National Insurance increase reversed

- April’s National Insurance increase to be reversed from November – delivering on key PM pledge to cut tax burden and promote economic growth

- Health and Social Care Levy will be cancelled through Bill introduced today – Chancellor has confirmed funding for health and social care services will be protected and will remain at the same level as if the Levy were in place

- Almost 28 million people will keep an extra £330 of their money on average next year, whilst 920,000 businesses are set to save almost £10,000 on average next year thanks to the change

Delivering on the Prime Minister’s pledge to slash taxes to help drive growth, scrapping the rise will reduce tax for 920,000 businesses by nearly £10,000 on average next year as they will no longer pay a higher level of employer National Insurance and can now invest the money as they choose.

The government will also cancel the planned Health and Social Care Levy – a separate tax which was coming into force in April 2023 to replace this year’s National Insurance rise. This will help almost 28 million people across the UK keep more of what they earn, worth an extra £330 on average in 2023-24, with an additional saving of around £135 on average this year.

The Health and Social Care Levy (Repeal) Bill, legislating for the tax change, has been introduced into the House today. As part of the cancellation of the Levy, The Chancellor is also set to confirm that the increases to dividend tax rates will be scrapped from April 2023 in his Growth Plan tomorrow. The increased dividend tax was introduced in April 2022 to ensure those who gained income from dividends contributed the same amount to help fund health and social care.

The Levy was expected to raise around £13 billion a year to fund health and social care. The Chancellor confirmed today that the funding for health and social care services will be maintained at the same level as if the Levy was in place, protecting the NHS through the winter and ensuring long-term investment in social care.

Chancellor of the Exchequer Kwasi Kwarteng said:

> Taxing our way to prosperity has never worked. To raise living standards for all, we need to be unapologetic about growing our economy.
>
> Cutting tax is crucial to this – and whether businesses reinvest

> freed-up cash into new machinery, lower prices on shop floors or increased staff wages, the reversal of the Levy will help them grow, whilst also allowing the British public to keep more of what they earn.

The previous government decided to raise National Insurance by 1.25 percentage points in April 2022 to fund health and social care. The rate was due to return to 2021-22 levels in April 2023, when a separate new 1.25% Health and Social Care Levy was due to take effect. Today’s legislation reverses the rise from earlier this year and cancels next year’s introduction of the Levy.

This is part of the government’s pro-growth agenda, backing business to invest, innovate and create jobs and helping raise living standards for everyone across the UK.

920,000 businesses will see a cut in National Insurance bills, with 20,000 taken out of paying National Insurance entirely due to the Employment Allowance, which rose in April 2022 from £4,000 to £5,000.

In particular, many small and medium businesses (SMEs) – who employ over 13 million people in the UK – will see a cut to their National Insurance bills. Next year this will be worth £4,200 on average for small businesses and £21,700 for medium sized firms who pay National Insurance. In total 905,000 micro, small and medium businesses will benefit from 2023-24.

National Insurance thresholds increased in July 2022 to lift 2.2 million of the poorest people in the UK out of paying the tax. The Chancellor has committed to retaining the level of these thresholds to support families. Taken together, the higher thresholds and the Levy reversal mean that almost 30 million people will be better off by an average of over £500 in 2023-24.

With immediate action pledged by the Prime Minister to maximise the cash benefit for people and businesses this year, the government is implementing the changes as soon as possible. Most employees will receive a cut to their National Insurance directly via payroll in their November pay, with some receiving it in December or January, depending on the complexity of their employer’s payroll software.

In addition, the Chancellor is expected to announce in his fiscal event tomorrow that the 1.25 percentage point increase to income tax on dividends announced alongside the Levy, and introduced in April 2022, will be reversed from April 2023. Those who pay tax on dividends will save an average of £345 next year. The reversal of the ‘dividend tax’ rise signals renewed support for entrepreneurs and investors as part of the government’s drive to grow the economy and improve the standard of life for families across the UK.

