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Introduction

On Wednesday 6 March 2024, the Chancellor of the Exchequer (Jeremy Hunt) presented his Spring Budget 2024 to Parliament. This is likely to be the last major fiscal event before the next general election (which is expected, at the time of writing this briefing, to take place in November). Prior to the budget announcement, there was widespread speculation that it would focus on a package of tax cuts to bolster support for the Conservative platform – but that this might be tempered after the UK [officially entered recession in February](#).

This briefing paper provides **analysis of the most significant announcements for the UK heritage sector**, with commentary by the **Heritage Alliance**. An earlier version of this briefing was published exclusively for Heritage Alliance members on 6 March. To receive the latest policy insights for the heritage sector, consider [becoming a member of the Heritage Alliance today](#).

Additional resources can be accessed at the following websites:

- The [full text](#) of the Spring Budget 2024.
- The [full collection of supporting documents](#).
- A [video](#) and [transcript](#) of the Chancellor's speech.
- The House of Commons Library [background briefing](#) (produced before the Budget), [summary of the key Budget points](#), and [summary of responses](#) from think-tanks, businesses, other organisations, and political parties.
- A transcript of the [speech given by Lord Parkinson \(Minister for Arts and Heritage\)](#) at the Heritage Alliance's Heritage Day 2024 conference on 7 March.

The Heritage Alliance is England's largest coalition of independent heritage interests, bringing together over 200 organisations, which between them represent over 8 million members, volunteers, trustees, and staff. In our [Heritage Manifesto](#), we call 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.

What were the key themes of the Spring Budget 2023?

In his opening remarks, **Jeremy Hunt stated that this was a 'budget for long term growth'**, and that 'we can now help families not just with cost-of-living support but with permanent cuts in taxation'. He announced that the government would be able to deliver a 1% real-terms increase in planned departmental day-to-day spending – higher than analysts had predicted. According to OBR forecasts, inflation (currently at 4%) is expected to fall below the government's 2% target in Q2 2024, a year earlier than its earlier forecast at the time of the Autumn Statement.

It should be emphasised that slower inflation does not mean that prices are falling, just that they are rising at a slower rate. **The cost-of-living crisis is still very much present and having an impact across the country.** In recognition of this, the Budget announced £500 million to support the extension of the Household Support Fund (HSF) in England for an additional six months (until September 2024) – to provide money for local authorities to distribute to struggling households to help with the costs of utilities and food.

Prior to the official Budget announcement, Jeremy Hunt confirmed that **National Insurance Contributions will be cut from 10% to 8% from April**, following a prior reduction from 12% to 10% in the Autumn Statement – a total reduction of 2p for every pound. According to government estimates, a typical full-time nurse earning £38,900 annually will see their income increase by more than £1,000 each year. The UK now has the lowest combined basic rate of income tax and NICs since the modern system began in 1975.

However, **income tax thresholds have been static since 2021 and are set to remain frozen until at least 2028, increasing the likelihood of 'fiscal drag'**. This means that individuals who receive salary increases due to inflation are at risk of falling into a higher tax bracket (even though they may be earning less than before their pay rise in 'real terms'). Typically, tax thresholds rise with inflation, and the Resolution Foundation has warned that the current freeze effectively amounts to a £40bn tax.¹

What areas does our analysis cover in more detail?

- **Heritage, Culture, and the Creative Industries**
 - Tax Relief for Museums, Galleries, Theatres, and Orchestras
 - Cultural Investment
 - Creative Industries
 - Digital Markets, Competition and Consumers Bill
- **Tourism**
- **Environmental and Agricultural Policy**
- **Taxation**
- **Technology**
- **Departmental Expenditure**

¹ 'Taxpayers to Pay £40bn More Due to Threshold Freeze, Think Tank Says', *BBC News* (6 October 2023), <https://www.bbc.com/news/business-67031930>.

