before falling to 83.3% of GDP by the end of the forecast period. And this will be underpinned by new fiscal rules: in normal times, the state should only borrow to invest, meaning that everyday spending should be paid through taxation; and public sector net debt should be falling as a percentage of GDP. Moreover, the Chancellor's aim is for those rules to be met "with a margin to protect ourselves against economic risks" – a nod to the increasing numbers of backbenchers worried about money being spent before it's earned.

The elephant in the bank vault is, of course, inflation. CPI is now predicted to hit 4% over the next year. The thesis presented by the Chancellor is that this is a global problem, caused by rising energy prices and problems with supply chains – i.e. things that the Government cannot solve unilaterally. What remains to be seen is whether the swathe of other Government announcements mitigate or exacerbate inflation. This will be perhaps the biggest economic factor affecting the UK over the coming months and years.

Taxation and the Deficit

The Chancellor's long-term aim was always to move to a system whereby big tax announcements were made once, not twice, a year, and preferably in line with the tax year. As often happens, reality got in the way, and so this Budget saw a number of tax changes, many of which were designed to stimulate growth and recovery within the greater than expected fiscal headroom.

The rabbit pulled out of the hat was the partial offset of the £20 cut in Universal Credit by cutting the Universal Credit taper rate to 55p from 63p on the pound on anything earned over base level of benefits from 1st December 2021 – 5p lower than most commentators were predicting and, interestingly, 5p lower than the 60p Work and Pensions Secretary had asked for in the Spending Review - a move clearly intended to deflect criticism from the opposition.

Criticism for deferring business rates reform was also muted by a swathe of cuts and tweaks: a one-year freeze in the multiplier, a new revaluation cycle and business rates improvement relief from 2023, and – most eye-catchingly – a new one year 50% business rates discount for the retail, hospitality and leisure sectors. Also helpful to specific sectors was extended tax relief for museums and galleries and a 5% cut to the Corporation Tax surcharge for banks. Air passenger duty will be cut by half on domestic flights – useful if you're trying to get from London to Edinburgh – but there will be a new band for the longest air journeys. Finally, dividend tax rates will rise 1.25 percentage points from next April, the tonnage tax will be redesigned to incentivise ships to flag in the UK, and fuel duty will once again be frozen.

The Chancellor enjoyed himself setting out his proposed reforms to alcohol duties, talking through the details with a relish one would perhaps not expect from someone whose strongest tipple is Diet Coke. The number of duties was reduced from 15 to 6 to reflect a "common sense principle" that the stronger the drink, the higher the rate. The Chancellor also introduced a lower rate for craft producers and cut the duty premium on sparkling wines, arguing that sparkling wine is no longer "just the preserve of the wealthy", cancelled the planned increase on spirit duties, and cut the duty on drinks made from fruit, including ciders. Most eye-catching of all was a significantly lower rate of duty for draught drinks, an overt signal of support for the pubs hit so hard by the pandemic.

Covid Recovery and Health

For all that this was supposed to be the post-Covid recovery budget, the pandemic continues to be frustratingly persistent. Pressure on the Government to implement its so-called 'Plan B' stems from infection rates and hospital admissions that remain stubbornly high, threatening the NHS with a bleak winter ahead. But of course, tighter restrictions - such as renewing the instruction that those who can work from home should do so - have economic consequences. The Government is banking on the October half term serving as a firebreak on schoolyard transmission. As such, it is a decision being left for tomorrow. But a prudent Chancellor must surely have considered how much to leave in the No.11 tank should the country yet be plunged back into some form of lockdown. But then again, the Johnson optimism gauge indefatigably points to the sunny side.

Meanwhile, it was the pandemic's second order effects on the health service that the Chancellor addressed directly. There were little surprises; this was all trailed earlier in the week by an eager Health Secretary; an extra £5.9bn for clearing record waiting list backlogs with upgrades to hospital equipment and IT. According to Sunak, this "game-changing" investment comes on top of the extra

£12bn presented to the NHS in September, which will be funded by impending National Insurance rises. While that is for day-to-day health spending, most of this new money is being targeted towards highly visible new technology and infrastructure; £2.3bn for diagnostic tests including clinics in shopping centres and £1.5bn on new surgical hubs and additional beds. The Government is seemingly under no illusion that, as the pandemic wains, these are the issues on which the next election will be fought. The headline? £44bn more for healthcare by the end of the Parliament.

Levelling Up and the Union

The Chancellor also set out his vision for providing opportunities across the UK. This included a voter-friendly £560mfunding for up to 300 youth centres, £200mto build and transform 8,000 state of the art football pitches across the UK, and fund new 'pocket parks' in 100 areas of derelict land.