Overall funding for health and social care services will be maintained at the same level as if the Levy were in place, and the government will be doing this without a tax increase. The additional funding used to replace the expected revenue from the Levy will come from general taxation. The

Chancellor is committed to reducing debt-to-GDP ratio over the medium-term and boosting growth, which will help sustainably fund public services.

Further information

- Read the legislation
- Employment Allowance is a relief which allows eligible businesses to reduce their employer National Insurance contributions (NICs) bills each year. At Spring Statement on 23 March 2022 the previous Chancellor announced this would be rising by £1,000 from £4,000 to £5,000.
- Although individuals should contact their employer for refunds as a first port of call in all circumstances, there may be circumstances where individuals may need to apply to HMRC for a refund. For example, if their employer is no longer trading, or if an individual has moved roles and their previous employer has confirmed they are unable to issue a refund retrospectively themselves.

The Retained EU Law (Revocation and Reform) Bill 2022

On the 31st January, to mark the two-year anniversary of getting Brexit done, the Government set out its plans to bring forward the Retained EU Law (Revocation and Reform) Bill.

Retained EU Law is a category of domestic law created at the end of the transition period and consists of EU-derived legislation that was preserved in our domestic legal framework by the European Union (Withdrawal) Act 2018.

Retained EU Law was never intended to sit on the statute book indefinitely. The time is now right to end the special status of retained EU Law in the UK statute book on 31st December 2023. The Bill will abolish this special status and will enable the Government, via Parliament to amend more easily, repeal and replace retained EU Law. The Bill will also include a sunset date by which all remaining retained EU Law will either be repealed, or assimilated into UK domestic law. The sunset may be extended for specified pieces of retained EU Law until 2026.

The retained EU Law (Revocation and Reform) Bill is part of the Government’s commitment to put the UK statute book on a more sustainable footing. By ending the special status of retained EU Law, we will reclaim the sovereignty of Parliament, and restore primacy to Acts of Parliament.

Background

The Retained EU Law (Revocation and Reform) Bill is the culmination of a journey that began on 23rd June 2016 when more than 17 million citizens of the UK and Gibraltar voted for the UK to leave the European Union (EU).

Our approach to making the UK 'the best regulated economy in the world' is set out in the Benefits of Brexit document published in January 2022. This approach is supplemented by the reviews into the substance and status of retained EU law which commenced in September 2021. The Bill will provide the means for Government, via Parliament to update legislation in response to the outcome of the substance and status reviews.

From these reviews, also came the retained EU law dashboard, which is a catalogue of over 2,400 pieces of retained EU law across 300 unique policy areas and 21 sectors of the economy. It was published on the 22nd of June, as part of the Prime Minister's promise to empower the public to scrutinise EU-derived law that remains on the UK statute book. The dashboard enables the public to hold the government to account on retained EU law reform.

Content of the Bill

Now that the Government has mapped where EU-derived legislation sits on the UK statute book, we are bringing forward this Bill in order to fully realise the opportunities of Brexit, and to support the unique culture of innovation in the UK.

To achieve this, the Bill will include the provisions outlined below.

Sunsetting Retained EU Law

The Bill will sunset the majority of retained EU law so that it expires on 31st December 2023. All retained EU law contained in domestic secondary legislation and retained direct EU legislation will expire on this date, unless otherwise preserved. Any retained EU law that remains in force after the sunset date will be assimilated in the domestic statute book, by the removal of the special EU law features previously attached to it. This means that the principle of the supremacy of EU law, general principles of EU law, and directly effective EU rights will also end on 31st December 2023. There is no place for EU law concepts in our statute book.

Before that date, Government departments and the devolved administrations will determine which retained EU law can expire, and which needs to be preserved and incorporated into domestic law. They will also decide if retained EU law needs to be codified as it is preserved, in order to preserve policy effects the Government intends to keep.

