



MONITORING

Spending Review 2021-22

A comprehensive breakdown of the Chancellor's one-year Spending Review



25/11/2020

Overview

The Chancellor Spending Review was initially expected to be a Comprehensive one – setting out funding for the next four years. Due to the economic uncertainty caused by the pandemic, it now focusses on the 2021-22 spending round, but does contain some long-term capital spending, as well as multi year NHS and schools' resource settlements.

The Review sets out the annual limit for each department on their total spending that can reasonably be planned in advance – known as Departmental Expenditure Limits (DEL), including day-to-day spending and capital budgets, such as investment in fixed assets, such as infrastructure or technology or public buildings.

The Chancellor has promised to not bring back austerity, but those observing the plans to freeze some public sector pay and cuts to overseas aid will be concerned about harsher measures coming down the line as the UK begins its recovery from the global pandemic, especially given the Chancellor's stark warning that the country now faces an "economic emergency".

Documents:

Spending Review 2020: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938052/SR20_Web_Accessible.pdf

OBR forecasts: <https://obr.uk/efo/economic-and-fiscal-outlook-november-2020/>

Fiscal Position and OBR forecasts

The economy will shrink by 11 percent this year – the largest drop since the Great Frost in 1709, according to the OBR's Economic and Fiscal Outlook. The good news is that the central forecast is marginally better than the central scenario created by the OBR in July, which estimated the contraction standing at 12.4 percent this year. Optimistically the OBR also forecasts that the economy will recover to pre-virus levels by the end of the 2022.

The bad news is that the central scenario also estimates the economy will be permanently scarred by the pandemic, remaining 3 percent smaller than expected than March 2020 even in 2025.

The OBR's central scenario is underpinned by the assumption that restrictive public health measures need to be kept in place until the spring and vaccines are rolled out fairly rapidly. If the lockdown does not succeed in bringing the second wave infections under control, the outcome will be worse.

The OBR makes clear that much uncertainty is clouding the scenarios, with the economy depending not only on the future path of the virus, test & trace, vaccine effectiveness and their roll-out, but also on the outcome of the Brexit negotiations. All three scenarios assume a smooth transition to a free-trade agreement with the EU in the new year, which is not a given. This is why the OBR have created an alternative – no deal – scenario, which shows the output further reduced by 2 per cent initially and by 1.5 per cent at the forecast horizon.

The total cost of the coronavirus on the public finances estimated to be £280bn, which includes the Spending Review plans announced just now by the Chancellor. The combined impact of the virus on the economy and the fiscal response had pushed the deficit to nearly £400bn and debt-to-GDP to 105 per cent of GDP, the highest since 1959-60.

However, despite this historic rise in spending, the 2021-22 the debt interest spending to revenue ratio has fallen to a post war record low of 1.7 percent. This may provide some assurance to those worried about the unsustainability of public finances. The Government will be spending £20bn less on debt interest. Moreover, the OBR states that so long as investors maintain confidence, a debt-to-GDP ratio over 100 percent should not prove particularly onerous by historical standards.

The OBR states that a fiscal adjustment of at least £27bn (1 percent of GDP) would be required to match day-to-day spending to receipts by the end of the five-year forecast period. This is likely to come from tax rises or cuts to spending. Some of these decisions have already been taken with the public sector pay freeze and the £10-12bn cuts to departmental spending from 2022-23 to 2024-25 relative to the March Budget.

Unemployment is forecast to peak at 7.5 percent in the spring, as the furlough scheme is withdrawn, which is close to the Bank of England's own forecasts. According to numbers from real time information from HMRC, the rate is estimated at around 6 percent already.

Fiscal position top lines

Page numbers indicate position in spending review document

- The Spending Review sets aside £113bn in total this year for the public services response to Covid-19. (page 17)
- Resource DEL spending in 2021-22 is £45bn higher than indicatively set out in March. This change is comprised of core day-to-day departmental spending growing at 3.8 percent a year on average in real terms from 2019- 20 to 2021-22 and £55bn set aside to respond to Covid-19. (page 17)
- Reflecting changed circumstances, core day-to-day departmental spending is £10bn less than the indicative spending envelope in Budget 2020 but represents a £14.8bn year-on-year increase in cash terms on top of the £21.5bn increase this year announced at SR19. (page 17)