The Chancellor then allocated the first round of bids for the Levelling Up Fund. £1.7bn will be invested in the infrastructure of everyday life in over 100 local areas across the country. This will include projects in Aberdeen, Bury, Burnley, Clywd South and Stoke-on-Trent. Sunak also announced money for key areas of Labour support. This will include the constituencies of Shadow Chancellor, Rachel Reeves (Leeds West) and Labour Deputy Leader, Angela Rayner (Ashon-under-Lyme).

The Chancellor also demonstrated the Government's commitment to the Union by announcing the largest block grant for the devolved nations since the devolution settlement of 1998. Through the Barnett formula, the Treasury will increase funding for the devolved administrations for each year by an average of £4.6bn for the Scottish Government, £2.5bn for the Welsh Government and £1.6bn for the Northern Ireland Executive.

Sunak also stressed that the upcoming UK Shared Prosperity Fund, worth over £2.6bn, will be for the whole of the UK. The fund will match EU receipts averaging around £1.5bn a year, and include projects such as the 2022 Hebrides X-Prix, Cardiff City Region Deal and funding Community Cohesion projects for Northern Ireland.

Energy and the Environment

The Budget has been delivered amidst extremely challenging conditions, with the Government under pressure to demonstrate leadership on climate change ahead of the COP26 summit which opens in Glasgow this weekend, and provide support to mitigate high global energy prices which are driving up costs for businesses and consumers, at a time when the cost of living is rising.

The Chancellor warned that these high prices are here to stay and there is no expectation of a drop over the coming months. However, the Government resisted calls from Labour and others to provide direct financial support to consumers, including a cut to VAT on energy bills.

The Chancellor did acknowledge that fuel prices are at their highest levels in eight years, and in recognition of the costs that families are currently facing, he committed to cancelling the proposed rise in Fuel Duty, saving £8bn over the next five years for taxpayers. Of course, those concerned with carbon emissions will find this rather less palatable.

Indeed, what was most notable was the absence of new commitments relating to climate, energy and the environment. Instead, the Chancellor championed last week's Net Zero Strategy that set out a commitment of £30bn of total public investment for the green industrial revolution, the fact London has just been named the world's best location for green finance, as well as the UK Infrastructure Bank's first investment last week of £107m to support offshore wind in Teesside.

Financial Services

In a somewhat marked change from previous years, the financial services industry did not feature heavily in a Budget that clearly prioritised long-term investment and immediate support for the families and the businesses hardest hit by the pandemic.

In keeping with the Treasury's ambition to boost private sector spending in the economy, the pensions sector was once again the target of reforms designed to unlock institutional investment that – the Government hopes – will make its Levelling Up rhetoric a reality. The Chancellor used the Budget to announce a consultation on the regulatory charge cap for defined contribution pension schemes, introduced just six years ago in order to protect pension savers from higher charges. The consultation, which is set to launch before the end of the year, will consider amendments to the scope of the charge cap to better accommodate what the Government terms "well-designed performance fees", with the ambition of enabling greater investment in productive, illiquid asset classes.

Recognising the importance of finance to the growth and long-term success of the UK's small and medium sized businesses, the Chancellor also confirmed an additional £1.6bn for the expansion of the British Business Banks's Regional Funds to provide debt and equity finance to SMEs in the North East and South West of England, as well as Scotland, Wales and Northern Ireland.

Finally, ahead of the upcoming increase in the main rate of Corporation Tax to 25%, the Chancellor confirmed that the Government will set the Bank Corporation Tax Surcharge at 3%, increasing the tax rate paid by the banking sector to 28% from April 2023. However, in a move designed to stimulate competition and encourage the UK's burgeoning challenger bank sector, the Treasury will raise the annual allowance within the surcharge to £100m.

Work and Pensions

The Chancellor recently admitted that he doesn't have a "magic wand" that can control inflationary pressures and what is increasingly being seen as a cost-of-living crisis. However, amidst rising concerns about increasing prices and Bank of England predictions that inflation could reach 5% early next year, the Chancellor had little choice but to take decisive action to relieve some of the pressure on household finances and deliver on the Prime Minister's promise of a higher wage economy.

The highest profile of the various pre-Budget announcements trailed during this week was an increase in the National Living Wage from £8.91 an hour to £9.50, which is set to benefit over two million low earners to the tune of more than £1,000 a year for those working full time. The Chancellor has also announced an end to the public sector pay freeze, put in place during the height of the Covid-19 pandemic, from April 2022 until at least the end the next Spending Review period.