Heritage, Culture, and the Creative Industries

Tax Relief for Museums, Galleries, Theatres, and Orchestras

In a move that has pleased much of the heritage and wider cultural sector, **Theatre Tax Relief (TTR)**, **Orchestra Tax Relief (OTR)** and **Museums and Galleries Exhibitions Tax Relief (MGETR)** will be permanently set at 40% (for non-touring productions) and 45% (for touring productions and all orchestra productions) from 1 April 2025. A commitment to the future of MGETR was one of the key asks of our [Heritage Manifesto](#), so this is very positive news. To date, MGETR has supported 6,430 exhibitions of all sizes.²

Cultural Investment

The Budget also featured a series of **cultural investment announcements**, with a particular focus on fostering community regeneration and sustainable development:

- The West Midlands Combined Authority is set to receive £15 million to support culture, heritage and investment projects in the region.
- £6 million of funding will be provided for work with the King's Foundation (Heritage Alliance Member) to pilot community-led regeneration projects anchored around heritage assets and sustainability considerations, and how these can complement government's wider place-based initiatives for levelling up.
- Additionally, Round Three of the Levelling Up Fund will provide investment for a number of sites, including £15m to the National Railway Museum, £10m to the International Slavery Museum, £10m to safeguard the historic Temple Works building in Leeds, and £2.6m for V&A Dundee.

The government will also provide £26.4 million to upgrade the National Theatre's stages and infrastructure, and up to £1 million for a war memorial dedicated to Muslim soldiers who served in the British Armed Forces during the world wars.

Creative Industries

The Budget included some very welcome announcements for **the UK independent film sector**, including a new tax credit for independent films with budgets of less than £15 million, a 40% relief on gross business rates for eligible film studios in England (to run until 2034), and removing the 80% cap on eligible core expenditure for any visual effects costs (which could provide [a significant boost to the UK VFX industry](#)). More broadly, the cut in National Insurance could also bring welcome benefits to self-employed creative freelancers.

More detail on the support measures for the creative industries can be found on [the Creative Industries Council \(CIC\) website](#). These announcements could have knock-on benefits for the heritage sector, which – as explored in our [Inspiring Creativity](#) Insight Report – is closely interconnected with the creative industries, and often inspires, supports, or features within creative projects. Our [recent consultation response](#) regarding British film and high-end television

² Gareth Harris, 'Budget 2024: UK Museum Leaders Welcome Tax Incentive Announced by Chancellor', *The Art Newspaper* (7 March 2024), <https://www.theartnewspaper.com/2024/03/07/uk-museum-leaders-welcome-exhibition-tax-incentive-announced-by-chancellor>.

emphasised that the UK's heritage sites make it uniquely attractive to film and television producers across the world, and can provide a powerful source of additional income for heritage organisations.

Digital Markets, Competition and Consumers Bill

The DMCC Bill has received [much attention within the charity sector](#), due to its potential impact on charities' ability to claim Gift Aid on membership subscriptions.

The government has announced ([within the full text of the Budget](#)) that it proposes to **amend existing Gift Aid legislation** by Statutory Instrument, so that charities can continue to claim Gift Aid whilst complying with the new DMCC protections. According to the Budget, 'the amendments to the Gift Aid regime will be in place by the time the relevant provisions of the Bill come into force'.

Following the Budget, we have engaged closely with others in the charity sector to review the details of these proposals. Unfortunately, **we do not believe that the proposed concessions address all of our concerns sufficiently** – including the questions of (a) whether charitable membership subscriptions will continue to be considered as donations (and therefore eligible for Gift Aid), and (b) whether organisations will be required to make full refunds for memberships that are cancelled during cooling off periods. The latter would risk, for example, individuals signing up for a visitor membership, using this to visit several sites, and then requesting a full refund.

We will continue to raise our concerns in collaboration with others in the charity sector, and to monitor the progress of the DMCC Bill and any proposed secondary legislation.

Tourism

The government announced that it will scrap various tax breaks for holiday let owners, including the **Furnished Holiday Lettings (FHL) scheme**, which was criticised for making it more profitable to rent properties to holidaymakers rather than to tenants. This may impact heritage properties which are holiday lets, or heritage sites which have holiday lets on their land.

In addition, the **Capital Gains Tax** for residential property will be cut from 28% to 24%, which could incentivise individuals to sell holiday lets (by making these transactions more financially favourable).

As was widely anticipated, **Alcohol Duty** will be frozen until February 2025, in a mood to safeguard 'the great British pub'. However, there were no announcements regarding lower VAT rates for hospitality, or VAT-free shopping for international visitors – both heavily lobbied for by the tourism sector.

Environmental and Agricultural Policy

The government emphasised its support for investment in green infrastructure as a means of boosting rural economies. It is increasing the **Green Industries Growth Accelerator (GIGA)** by up to £120 million to bolster green energy technology and the expansion of low carbon supply chains. It also confirmed plans to develop a new nuclear site on the island of Anglesey, and to reactivate the Oldbury site in South Gloucestershire.