The Bill includes an extension mechanism for the sunset of specified pieces of retained EU law until 2026. Should it be required, this will allow departments additional time where necessary to assess whether some retained EU law should be preserved.

Ending of Supremacy of retained EU law from UK law by 2023

Currently, retained direct EU legislation takes priority over domestic UK legislation passed prior to the end of the Transition Period when they are incompatible. The Bill will reverse this order of priority, to reinstate domestic law as the highest form of law on the UK statute book. Where it is necessary to preserve the current hierarchy between domestic and EU legislation in specific circumstances, the Bill provides a power to amend the new order of priority to retain particular legislative effects

Assimilated law

Following the removal of the special features of EU law from retained EU law on 31st December 2023, any retained EU law that is preserved will become "assimilated law" to reflect that EU interpretive features no longer apply.

Facilitating Departures from Retained EU Case Law

The Bill will provide domestic courts with greater discretion to depart from retained case law. It will also provide new court procedures for UK and Devolved Law Officers to refer or intervene in cases regarding retained case law.

Modification of Retained EU Legislation

The Bill will downgrade the status of retained direct EU legislation for the purposes of the amendment. The Bill will also modify powers in other statutes, to facilitate their use to amend retained direct EU legislation in the same way they can be used on domestic secondary legislation. This will enable retained direct EU legislation to be amended more easily, with an appropriate level of scrutiny.

Powers relating to Retained EU Law

The Bill will create powers to make secondary legislation so that retained EU law can be amended, repealed and replaced more easily. The Bill also takes powers to specify, after the sunset, the body of law that will continue to apply in place of retained EU law, and how it should be interpreted. Using these powers, the Government will ensure that only regulation that is fit for purpose, and suited for the UK will remain on the statute book.

Business Impact Target

Having left the EU, the UK has an opportunity to reform its regulatory regime. The UK government published its consultation response to the 'Reforming the Better Regulation Framework' and is in the process of implementing the wider reforms outlined.

As part of these reforms, the Bill repeals the Business Impact Target (BIT). The replacement of the BIT, when combined with the other wider reforms, will ensure that regulation is fit for the UK economy, business and households, as well as the future.

Other Government Priorities

The Government will continue to deliver policies to stimulate business growth, innovation and job creation.

This Bill will also not undermine any existing Government enquiries or commitments, for example regarding the Government’s response to the Grenfell Tower tragedy. The Government remains committed to learning the lessons from the tragedy and delivering on building safety.

More generally, all required legislation relating to tax and retained EU law will be made via the Finance Bill (or subordinate tax legislation) which is usual and appropriate for tax provisions.The government will also introduce a bespoke legislative approach for retained EU law concerning VAT, excise, and customs duty in a future Finance Bill. This approach will revoke any remaining retained direct EU law that the government did not repeal in the Taxation (Cross-border) Trade Act 2018, and make clear that UK Acts of Parliament and subordinate legislation are supreme.

For further information, documents related to the Retained EU Law (Revocation and Reform) Bill can be found on the Parliament website.

Building Safety: Levelling Up Secretary’s op-ed for The Telegraph

We have a new and reinvigorated government in Westminster.

A government ready to roll up its sleeves and put in the hard graft so that the future of this country is bright and prosperous.

We must ensure that everyone in our society – irrespective of where they’re from, what they do, or how much money they earn – lives somewhere warm, decent and safe.

We’ve already acted on energy bills, so a typical household will pay no more than £2,500, while providing hundreds of pounds in relief for struggling families this winter.

And we’re acting with that same urgency on building safety.

What happened at Grenfell Tower was nothing short of a national tragedy. It should not have taken the death of 72 people for us to have woken up to just how ineffective the building safety regime was. It is our duty as a government to fix this, and ensure that it never happens again.

Just a few weeks into the job I am hearing from leaseholders who are still waiting for remediation works to be carried out, who are unable to sell, and face sky-high building insurance premiums.