Chancellor saved his biggest surprise until last. Heralding a "return to traditional Conservative principles of small state and personal responsibility", the Government is set to reduce the taper rate in Universal Credit by 8% to 55% by 1st December, and increase the work allowance by £500 a year, in an effort to encourage work participation and boost the income of low paid households.

Taken together, these measures represent a step change in the Government's efforts to stimulate the jobs economy and restore confidence. But with the spectre of inflation and cost of living increases looming over the economy, it remains to be seen if the measures will be enough to support the UK's lowest paid workers and sustain the broad public support the Government has enjoyed throughout the pandemic period.

Transport

On transport, the Chancellor reiterated commitments made in the National Infrastructure Strategy, with headline measures including a £21bn investment in roads and £46bn on railways. On roads, he committed £2.6bn for a long-term pipeline of over 50 local roads upgrades, while on rail he confirmed that the Integrated Rail Plan would be published shortly.

New spending commitments on regional public transport improvements and the transition to zero emission transport were no surprise, having been trailed in the media in the run up to today's Budget. Respectively, these reflect two of the Government's primary policy agendas: levelling up and transitioning to net zero via a green industrial revolution.

Approximately £7bn has been assigned to improving regional transport systems. £5.7bn will be allocated to new transport settlements for the regions over five years, an increase from the initially proposed £4.2bn. Metro Mayors have been broadly welcoming of this new investment, highlighting the transformative impact it could have on local public transport systems, with the Chancellor arguing it will bring "London-style" transport systems to the UK's combined authorities. This extra £1.5bn amounts, however, to the only new funding in the announcement.

The rest is made up of £1.2bn towards transforming regional bus services to deliver London-style journey times, fares and quality of service. This forms part of the £3bn "Bus Back Better" strategy, launched by the Department for Transport in March of this year, with the Chancellor announcing more than £5bn in total for buses, walking and cycling.

Further, the new £1.4bn Global Britain Investment Fund includes a focus on battery production and the electric vehicle supply chain. £817mwill support the production of electric vehicles, including in the North East and Midlands. With the Government having brought forward the phaseout date for new internal combustion engine cars to 2030, this new funding will help drive the development of domestic industrial capacity as the automotive sector transitions to zero emission vehicles.

Foreign Affairs, Defence and Trade

Foreign affairs continues to grow in political salience. After several years of focusing on domestic issues, the last five years have seen a gradual refocusing on international issues, not just Brexit but the rise of China and the need for international cooperation to address climate change.

In the first surprise of his statement today, the Chancellor committed to a return to spending the equivalent of 0.7% GDP on international aid before the end of this Parliament. When the budget was cut to 0.5% in response to economic conditions, many questioned how temporary that would be. Today's decision perhaps reflects a recognition of the importance of UK aid to Britain's soft power and international influence. This is likely intended to add extra weight to the UK's increased defence budget and trade policy.

This international focus was complemented by a renewed positivity about high skilled immigration and the introduction of a more competitive visa regime with Scale-up, High Potential Individual and Global Business Mobility visas. This runs alongside the creation of a Global Talent Network – launching in the Bay Area and Boston in the USA and Bengaluru in India – to bring skilled individuals to the UK to work in key Science and tech sectors. Together these measures add weight to the Global Britain agenda.

Education and Skills

The big news for the teaching community came yesterday with the announcement that the public sector pay freeze will finally thaw in 2022. How generous that will be is not set to be revealed until next year, but even before the Chancellor stood up in the Commons this afternoon, the warnings from school associations and teaching unions was clear; there is simply no headroom in existing budgets to find this from within, without commensurate cuts in the classroom. New money had to be found. On that demand the Chancellor will claim he has delivered. An extra £4.7bn for English schools by 2024-25, enough he says to restore funding to 2010 pre-austerity levels. Though a welcome surprise, £3.1bn of this is not new money and, with schools under similar budgetary pressures to other parts of the economy, don't expect the noise to dissipate just yet. The big money - all £2.6bn of it - was instead reserved for the voter-pleasing announcement of 30,000 new school places for children with special needs and disabilities.

Further education also saw comparatively generous awards; £1.6bn to extend the roll out of T-Levels, the post-16 technical alternative to the traditional A-level-to-university education pathway, and £560m to fund adult education and numeracy, ultimately with a view to increasing skills conversion to help understaffed industries recruit. And if skills are at the heart of the economy of the future, Sunak was quick to link this to the innovation agenda, so beloved of the Government as the vehicle for post-Brexit economy - yet this went no further than a reaffirmation of the target to increase R&D investment to £20bn during the course of the Parliament, including commitment to participation in Horizon Europe - or the equivalent in domestic funding if the EU doesn't respond to the UK's overtures.

