

Spring Budget 2017: Summary

The Heritage Alliance

The Chancellor, Phillip Hammond, has presented his last [Spring Budget](#). The second Budget of 2017 will replace the Autumn Statement. The key heritage announcements in the Spring Budget are the creation of a £5 million fund to celebrate the centenary of women winning the right to vote, and the appointment of a Government representative to help organise celebrations of the 400th anniversary of the Mayflower crossing the Atlantic in 1620. Issues such as business rate relief and support for training will also impact the sector.

The new £5 million fund to celebrate the centenary of women winning the vote in 1918 was a welcome development on international women's day when many Alliance members have been remembering leading women in their fields. The fund will provide an opportunity for the sector to develop projects to mark the occasion. The 1918 Act paved the way for the introduction of universal suffrage ten years later, which saw women win equal voting rights to men. [The Chancellor said](#): 'It is important that we not only celebrate next year's Centenary but also that we educate young people about its significance. It was the decisive step in the political emancipation of women in this country and this money will go to projects to mark its significance and remind us all just how important it was'.

Although not mentioned in the Chancellor's speech, the supporting documents reveal that a Government Representative for the Mayflower Anniversary Celebrations will assist in co-ordinating UK wide events to celebrate the 400th anniversary of the Atlantic crossing of the Mayflower.

Business Rates

The business rates revaluation takes effect in England from April 2017 and we have received representations from several concerned charities that are facing a severe hike in business rates. If you have any examples or concerns, please get in touch as soon as possible as we will shortly be feeding this back to DCMS. Some relief was offered in the Spring Budget but it did not relate directly to charities. In addition to the £3.6 billion transitional relief, which was announced in November 2016, the Government has announced:

- £300 million to allow English local authorities to provide discretionary relief to individual hard cases in their local area;
- a £1,000 business rate discount for some pubs (often historic buildings) for one year from 1 April 2017; and
- support for small businesses losing Small Business Rate Relief to limit increases in their bills to the greater of £600 or the real terms transitional relief cap for small businesses each year.

In the 2016 Budget the Government announced plans to revalue properties at least every 3 years. The Autumn Budget 2017 will set out more details with a consultation ahead of the next revaluation in 2022. The Government has also [published its response](#) to its consultation on the business rates appeals reforms.

Improving skills

The Government has announced several measures to improve skills which will potentially benefit all sectors including heritage:

- **T-levels: 16-19 Technical education** – The Government will deliver the recommendations of Lord Sainsbury’s panel. The number of training hours for 16-19 year olds on technical routes will increase by more than 50%, with over £500 million of additional funding invested per year once routes are fully implemented.
- **Further Education maintenance loans** – From 2019-20, the Government will provide maintenance loans, like those available to university students, to students on technical education courses. These will also support adults to retrain.
- **Lifelong learning pilots** – The Government will spend up to £40 million by 2018-19 to test different approaches to helping people to retrain and upskill throughout their working lives.
- **Return to work support** – £5 million of new funding will support work with business groups and public sector organisations to identify how best to increase the number of ‘returnships’ to give those who have taken lengthy career breaks a clear route back to employment.
- **Part-time maintenance loans** – The Government confirms the terms of maintenance loans for part-time undergraduates, previously announced at Spending Review 2015.
- **Doctoral loans** – The Government confirms the terms of doctoral loans for 2018-19, previously announced at Budget 2016. These new loans will provide up to £25,000 for doctoral study; and
- **Industrial strategy support**- £90 million will fund 1,000 PhD places in areas aligned with the Industrial Strategy. Around 85% will be in STEM disciplines, and 40% will directly help strengthen collaboration between business and academia through industrial partnerships. A further £160 million will support new fellowships for early and mid-career researchers in areas aligned to the Industrial Strategy.

Other measures of relevance to the heritage sector announced in the Budget include:

- Updated details on the planned future Budgets of Government departments. [Table 1.6](#) shows the departmental resource set out at Spending Review 2015, adjusted to reflect subsequent announcements. The Budget for the Department for Culture, Media and Sport is planned to remain at £1.4 billion in 2017-18 before increasing to £1.5 billion in 2018-19 and 2019-20. However, funding for the Local Government aspect of DCLG will fall significantly from a planned £8.2 billion in 2016-17 to just £5.4 billion by 2019-20. The Communities aspect of DCLG will see a less marked fall from an estimate of £2.6 billion in 2016-17 to £2.2 billion in 2019-20;
- The National Productivity Investment Fund (NPIF) provides the financial backbone to the Government’s Industrial Strategy, and will, among other things, support market roll-out of the fast and reliable full-fibre connections that will help businesses to grow and help accelerate new housing supply. NPIF will invest £740 million in digital infrastructure by 2020-21, to support the next generation of fast and reliable mobile and broadband communications for consumers and businesses;
- Measures will be taken to reduce the gap in National Insurance rates paid by the self-employed and employees. This will affect self-employed consultants within the sector. The main rate of Class 4 National Insurance contributions will increase from 9% to 10% in April

2018 and to 11% in April 2019. Similarly, to reduce the tax differential between the self-employed and employed, and those working through a company, the dividend allowance will be reduced from £5,000 to £2,000 from April 2018;

- The value of the [Landfill Communities Fund](#) (LCF) for 2017-18 will remain unchanged at £39.3 million and the cap on contributions by landfill operators will be increased to 5.3%. The Government will also consult on extending the scope of Landfill Tax to illegal waste disposal. The objects of the fund allow money to go towards, among other things, restoring places of religious worship or buildings of historic or architectural interest and improving public parks or other public amenities;
- The Government consult on updating the tax treatment of employer-provided accommodation and board and lodgings. This will include proposals for when accommodation should be exempt from tax and to support taxpayers during any transition;
- On Insurance Premium Tax (IPT) the Government will legislate to introduce anti-forestalling provisions and increase the standard rate of IPT to 12% from 1 June 2017, as announced at Autumn Statement 2016. Please get in touch if you have concerns over the IPT increase. The Charity Tax Group has welcomed the news that IPT has not increased further, but have called on the Government to ‘introduce a targeted exemption for charities or, at least, a reduced rate where the insurance is required to cover activities or premises that directly relate to a charity’s objects’; and
- Corporation Tax relief for museums and galleries – As announced at Budget 2016, the Government will legislate in the Finance Bill 2017 to introduce a new tax relief for museums and galleries who develop new exhibitions.

Contact

Joe O’Donnell
Policy & Communications Officer
The Heritage Alliance
10 Storey’s Gate
London SW1P 3AY

020 7233 0500

policy@theheritagealliance.org.uk

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