- SR20 also provides £100bn of capital investment next year, a £27bn real terms increase compared to 2019-20. (page 17)
- On public spending, overall core day-to-day spending, excluding exceptional funding to fight Covid-19, will rise to £384.6bn in 2021-22. This is an increase of £14.8bn in 2019-20 and comes on top of the £21.5bn cash increase announced at Spending Round 2019. (page 43)
- These public spending commitments include a £6.3bn cash increase in NHS spending in 2021-22, compared to 2020-21, a £2.2bn uplift for the core schools' budget in 2021-22 compared to 2020-21 levels of funding, an additional £400m to help recruit 20,000 additional police officers by 2023, increasing core spending power for local authorities by an estimated 4.5 per cent in cash terms. (page 43)
- SR20 places a renewed focus on outcomes and ties spending and performance more closely together. This approach is part of implementing the Public Value Framework. (page 46)
- Government has already provided an additional £4.5m for the Fraud, Error, Debt and Grants Function in Cabinet Office this year, to tackle fraud within schemes set up to respond to Covid-19 in 2020-21. (page 47)
- Extends commercial spending controls, exercised by the Cabinet Office, to a number of arm's-length bodies (ALBs) that are currently exempt. (page 47)
- Invests over £600m to fix outdated government IT to ensure core systems are secure and can support better administration. This includes new funding of £268m in HMRC, £232m in the Home Office, £40m in the Ministry of Justice and £64m in the Department for Education to bring technology up to date. (page 47)
- Government has published a review of the Green Book, designed to ensure that investment decisions are made in a way that spreads opportunity across the UK. (page 48)
- Alongside these updates to the Green Book, departments will develop relocation plans over the coming year as part of the government's commitment to levelling up. (page 49)
- Alongside SR20 the government is also publishing the concluding report of the Treasury's world-leading Balance Sheet Review (BSR). (page 49)



Contents

[Brexit](#)

[Business, Economy and Financial Services](#)

[Coronavirus](#)

[Devolution](#)

[Digital, Culture, Media and Sport](#)

[Education and Skills](#)

[Environment, Food and Rural Affairs](#)

[Energy and Utilities](#)

[Equalities](#)

[Foreign Affairs, Defence and International Development](#)

[Health](#)

[Housing, Communities and Local Government](#)

[Home Affairs and Justice](#)

[Transport and Infrastructure](#)

[Welfare and Social Care](#)

[Stakeholder Responses](#)

Brexit

Without knowing what terms, the UK is leaving the transition period on, the Chancellor must plan for two scenarios: leaving without a deal; or leaving with a slim trade agreement at the end of the year.

With the Governor of the Bank of England this week warning that no deal would have more severe long-term consequences on the economy than the pandemic, the Chancellor has sought to mitigate some of the potential fall out by providing extra funding to the border systems.

However, no deal could be fatal to some businesses and would mean the UK entered 2021 in a state of significant economic disruption.

A deal is still widely preferred amongst industry leaders but, with little over a month to go, many have voiced concern that there is not adequate time to implement any changes associated with an agreement.

Announcements

- Aim of enabling 80 per cent of UK trade to be covered by free trade agreements by the end of 2022. (page 51)
- The Government will also step up international engagement, including as an independent member of the World Trade Organisation, to strengthen the rules-based global trading system. (page 51)
- An additional £217m to deliver the Future Borders and Immigration System. (page 52)
- £60m for the FCDO to support the UK's new relationship with the EU and to maintain and strengthen diplomatic relations with EU institutions and member states. (page 52)
- £60m to prepare for the UK's new relationship with the EU, including strengthening bilateral diplomatic relations with EU institutions and member states (page 70)
- £4.1m to create simpler and more flexible procurement rules, and £16m seed funding for the Border and Protocol Delivery Group to develop a Single Trade Window. (page 88)
- £10m to support border flow (page 88)

Business, Economy and Financial Services

With unemployment expected to soar to 7.50 percent in the spring next year according to the OBR, the Chancellor said his "number one priority is to protect jobs and livelihoods", as he announced £4.3bn plan to tackle mass unemployment. This money will go into a Restart jobs scheme to give tailored support to over 1m unemployed people, and to the Job Centre Plus to double the number of work coaches. To get help people move to new jobs and reskill, Rishi Sunak also announced a skills package and funding for the PM's Lifetime Skills Guarantee was announced. However, new incentives for employers to create jobs have not been announced.

With a low level of vacancies - 28 percent lower than last year in September as it stands – and a highest net flow of people moving from economic inactivity to unemployment – a demand led approach focusing on job creation will be crucial. Although he did not emphasize this vision, the Chancellor announced £100bn capital investment - £27bn more in real terms than last year – for housing, broadband, 4G, new roads, cycle lanes and zero emissions busses, which is expected to support hundreds of thousands of jobs.

There had been a unified call for an investment bank to finance infrastructure and innovations necessary for a green recovery, but also replace the several billion pounds a year that the UK used to receive from EIB and EIF in infrastructure funding. These asks have been met by the Chancellor who has announced a new National Infrastructure Bank and a £4bn Levelling Up Fund for infrastructure projects.

Business investment has been lacking due to uncertainty even before the pandemic, and the balance sheets of businesses have suffered due to the coronavirus crisis. The Chancellor had previously extended the maturity of the bounce back loans but calls for a student like type of repayment arrangement have persist. This issue was left unaddressed by the Chancellor.