Snap Market Reaction

Since the Chancellors speech, Sterling has fallen slightly against the dollar and the euro, but holds on to its last month of gains against both currencies. A pound buys you $1.38 and €1.182. The bond market shows yields slightly falling, and prices rising, as the government debt falls faster than expected. Today's announcements led to an issuance slash of nearly £60bn, a much larger cut than markets had anticipated.

The FTSE100 came into the day with a month of gains, but the market was less rosy for the FTSE250 which has had a turbulent month. Today, however, the image is reversed, with the FTSE 250 gaining by 0.11%, and the FTSE 100 down 0.19%. The FTSE 250 contains more UK-based companies, as well as all of the FTSE100 companies.

The biggest movers include Wetherspoons and Mitchells and Butlers, both pub operators, boosted by the cuts to business rates and alcohol duties. FirstGroup, operator of trains and busses are also up, given the £6.9bn allocated to transport spending. Homeserve and Unite, both big in the property sector, are showing gains too.

Harbour Energy, which may have expected to benefit from a cut in VAT for fuel, and Admiral Group, whose pre-existing woes have caused a sell off, both feature in the red section.

Opposition Reaction

With Sir Keir Starmer absent from the dispatch box having tested positive for Covid-19, Shadow Chancellor Rachel

Reeves stood in for Labour. She branded Sunak's budget a win for "bankers on short haul flights, sipping champagne." Responding to the Budget, she highlighted numerous holes that were not addressed, such as NHS and GP waiting lists, community policing, court backlogs, gap attainment between private and state school and no catch-up plan for lost learning.

Reeves also called attention to the Government's recently announced Family Hubs, and early year spending. She was quick to remind the Government of Labour's 'Sure Start' programme introduced in 1999, but cut under David Cameron's premiership. For Labour, this was a budget for which the British people are "paying so much for so little," and Reeves put it down to three reasons, economic mismanagement, an unfair tax system and wasteful spending.

Labour did, however, welcome the increase in the National Minimum Wage, the end to the public sector pay freeze, and the reducing of the Universal Credit taper rate. But it was clear that these did not go far enough for the Opposition. Instead, Reeves gave a snippet of what a Labour budget would have looked like; scrapping business rates, not putting up National Insurance for working people, and ending the £1.7bn subsidy the Government gives private schools.

Conclusion

The Chancellor tried to achieve several competing objectives in today's statement. The first was to inject optimism into the UK economy and demonstrate the Government's commitment to deliver on its investment promises to the electorate. The second was to reinforce trust in his – and the Government's – ability to spend money wisely and sensibly. The third was to carve out a route to the next General Election and establish a basis from which he can set out a strong retail offer. Broadly, he will be happy with the results; his statement outflanked the Opposition on a number of issues and set the stage well for the run up to the next election expected in 2024. Nevertheless, he acknowledged the dangers posed by inflation and it is likely that this – as much as anything announced today – that will define the rest of this Parliament and the result of the next election.

Key Announcements

New Charter for Budget Responsibility

- Three new fiscal rules:
  - Underlying public sector net debt must be falling
  - In normal times the state should only borrow to invest in future growth and prosperity – day-to-day spending must be met by taxation.
  - This will be supplemented by targets to spend 3% of GDP on capital spending.

Capital Budgets for UK Govt Depts/ Devolved Administrations

- The Chancellor has announced that every government department will get a real terms rise in spending every year
- Through the Barnett formula the Government are increasing Scottish Government funding, next year, by £4.6Bn, Welsh Government funding by £2.5Bn, and £1.6Bn for the Northern Ireland Executive.

Taxes

- The Universal Credit taper rate will be slashed to 55p from 63p on the pound from 1st December 2021 on anything earned over base level of benefits to partly offset the £20-a-week cut.
- Confirmation that the Health & Social Care Levy, first announced in September, will see National Insurance contributions for workers increased by 1.25% from April 2022.
- Dividend tax rates will rise 1.25% from April, to 8.75% for basic-rate income tax payers and 33.75% for higher-rate payers. The £2,000 allowance will stay the same. The increase will raise around £600m.
- A decrease in the bank surcharge from 8% to 3%.
- The UK's tonnage tax will be reformed to "reward companies for adopting the UK’s merchant shipping flag, the Red Ensign".
- Air Passenger Duty on domestic flights will be subject to a new lower rate from April 2023. This will be offset by a new ‘ultra-long haul APD band for journeys longer than 5,000 miles, introduced from the same date.
- The £1m Annual Investment Allowance will not end in December as previously planned, it will be extended to March 2023.
- A new revaluation cycle for the business rate system will be delivered from 2023.
- A new relief to support green technologies will be introduced.
- The corporation tax bank surcharge will be reduced to 3% (overall rate up to 28% from 2023 given general increase in Corporation Tax)
- A new £100 million corporation tax allowance for smaller challenger banks will be introduced.
- A new one year 50% business rates discount for retail, hospitality, & leisure sectors.
- New business rates improvement relief from 2023. Property improvements won’t be charged business rates for 12 months.
- Simplification of alcohol duties, with number of rates reduced from 15 to 6. Higher strength drinks to be taxed more, weaker drinks taxed less.
- Draught relief on draught beer and cider will cut tax rate by 5% - 3p in a pint, which will come into effect in 23 February 2022.
- Planned increase in duty on spirits, wine, cider and beer cancelled.
- No rise in fuel duty.