I’m determined to finish the job my predecessors started, fixing the system for good, ensuring that industry rectifies the problems it created, and making sure that the leaseholders who have been so unfairly caught up in this scandal get the relief and protection they deserve.

In recent months, we’ve already taken some big steps in the right direction.

The Building Safety Act came into force over the summer.

It represents the greatest set of reforms in a generation with a tough new regulator and an even tougher regulatory regime to ensure that people’s homes are made safe.

The Act means that every block of flats must now have someone who is responsible for a building’s safety and the residents who live in it.

It also provides far-reaching legal protections to leaseholders so that they’re no longer hit with unfair bills to fix cladding issues.

For the first time government will have powers to force owners to fix dangerous buildings for which they’re responsible and ensure remediation works are both fast and proportionate.

Forty-nine of the largest housebuilders have now risen to the challenge set by government and signed a public pledge to fix unsafe buildings that they developed or refurbished. Responsible housebuilders are wasting no time in getting on with fixing those buildings and I look forward to working with this group on our ambitious housing agenda to deliver the homes and growth this country deserves. We will shortly turn those pledges into legally binding contracts, which will give residents confidence that their homes will be made safe and that leaseholders will not have to pay.

Any housebuilders that fail to act responsibly may be blocked from commencing developments and from being granted building control sign-off for their buildings. This month we have taken steps to set up a scheme in law to show which housebuilders are doing the right thing, and which are failing to do so.

Our Recovery Strategy Unit will expose and pursue firms and individuals involved in the most egregious cases of building safety neglect. Where freeholders are not coming forward and accepting government money to make buildings safe, this unit will be launching legal action. I expect the first cases to be brought very soon. This government is determined to hold the worst actors to account, deliver for leaseholders, and restore confidence in the housing market.

But this was never about heaping blame on one part of the sector. It’s about making the whole industry, including construction product manufacturers, play its part in fixing the wrongs of the past.

That’s one of the reasons why my department is also working hand in hand with the Financial Conduct Authority to ensure that appalling practices within the insurance industry, like the sharing of commissions between brokers and managing agents, which can drive up prices for consumers, are brought to a swift end. I wrote to the British Insurers Brokers Association myself this week and I expect this immoral behaviour to stop immediately.

It is also why we will continue to work relentlessly with the lending industry to ensure leaseholders are no longer trapped by over the top risk aversion and unnecessary paperwork, freeing them to take their next step on the housing ladder. I welcome their commitments so far but now is the time to see tangible changes to unlock the market.

We will make homes safer. We will protect leaseholders from crippling costs. And we will work to restore the right of everyone in this country to feel safe in the place where they and their loved ones sleep at night.

Domestic tree seed production to be ramped up with new grant

Domestic tree seed production is to be ramped up with new Government funding announced today (Thursday 22 September). The £1.2m Seed Sourcing Grant will boost domestic tree seed production, create green jobs, help meet the increased demand for trees and achieve our ambitious net zero targets.

The grant is designed to enhance the quantity, quality and diversity of tree seed sources in England. Most tree seed planted in the UK is of British origin, but evidence suggests that British seed sources may struggle to meet future demand across all species and there are known to be global shortages of tree seed. The grant will boost domestic tree seed production and support green jobs, helping meet the increased demand for trees and achieve our ambitious tree planting targets.

The Government has re-committed to its net zero targets, and new woodland and tree planting will contribute to those. The Seed Sourcing Grant will help to ensure the availability of planting stock to meet domestic tree planting needs.

The grant also aims to improve the diversity of England’s seed supply, for example by increasing the range of species and provenances available. This will be crucial for creating diverse and resilient woodlands, which are better able to adapt to future climate conditions as well as emerging pests and diseases.

Richard Stanford, Forestry Commission Chief Executive, said:

> Seed sourcing is an essential part of tree production and one that can sometimes be overlooked. As planting rates increase, so too will the demand for tree seed.
>
> This funding will give a vital boost to domestic tree seed production, helping to create diverse and thus resilient woodlands across our country. This will both help meet our ambitious tree planting targets and ensure the resilience of woodlands so they can thrive in the uncertain future.