The Budget contained little direct mention of farming. However, the government has announced an extension to the existing scope of **Agricultural Property Relief (APR)** from April 2024, so that it will include all Environmental Land Management schemes (ELMs) – including the Sustainable Farming Incentive, Countryside Stewardship, and Landscape Recovery Scheme. This will remove a significant barrier to tenant farmers and landlords collaborating to enter ELMs schemes, by removing the risk that tenants' participation in schemes would change whether the land is eligible for APR. We are hopeful that this will continue to boost participation in ELMs schemes, which have been very beneficial for rural land managers and the historic environment.

The government has also committed to strengthening water and flood management efforts by providing £75 million to **Internal Drainage Boards**, which will help to ensure that agricultural land is shielded from flooding and storm damage. Given that many heritage assets are located on agricultural land (including 78% of Scheduled Monuments, 67% of Registered Parks and Gardens, and 100% of Registered Battlefields), this is welcome news.³

More broadly, the government has extended the 5p cut to **fuel duty** until March 2025 – this was first introduced in 2022, and was due to run out at the end of this month.

Taxation

The key announcements in this area were the previously discussed cut to National Insurance Contributions, and the continued freeze on income tax thresholds. However, the government's **Recovery Loan Scheme** for small- and medium-sized businesses (which was initiated during the Covid era), has been extended to last until March 2026 and renamed the 'Growth Guarantee Scheme'. This scheme may be of interest to some smaller heritage organisations.

From April, the **VAT registration threshold for small businesses** will increase from £85,000 to £90,000 – potentially offering some relief for smaller heritage organisations that were close to the previous limit.

Technology

A new £7.4 million **AI Upskilling Fund** pilot that will help to upskill small- and medium-sized enterprises. We will await more details of the fund, and whether it could be beneficial for heritage organisations.

The government is also seeking to take advantage of the opportunities of AI more broadly – some heritage organisations with an interest in spatial planning may be interested to learn that the Budget proposes to '[pilot] the use of AI solutions to support planning authorities to streamline their local plan development processes ... which has already reduced planning officer processing times by up to 30% per application'.

³ Historic England, Support and Funding for Rural Heritage (*Rural Heritage*), <https://historicengland.org.uk/advice/caring-for-heritage/rural-heritage/support-and-funding/>.

Departmental Expenditure

The full Budget document includes details of [Resource Departmental Expenditure Limits](#) (DEL), i.e. the budgets for different government departments.

Increased expenditure is proposed for Education and for Local Government – although the extra money allocated to the latter is primarily earmarked for the provision of adult and children’s social care, rather than broader Local Authority spending. However, **‘unprotected’ departments (including DCMS and DEFRA) face a significant real-terms cut to their budgets.**

As *The Guardian* reports, the extent of these departmental budget cuts is comparable to the Conservative austerity measures of 2010 – although these proposed cuts will only be implemented if the Conservatives remain in government after the next general election.⁴

We have pulled out the details for some key heritage-adjacent departments below.

Extract from Spring Budget 2024, Table 2.1:

Resource Departmental Expenditure Limits (DEL) excluding depreciation

Department	Outturn 2022-23 (£ billion) ¹	Plans 2023-24 (£ billion) ²	Plans 2024-25 (£ billion)
DLUHC Local Government	7.7	9.6 (+1.9)	12.4 (+2.8)
Transport	8.4	8.2 (-0.2)	5.7 (-2.5)
Environment, Food and Rural Affairs	4.4	4.8 (+0.4)	4.2 (-0.6)
DLUHC Levelling Up, Housing and Communities	4.0	3.4 (-0.6)	2.2 (-1.2)
Culture, Media and Sport	1.8	1.6 (-0.2)	1.4 (-0.2)

(1) i.e. actual expenditure

(2) i.e. planned expenditure

⁴ Eleni Courea, Ben Quinn, and Haroon Siddique, “Impossible Numbers”: Where Could Jeremy Hunt’s Budget Cuts Fall?, *The Guardian* (7 March 2024), <https://www.theguardian.com/uk-news/2024/mar/07/where-jeremy-hunt-budget-cuts-fall-departments>.

Want to learn more?
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Thank you for taking the time to explore our review of the Spring Budget 2024 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 represent over 8 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](#). 

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