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## Introduction

On Wednesday 22 November, the Chancellor Jeremy Hunt delivered the Autumn Statement, one of the Government's final budget statements before the 2024 UK general election. The statement focused on five headline areas: 'reducing debt; cutting tax and rewarding hard work; backing British business; building domestic and sustainable energy; and delivering world-class education'. We have summarised the key announcements for heritage and analysed the impact they are likely to have on our sector.

**The Heritage Alliance** is England's largest coalition of independent heritage interests, bringing together over 200 organisations, which contain over 7 million members, volunteers, trustees, and staff. In our recently published [Heritage Manifesto 2023](#), we called on all political parties to respond to five key policy priorities for supporting the UK heritage sector and maximising its benefits for communities and the environment.

## Taxation

- Employee NICs will be cut from 12% to 10% from January 2024.
- Self-employed NICs will be abolished from 6 April 2024.
- From 1 April 2024, the National Living Wage will increase by 9.8% to £11.44 an hour with the age threshold lowered from 23 to 21 years old.
- VAT relief for the installation of energy saving materials will (following consultation) be expanded to include additional technologies such as water-source heat pumps for both residential and charitable premises. Full details will be published shortly.
- The current 75% business rate relief for eligible Retail, Hospitality and Leisure (RHL) properties is being extended for 2024-25.

### **Analysis by The Heritage Alliance**

The reduction in the National Insurance tax and abolishment of the Class 2 tax on self-employed persons will produce some benefit to employees and self-employed workers in our sector. The increase in the National Living Wage is likely to have an impact on the overheads of smaller and hospitality and tourism focused heritage businesses, but the extension of the business rates relief for RHL properties is welcome and has been a key ask of the tourism industry, though some are calling for a wider rates freeze.

The new VAT reliefs for energy efficiency measures in charitable premises is likely to be beneficial for charitable heritage organisations renovating their buildings, and for owners and occupiers of historic buildings interested in these technologies. However, these policies will not substantially change the gloomy economic forecast for the UK, as growth projections have been rowed back and inflation is expected to remain above the Bank of England target well into 2024.

## **Planning**

- A consultation on a new permitted development right (PDR) to enable one house to be converted into two flats, so long as the exterior is maintained.
- A consultation on a new permitted development right (PDR) to end the blanket restriction on heat pumps one metre from a property boundary in England.
- New premium planning services across England with guaranteed accelerated decision dates for major applications and refunds wherever these are not met.
- A £5 million investment in the promotion of Local Development Orders to speed up planning permission for commercial projects.
- A new Local Nutrient Mitigation Fund supporting LPAs to deliver nutrient offsetting schemes in a bid to boost housebuilding.

### **Analysis by The Heritage Alliance**

The further extension of permitted development rights is potentially concerning. The proposed PDR to enable one house to be converted into two flats stipulates the exterior must remain unchanged but does not consider important historic interiors. We will respond to this consultation ensuring there are appropriate protections in place for listed and historic buildings to ensure historic interiors are not destroyed. The PDR on the position of heat pumps could also have an impact on the exteriors of historic buildings, but we do welcome options to make heating systems in historic buildings more sustainable and will await the publication of further detail.

A steer towards offsetting nutrient pollution from housebuilding has the potential to cause environmental damage which will harm local communities, health, and could impact natural heritage sites. The measures to speed up planning permission are likely to put further pressures on under-resourced councils. With a widespread lack of conservation and archaeological expertise in local planning authorities, there is a question over how the historic environment will be properly managed in these plans.

## **Levelling Up and Devolution**

- New investment zones in Greater Manchester, the West Midlands and the East Midlands which aim to leverage private investment in local growth industries.
- A new 'Level 4' of the devolution framework delivering deeper powers including new levers over local transport.
- Expansion of Level 2 devolution to eligible councils across England.
- £80 million for the expansion of the Levelling Up Partnerships programme to Scotland.
- Over £50 million to support regeneration in places across the UK: Bolsover, the Isles of Scilly, Warrington, North Norfolk, Eden and Monmouthshire.

### **Analysis by The Heritage Alliance**

Investment zones and devolution can present key opportunities for local communities to take better control of their finances and better maintain their local heritage sites. Regeneration projects also serve to revitalise communities and are most effective when local heritage is at their heart. It is vital that local authorities and devolved administrations take these opportunities to protect and cultivate local heritage for the benefit of communities.

