

Extracts from the Spending Review and Autumn Statement and settlements made to the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport

Spending Review and Autumn Statement

The Government's Spending Review and Autumn Statement was published on 25 November 2015 and is available at <https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents>

Key points of relevance to the heritage science community include:

- The government will continue to prioritise investment in science to ensure the UK remains a world class centre of research.
- The Spending Review and Autumn Statement reasserts the government's firm commitment to the UK remaining at the forefront of world science by:
 - protecting today's £4.7 billion science resource funding in real terms for the rest of the Parliament.
 - delivering on the long term science capital commitment of £6.9 billion between 2015-2021 to support the UK's world-class research base.
- The government is taking forward the recommendations of Paul Nurse's independent review and, subject to legislation, will introduce a new body – Research UK – which will work across the seven Research Councils. This will take the lead in shaping and driving a strategic approach to science funding, ensuring a focus on the big challenges and opportunities for UK research.
- The government will also look to integrate Innovate UK into Research UK in order to strengthen collaboration between the research base and the commercialisation of discoveries in the business community. Innovate UK will retain its clear business focus and separate funding stream.
- The government will also take forward a review of the Research Excellence Framework in order to examine how to simplify and strengthen funding on the basis of excellence, and will set out further details shortly.
- The Spending Review and Autumn Statement extends the freedoms granted to Research Institutes at Budget 2015 to all Department for Business, Investment and Skills (BIS) Sector Research Establishments which are not public corporations, and will also grant access to accumulated reserves of commercial income, subject to a cap.
- The government is committed to supporting the arts and our world class national museums and galleries which make a rich contribution to society and our economy. The government will ensure that these sectors have the same amount of government funding in cash terms in 2019-20 as they do today.
- In 2014, there were 34 million overseas visitors who contributed over £28 billion to the UK economy, making travel and tourism one of the UK's largest service exports. Recognising this, the government will increase support to tourism by creating a new £40 million Discover England Fund to boost tourism across England.

- The Spending Review and Autumn Statement makes permanent the operational and financial freedoms for national museums announced at Spending Review 2013, which will be extended to include the British Film Institute, the National Army Museum, the National Museum of the Royal Navy, the Royal Air Force Museum, Historic England and the Churches Conservation Trust. This will support these bodies to move towards greater financial self-reliance and sustainability.
- To encourage museums and galleries to develop creative new exhibitions and display their collections for a wide audience, the government will explore with the sector the case for introducing a new tax relief for museums and galleries.
- The government will fund capital investments in culture across the country through a total of £1.6 billion by 2020-21. The government will invest £78 million capital funding in the Factory Manchester, plus £9 million per year in revenue funding from 2018-19. The government will invest £2.5 million in the Museum of Science and Industry in Manchester, £5 million for a new South Asia Gallery at Manchester Museum, £4 million in Birmingham Dance Hub and £500,000 towards plans to celebrate the 400th anniversary of the Mayflower in Plymouth in 2020. The government will also provide £150 million to provide new world class museum storage facilities to replace Blythe House in London. The government also invites the British Library to develop a business case for a print collections management hub in Boston Spa, Wetherby.
- Northern Powerhouse
To further invest in the North's strong creative and cultural life, the government will:
 - provide £5 million to expand the Great Exhibition of the North, which will celebrate the great art, design and culture of the North. The government will invest in a new £15 million Great Exhibition Legacy Fund to pave the way for future cultural investment in the Northern Powerhouse. The government is also pleased to announce the appointment of Sir Gary Verity to take this project forward
 - provide £5 million to support Manchester Museum to create a new South Asia Gallery, in partnership with the British Museum
 - provide £1 million to create a lasting legacy for Hull's UK City of Culture 2017 and prepare for the next UK City of Culture
- London
 - The government will also provide £150 million funding support to the British Museum, Science Museum, and Victoria and Albert Museum to replace out-of-date museum storage, including at Blythe House, with new world-class facilities to preserve and protect over 2 million fragile and sensitive objects. Blythe House will be sold in due course.

Department for Business, Innovation and Skills settlement

<https://www.gov.uk/government/news/department-for-business-innovation-and-skills-settlement-at-the-spending-review-2015>

- Science funding of £4.7 billion will be protected in real terms and total spend will be over £500 million higher by the end of the Parliament compared to 2015-16. This will include a £1.5 billion new Global Challenges Fund. The government is also taking steps to ensure these resources are used strategically and effectively through the Nurse Review recommendations and the HE green paper consultation.
- In order to prioritise spending on economic growth, BIS will reduce departmental administration spending by a further £100 million by 2019-20. This will contribute to a wider programme of reform, including further reducing the number of Arm's Length Bodies (ALBs), unlocking efficiencies through increased digitisation and increasing the pace of estates and workforce reform.

[BIS is required to make savings of 17% over the period]

Department for Culture, Media and Sport (DCMS) settlement

<https://www.gov.uk/government/news/dcms-settlement-at-the-spending-review-2015>

- ensuring continued free access to national museums and galleries as part of a settlement that maintains funding in cash terms for museums, galleries and the arts
- £1.6 billion of capital investment over the next 5 years
- a reduction in core DCMS administrative costs and reforms including a new operating model for the Royal Parks to ensure a sustainable financial future

Less than 1% of total government expenditure goes to culture, media and sport; sectors which account for almost a sixth of the UK economy.

Quote from the Chancellor

“Britain’s not just brilliant at science. It’s brilliant at culture too. One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport. £1 billion a year in grants adds a quarter of a trillion pounds to our economy – not a bad return. So deep cuts in the small budget of the Department of Culture, Media and Sport are a false economy.”

[DCMS is required to make 20% savings in administration costs over the period].

- The UK will provide international support for cultural heritage in global conflict zones, with £30 million ODA funding between 2016-17 and 2019-20 for a new Cultural Protection Fund.
- The government will invest £150 million to support the British Museum, Science Museum and Victoria and Albert Museum to replace out of date museum storage at Blythe House with new world-class storage facilities to preserve and protect over 2 million fragile and sensitive objects.
- The government will work with museums and galleries to explore the case for introducing a new tax relief for the sector.
- The government confirms £20 million investment to expand the Great Exhibition of the North and to create a new Great Exhibition Legacy Fund.
- The government will provide sufficient funding to ensure that the new English Heritage commercial model which went live earlier this year can be successfully implemented.
- The government will make permanent the operational freedoms for national museums announced at Spending Review 2013, which will be extended to other public institutions including the British Film Institute (BFI), the National Army Museum, the National Museum of the Royal Navy, the Royal Air Force Museum, Historic England and the Churches Conservation Trust. This measure enables these important institutions to become more self-sufficient and continue providing efficient and high quality services.
- Corporation tax: museums and galleries tax relief – The government will explore with the sector the case for introducing a new tax relief for museums and galleries.

NHSF has issued a press release in response to the Spending Review announcements which is available at www.heritagescienceforum.org.uk/policy.php