

Spring Statement 2025

Our analysis

The Heritage Alliance

March 2025

Introduction

On Wednesday 26 March 2025, the Chancellor of the Exchequer (Rachel Reeves) presented the Spring Statement to Parliament, ahead of a full Spending Review in June. This paper provides a brief analysis of the key points and where there may be relevance for the heritage sector.

Key resources can be accessed at the following websites:

- You can find a transcript of the **Chancellor's speech** [here](#)
- You can find the **Spring Statement** [here](#)
- All associated **supporting documents** can be found [here](#)

Summary and key points

The 2025 Spring Statement was centred around the government's Plan for Change, with three core principles: **strengthening the UK's security, reforming the state and growing the economy.**

The Statement was delivered amidst the backdrop of global economic uncertainty, with an emphasis on fiscal responsibility, defence spending increase, welfare reform and economic growth through planning and infrastructure development.

Some of the topline announcements were:

- The OBR forecasts that the **economy will grow by 1.0% in 2025**, accelerating to 1.9% in 2026, whilst inflation will peak at 3.8% in July 2025, before falling close to the 2% target from Q2 2026 until the end of the forecast period.
- **Departmental budgets** will still grow in real terms from 2025-26 to 2029-30, but at a slightly slower rate than set out at the Budget last autumn, averaging 1.2% per year.
- **No new tax increases were announced.**
- **Tax thresholds** remain frozen until 2028 (2030 for inheritance tax)
- **Planning reforms** are forecast to increase real GDP by 0.2% by 2029-30 and 0.4% within the next decade.

- Spending on **defence** was confirmed to increase to 2.5% of GDP by April 2027, with Portsmouth naval base to be regenerated
- The chancellor said that £1bn would be used to help people find jobs and get back into work, but that there would be a £4.8bn cut from **welfare benefits**.
- Investment in **employment, health and skills** support to scale up to £1bn a year by 2029-30.
- A new [consultation](#) was announced on clearances for the **Research and Development (R&D) tax reliefs**
- **Government departments** will reduce their administrative budgets by 15% by the end of the decade.

Growth, planning and infrastructure

- The government is seeking to drive growth through **supply side reforms**, including via increased capital spending and regulatory reform. The OBR estimates planning reforms included in the National Planning and Policy Framework (NPPF) will lead to 170,000 additional homes being built over the forecast period.
- The [Regulation Action Plan](#) commits the government to cut the administrative costs of regulation on business by 25% by the end of the Parliament.
- The Government will publish its modern **Industrial Strategy** alongside the Spending Review in June.
- In summer, government will publish an **interim report on the business rates system** – building on a commitment to reform the system – with further detail expected at the autumn Budget.
- The **Planning and Infrastructure Bill** will streamline planning processes and unlock housing and critical infrastructure delivery.
- The government will invest an additional £2 billion in social and affordable housing in 2026-27
- To **address skills shortages in construction**, the government has committed £625 million over four years to boost training routes and support employers to invest in training. This is expected to provide up to 60,000 additional skilled construction workers this Parliament.

Our take:

*We welcome many aspects of the **Planning and Infrastructure Bill**, such as provisions to enable local authorities to set their own planning fees and mandatory training for planning committee members (as part of which we would like to see heritage embedded); however we remain concerned about some specific elements on which we would welcome clarity from the Government. You can read our briefing [here](#).*

*The **construction skills package** referred to could benefit heritage construction if traditional building skills are included in the training provision. Our [Heritage Manifesto](#) calls for a*

doubling of the number of conservation-skilled retrofit contractors in the UK and a commitment to a National Retrofit Strategy.

Public sector reform

As part of its Plan for Change, the Government is looking at reforms to the state which include measures such as:

- Cutting **regulatory compliance costs** to business by 25%
- Embracing **digital technology and AI** across government
- Stripping back duplication and inefficiency in arms-length bodies to strengthen accountability

For further information or queries, please contact the Heritage Alliance:

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