The Seed Sourcing Grant will also reduce the need to buy seed from the international market, lowering the risk of importing harmful pests and pathogens.

Today's announcement comes as the world's leading authorities on plant health and biosecurity come together for the world's first ever International Plant Health Conference to address current and future plant health challenges – including facilitating safe trade and new pest and disease pathways, such as e-commerce.

Nicola Spence, UK Chief Plant Health Officer, said:

> Plant health and biosecurity are fundamental to life on Earth and ensuring their continued health and vitality will be critical to a thriving natural environment for future generations.
>
> By increasing and diversifying England's seed supply, this grant is crucial to help lower the risk of importing harmful pest and diseases by reducing the need to buy seed internationally and will create diverse and resilient woodlands which will be better adapted to future threats.

Eligible activities for the grant include:

The grant aims to attract a broad range of applicants, including both organisations already involved in these activities and those who have not previously considered seed sourcing.

To apply now, visit our dedicated page on gov.uk. Closing date for applications is Sunday 13 November 2022. The Forestry Commission will host a webinar on Tuesday 11 October 2022 to help with the application process. Sign up to the webinar here.

Civil/crime news: email service for JR custody time limit cases

A new email service is available solely for crime providers using civil forms in emergency judicial review applications associated with custody time limit extensions:

LAAassociatedcivilapplications@justice.gov.uk

If you have a Client and Cost Management System (CCMS) account, you will be able to make this application more efficiently by using our online system.

Why are you doing this now?

We want to ensure providers working under the 2017 Standard Crime Contract understand how to use to civil forms to apply for funding in custody time limit cases. This is civil work arising out of criminal proceedings.

Associated civil work is provided for within the crime contract. But we realise that making civil legal aid applications is very different to the process for crime. So, we want to make sure you can contact us with any questions.

Emergency application emails

Remember that this option of sending application forms to the new mailbox is for emergency applications only:

LAAassociatedcivilapplications@justice.gov.uk

Make sure that the subject line of the email you use to send your form clearly states that this is an urgent custody time limit case. You should also flag your email as high importance.

Who processes emergency applications?

Your application will be processed by the Exceptional and Complex Cases Team (ECCT). We aim to make decisions within 48 hours of receiving emails.

What if 48 hours is too long?

If you need a decision more quickly you will need to:

- call customer services on 0300 200 2020
- explain why a decision is needed faster than 48 hours

- ask for the case to be fast-tracked to ECCT managers

How to speed up your application

You should include the following to help speed up a decision on your emergency application:

1. Relevant questions on the CIV APP1 need to be answered. This includes providing a full case statement. You need to clearly set out the reasons for any conclusions that are drawn about the funding criteria.

2. Applicable means forms should also be used and sent with the CIV APP1 form. These are listed below at the end of the article.

3. Complete decision/order of the court.

4. Any pre-action correspondence.

5. Any advice or note from counsel about the merits of any proposed judicial review, where available.

What happens next?

If you are unable to use CCMS, the Legal Aid Agency (LAA) will upload your application after it has been determined.

You should note that you will need to upload any subsequent amendments and bills using CCMS. If you need help getting set up to do this, our Online Support Team will be able to work with you.

Further information

Civil Legal Aid (Merits Criteria) Regulations 2013

CIV APP1 form – you must download and use the CIV APP1 along with the relevant means forms for your legal aid application

CIV MEANS 1 form – download and use to accompany CIV APP1 if client does not receive a passported benefit

CIV MEANS 1P form – download and use to accompany CIV APP1 and CIV MEANS 1 if client in prison (1P is second form on page)

CIV MEANS 2 form – download and use to accompany CIV APP1 if client receives passported benefit

CIV MEANS 4 form – download and use to accompany CIV APP1 if client under 16 years of age

Customer Services and Online Support teams: 0300 200 2020