

Autumn Statement and Spending Review Briefing from The Heritage Alliance

The Heritage Alliance

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On 27 October, the Chancellor of the Exchequer presented the Autumn Statement and the Spending Review, both of which have important implications for Heritage Alliance members.

In [his speech](#), the Chancellor mentioned that this Autumn statement was a 'three-part plan to protect the jobs and livelihoods of the British people'; to continue to do 'whatever it takes to support the British People and businesses' in the pandemic; once the economy is on the way to recovery, to: 'begin fixing the public finances' and finally, to 'begin the work of building our future economy'. The speech also frequently referenced the Government's aim of 'levelling up' Britain.

In broad terms, there were many announcements that will be welcomed by Heritage Alliance members, including the increased funding for DCMS and DEFRA, as well as the extension of the Museums and Galleries Exhibition Tax Relief, (MGETR) until 2024. However, it was a missed chance to recognise the potential of heritage as part of the levelling up agenda, and disappointing that the 12.5% VAT for hospitality and retail business was not extended further. There has also been criticism that while making provision for intercity transport, there has not been a serious commitment made to tackling rural transport 'deserts'.

Please see below for our summary of the Autumn statement and spending review announcements which will be of most interest to Heritage Alliance members:

Spending Review

Total departmental spending will grow in real terms at 3.8% a year over this Parliament - an increase of £150bn in nominal terms and £90bn in real terms.

DCMS

DCMS's budget will increase from £2.2bn this financial year, to £2.8bn in 2022/23 and then fall back to £2.7bn for the next 3 years – an increase of 5.8% per annum in nominal terms. Of this funding, the key items for Heritage Alliance members are:

- £180m over the next three years as part of the government's £500m investment for the Shared Rural Network, to deliver high-quality 4G mobile coverage to 95% of the UK.
- Over £850m over the next four years for cultural and heritage infrastructure to safeguard national treasures and boost culture in local communities and on high streets.
- £52m in new funding for museums and cultural and sporting bodies next year to support recovery from COVID-19 and an additional £49m in 2024-25 to thrive thereafter.
- £14m in each year until the next Spending Review in 2025 to support our world-leading creative industries, including supporting SMEs to scale up and providing bespoke support for the UK's independent film and video game industries.
- Over £480m funding in 2022-23 for a year of celebration across the UK in 2022, when communities and nations will celebrate the Commonwealth Games, Unboxed: Creativity in the UK and the Queen's Platinum Jubilee

DEFRA

DEFRA settlement provides a £4.3bn cash increase over the Parliament, to £7bn in 2024-25, with the Government aiming to deliver against the goals of the 25 Year Environment Plan. This includes more than £250m in public investment over three years to include:

- Implementing the Environment Bill including biodiversity net gain for development and Local Nature Recovery Strategies.
- Supporting the 30-by-30 target by designating at least 15 new National Nature Reserves and up to 8,500 hectares of new Sites of Special Scientific Interest, while bringing over 50,000 hectares of existing sites into favourable recovering condition.
- Expanding the Species Recovery Programme, alongside new grants, to support up to 500 of the most threatened and iconic species including curlews, water voles, and red squirrels.
- Tackling nutrient pollution in rivers and streams.

For **full details of the spending review**, please [see the full Autumn Budget and Spending Review](#).

Autumn Statement announcements

Tax

The Government has [extended the Museums and Galleries Exhibition Tax Relief](#), (MGETR) for a further two years, until March 31 2024.

Heritage Action Zones

The Government confirmed continuing the High Street Heritage Action Zone programme in England to revive 67 historic high streets.

National Living Wage

The government will increase the National Living Wage for individuals aged 23 and over by 6.6% from £8.91 to £9.50 per hour, effective from 1 April 2022.

Brexit

The Government has committed to meet the full costs of associating with Horizon Europe.

Construction

A further £1.8bn will be invested as part of the government's commitment to spend £10bn 'unlocking' more than a million new homes between now and 2026. The latest funding will be spent on turning brownfield sites into 'greener' new homes. The Chancellor also reconfirmed the planned £11.5bn investment into the Affordable Homes Programme. He said the £7.5bn invested in the spending review period will represent the largest cash investment in housing in a decade.

Tourism and Hospitality

- From April 2023 there will be a 50% cut in air passenger duty for domestic flights (to £6.50 per leg) – this will make the APD on a domestic return flight the same as travelling to Europe.
- Alcohol will be taxed in a progressive manner, with low strength products attracting low rates of duty and high strength products attracting higher levels of duty.

Business Rates

- The Government will reduce business rates in England by £7 billion over the next five years
- There will be a new one-year 50% business rates discount for retail, hospitality, & leisure sectors
- The business rates multiplier will be frozen for 2022-23
- From 2023, a new business rates relief will support investment in property improvements

...so that no business will face higher business rates bills for 12 months after making qualifying improvements to a property they occupy. This is aimed at

enabling businesses to adapt to meet rising demand and make improvements to their premises that support net zero targets and enhance productivity as employees return to the workplace.

Apprenticeships

- Increasing apprenticeships funding to £2.7 billion by 2024-25 including meeting 95% of the apprenticeship training cost for smaller employers who do not pay the Apprenticeship Levy

Fuel Duty

- Fuel Duty has been frozen

Transport Infrastructure

- £5.7 billion is being allocated to eight English city regions including:
 - £830 million to West Yorkshire for schemes such as the A61 improvements for buses, cyclists and pedestrians between Leeds and Wakefield;
 - £1 billion to Greater Manchester for schemes such as the next generation Metrolink tram-train vehicles;
 - £1 billion to the West Midlands for schemes such as completing the Wednesbury to Brierley Hill metro extension and Sprint Phase 2;
 - £710 million to Liverpool City Region for schemes such as battery power for new Merseyrail trains to expand the reach of the existing network;
 - £570 million to South Yorkshire for schemes such as starting the renewal of the Supertram;
 - £310 million to the Tees Valley for schemes such as upgrading Middlesbrough and Darlington stations and improving local rail links;
 - £540 million to the West of England for schemes such as a fully prioritised bus route between Bristol and Bath.
- £24 billion allocated to strategic road improvements between 2020-21 and 2024-25 such as the A66 Trans-Pennine.
- £35 billion for rail over the current Spending Review period including High Speed Two
- £500 million to restore transport services lost in the Beeching cuts

The full text of the [Chancellor's speech](#) and details of all Spending Review documents and Autumn statement announcements can be found on the [Government website](#).

The [Heritage Alliance](#) is England's coalition of independent heritage interests.