Wages

- A rise in the National Living Wage from £8.91 per hour to £9.50, to come into effect from 1st April 2022.
- Public sector pay to rise over the next three years as economy recovery and labour market allows a return to normal pay setting process.

Transport

- England's city regions will receive £6.9Bn to spend on train, tram, bus and cycle projects, of which £1.5Bn is newly committed spending.
- This includes £1.07Bn for Greater Manchester, £1.05Bn for the West Midlands and £830m for West Yorkshire.

Health

- Spending on health will increase by £44Bn by end of Parliament, including a capital budget increase of £11.2Bn.
- NHS England will get £5.9Bn address hospital waiting lists, including £2.3Bn for diagnostic tests including clinics in shopping centres for scans; £1.5Bn on beds

equipment and new "surgical hubs"; and £2.1Bn to improve IT.

- The Department for Health & Social Care will get £5Bn over the next three years for R&D, including £95m specifically for cancer, obesity and mental health and investment in developing genome technology.
- £5m for research grants to develop new surgery and treatment options for amputees and blast victims.

Education & Skills

- An additional £4.7Bn by 2024-25 for core schools budget in England, £1.6Bn of which is newly committed spending. This will restore per pupil funding to 2010 levels in real terms.
- £2Bn will be spent on creating 30,000 new school places for children with special educational needs and disabilities.
- Money will also be allocated towards improving school buildings' accessibility and funding new, special provision in free schools.
- There will be £1.6Bn over three years to roll out new T-levels for 16 to 19-year-olds plus £550m for adult skills in England.
- A total of £3.8Bn of investment in skills over this Parliament. An increase in adult skills funding by 29% in real terms compared to 2019-20.
- Launch of a new 'Multiply programme' will help up to 500,000 adults improve their numeracy.

Housing

- A multi-year housing settlement totalling £24Bn will be introduced over the lifetime of the current Parliament.
- £1.8Bn for building approximately 160,000 new homes on brownfield sites in England.
- £11.5Bn Affordable Homes Programme will deliver up to 180,000 homes by 2028-29, with 65% allocated to homes outside London.
- £65m for digitising England's planning system.
- 4% tax on profits on housebuilders to contribute to cost of removing unsafe cladding from residential tower blocks.
- £640m for rough sleeping and homelessness.

Research & Investment

- £20Bn a year on R&D and an increase in R&D spending to £22Bn by 2026/7.
- £1.1Bn increase for core science funding, fully committing to Horizon Europe and increasing Innovate UK's budget.
- Grants worth £1.4Bn will be given to "internationally mobile" companies to invest in UK infrastructure, including
- £345m to resilience for future pandemics.
- £800m for production of electric vehicles in north-east England and the Midlands.
- Global Talent Network to attract high-skilled workers from "innovation hotspots" initially based in San Francisco and Boston in the US and Bengaluru in India.
- £150m for the British Business Bank's Regional Angels programme, which reduces imbalances in access to early-stage equity finance across the UK.

Family

- £4.7Bn to support parents and children in England, including:
- £302m to support families with complex issues.
- £82m to fund centres in 75 different areas to provide advice for parents.
- £150m for training and development for early years workforce.
- £200m to continue the holiday activity and food programme.
- £100m for mental health support for expectant parents and £50m for breastfeeding support.

Miscellaneous

- £850m to restore museums and art galleries including the Victoria and Albert Museum in London and Tate Liverpool.
- Tax relief on museums and galleries extended to March 2024.
- £461m to protect UK borders including £74m for a new fleet of patrol boats.
- £560 investment in football pitches, tennis courts and youth facilities.
- £435m to prevent crime, protect communities and help victims in England and Wales.
- £1Bn fund to help courts catch up pandemic backlog and provide extra resource to prosecutors.

- Aid budget to return 0.7% of GDP in 2024/2025 provided economic climate allows.