

What's Rishi's Plan for the Hospitality Sector?



On the 8th of July 2020, the Chancellor of the Exchequer unveiled his planned attempt to kick-start the economy.

The Chancellor set out several key points, with a number of these directly aimed at the hospitality industry.

All UK Employers will receive a one-off 'Job Retention Bonus' bonus of £1,000 for every worker brought back from furlough and is still employed as of 31st January 2021.

The employee must be earning at least on average £520 per month (the equivalent to the lower earnings limit for National Insurance) from November to the end of January.

The rate of VAT applied to a large part of the hospitality industry is to be slashed from 20% to 5%.

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

Businesses will also be able to sign up to the "Eat Out to Help Out" scheme from Monday 13th July.

The scheme is set to go live in August whereby meals eaten at any participating business from Monday to Wednesday will be 50% off up to a maximum of £10 per head (including children).

The Treasury will also foot Employers' wage bills for the hiring of 16-24 year olds on Universal Credit

Those who are aged 16-24 who are at risk of long-term unemployment and on Universal Credit will be eligible, effectively creating 1000s of subsidised jobs. The funding available will cover 100% a 6-month job placement on the national minimum wage for 25 hours a week- employers will be able to top this wage up for additional hours worked/ higher rates of pay.

There will be a boost to apprenticeship funding

Employers can expect to see additional funding of £2000 per young apprentice (16-24) and £1500 for apprentices over the age of 25. This 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.

It is worth noting that other announcements were made with regards to the abolition of stamp duty on main residence purchases below £500,000 until 31st March 2021, a new "green investment package" and greater investment in the NHS.

Further detail can be found [here](#)