## **Education and Training**

- £50 million to deliver a two-year apprenticeships pilot to explore ways to stimulate training in growth sectors and address barriers to entry in high-value standards.
- A new Advanced British Standard qualification will replace A levels and T levels to ensure every student is studying maths and English up to the age of 18.

### **Analysis by The Heritage Alliance**

The new Advanced British Standard will not be fully rolled out for a decade and the details are pending consultation. A broader curriculum is potentially welcome if it does not discourage students interested in pursuing craft skills or arts and humanities subjects. We support the government's decision to invest in apprenticeships, but it is unclear which 'growth sectors' will benefit from this funding. Apprenticeships are key for ensuring the future heritage workforce has the necessary skills to keep historic crafts and buildings alive, and the Heritage and Carbon report notes the need to double the number of conservation skilled contractors to tackle the retrofit backlog in the historic built environment. We hope that construction and green skills are included in these plans.

## Culture and Creative Industries

- £2.1 million of new funding next year for the British Film Commission and the British Film Institute Certification Unit.
- A review of public investment in R&D spending for the creative industries to a Spending Review timeframe.
- Administrative changes to cultural tax reliefs, including the Museums and Galleries Exhibition Tax Relief requiring new online registration.
- The DCMS resource budget will be reduced by £300 million in 2023-2024, and another £100 million from 2024-2025, whilst the capital budget will be increased from £500 million to £700 million.

### **Analysis by The Heritage Alliance**

THA supports the decision to expand funding for British film and TV, an industry which our internationally renowned national heritage underpins. Operating as filming locations is a useful source of extra income for many heritage organisations, and investment in this industry is likely to indirectly benefit the heritage sector by continuing to drive inbound film tourism. We await further details of the review of creative industry R&D spending in Spring.

Charitable arts and culture organisations will now be required to submit an online information form for tax reliefs, which may help to streamline the process. The changes to the DCMS budget reflect less funding for day-to-day resources and administration costs, and more investment in future growth and external projects. For DCMS this could mean less money for BBC licencing, and more for lottery funding, among other expenses.

## Research and Development

- £750 million investment in UK Research and Development (R&D) including £250 million for Discovery Fellowships, £145 million for new business innovation support, and a new National Academy focussed on mathematical sciences.
- The current R&D Expenditure Credit (RDEC) and SME schemes will be merged from April 2024 onwards.

### **Analysis by The Heritage Alliance**

We welcome further investment in R&D but note the lack of parity between new investment in science and mathematics research with that of the arts and humanities. Academic research and partnerships play a pivotal role in the development of the heritage sector, and we would support further investment in research funding for such projects.

**Want to learn more?  
Join The Heritage Alliance today.**

**The  
Heritage  
Alliance**

Thank you for taking the time to explore our review of the Autumn Statement 2023 and its implications for the UK heritage sector. If you found this analysis helpful and are interested in accessing more exclusive insights and resources, then we invite you to consider **becoming a member of The Heritage Alliance**.

Our membership is made up of over 200 organisations, which contain over 7 million members, volunteers, trustees, and staff. Their expertise spans the breadth of heritage sector – from museums and conservation to science and construction. By joining, your organisation will become part of the leading voice of the UK's independent heritage sector.

- **Be Heard:** We listen to our members, and advocate on their behalf. Your asks, needs, and concerns will be represented at our regular meetings with Members of Parliament, DCMS and other government departments, and sector-wide forums.
- **Be Informed:** Benefit from our insights on the latest political developments impacting the heritage sector, and our ongoing policy research into key economic, social, and environmental issues.
- **Connect and Share:** Exchange ideas with leading organisations across the sector through our advocacy groups and networks. We host two major sector-wide events each year, and a regular programme of free events and webinars for our members.
- **Access Expert Advice:** Benefit from expert guidance and training in topics from fundraising to project management, to emerging technology. We have provided tailored support in response to Covid-19 pandemic and the cost-of-living crisis.
- **Reach Others:** Promote your events, jobs, and news through our widely read *Heritage Update* newsletter and our exclusive *Members' Email*.

We offer three types of membership, and our subscription fees are adjusted for your organisation's annual turnover. **Join us today to add your voice to our community, access knowledge and support, and help to shape the future of the heritage sector.**

For more information, [please visit our website](#). 

**For further information or queries, please contact The Heritage Alliance.**

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