Announcements

- Pay rises in the public sector will be restrained and targeted in 2021-22 (page 21)
- The government will prioritise the lowest paid, with 2.1m public sector workers earning less than £24,000 receiving a minimum £250 increase. (page 21)
- Following the recommendations of the independent Low Pay Commission (LPC), the government will increase the National Living Wage (NLW) for individuals aged 23 and over by 2.2 per cent from £8.72 to £8.91, effective from April 2021 (page 21)
- The government has also accepted the LPC's recommendations for the other National Minimum Wage (NMW) rates to apply from April 2021 including (page 22).
 - increasing the rate for 21 to 22-year-olds by 2.0 per cent from £8.20 to £8.36 per hour
 - increasing the rate for 18 to 20-year-olds by 1.7 per cent from £6.45 to £6.56 per hour
 - increasing the rate for 16 to 17-year-olds by 1.5 per cent from £4.55 to £4.62 per hour
 - increasing the rate for apprentices by 3.6 per cent from £4.15 to £4.30 per hour
 - increasing the daily accommodation offset rate by 2.0 per cent from £8.20 to £8.36.
- The government will increase the 2021-22 Income Tax Personal Allowance and Higher Rate Threshold in line with the September CPI figure. (page 22)
- The government will also use the September CPI figure as the basis for setting all National Insurance limits and thresholds, and the rates of Class 2 & 3 National Insurance contributions, for 2021-22. (page 22)
- Confirms £519m of funding in 2021-22 to support the continued delivery of Covid-19 loans, including paying for the 12-month interest free period on the BBLS and the CBLS (page 26)

- Freezes the business rates multiplier in 2021-22, saving businesses in England £575m over the next five years. (page 26)
- The government is also considering options for further Covid-19 related support through business rates reliefs. In order to ensure that any decisions best meet the evolving challenges presented by Covid-19, the government will outline plans for 2021-22 reliefs in the New Year (page 26)
- Providing an additional £56.5m in 2021-22 to support the vitality and entrepreneurship of the UK by expanding the British Business Bank's Start-Up Loans to meet the increase in demand and support entrepreneurs to start and grow their business (page 26)
- SR20 sets aside £21bn of contingency funding within the £55bn support package for public services. This money is not yet allocated but will allow the necessary support to be put in place and adapted through the course of next year (page 29)
- SR20 announces £100bn of capital spending in 2021-22 (page 33)
- A refreshed Green Book updating the government's guidance on how to assess potential investments, to help achieve the aim of addressing regional imbalances (page 34)
- £280m in 2021-22 for net zero R&D, including an £81m multi-year commitment for pioneering hydrogen heating trials. (page 56)
- The Department for Business, Energy, and Industrial Strategy (BEIS) settlement includes £2.4 bn resource spending and £15.6bn capital spending. BEIS's core resource budget has grown by 3.3 percent and its capital budget by 15.7 percent in real terms since 2019-20. Core total DEL is now £18 bn and has increased by 13.8 per cent in real terms each year from 2019-20 to 2021-22 (page 78).
- Over £500m to support the continued delivery of Covid-19 loans, including paying for the 12-month interest-free period on the Bounce Back Loans and Coronavirus Business Interruption Loan Schemes (page 78).
- An uplift of over £400m on average per year until 2023-24 for core UK Research and Innovation (page 78).
- At least £490m in 2021-22 for Innovate UK core programmes and infrastructure to support ground-breaking technologies and businesses (page 78).
- This settlement will provide £3.6bn of funding in 2021-22 to deliver labour market support, reflecting the government's priority of getting people into work, including funding for:
 - A new 3-year long £2.9bn Restart programme to provide intensive and tailored support to over 1m unemployed people and help them find work (page 85)
 - £2bn Kickstart Scheme to create hundreds of thousands of new, fully-subsidised jobs for young people across the country. This settlement confirms funding for over 250,000 Kickstart jobs (page 85)
 - £1bn funding to reform and enhance the UK customs system after the end of the Transition Period, including investment in critical physical and IT infrastructure and support for UK traders and businesses (page 86)
 - £146m to extend the successful rollout and operation of Making Tax Digital for VAT for businesses below the VAT threshold and for Income Tax Self-Assessment businesses and landlords with income over £10,000. (page 86)
 - £268m to improve the agility, resilience and security of HMRC's existing IT estate
 - £22m to modernise the Valuation Office Agency's (VOA) IT systems, enabling the agency to become more flexible, efficient and resilient, and £31m to support the revaluation of Business Rates in 2023 (page 86)
- The HMRC settlement also includes £20m to fund additional resource to implement and ensure compliance with Covid-19 support schemes (p86)
- A £5.5m cash increase in core resource funding to the Treasury from 2019-20 to 2021-22, delivering a 2 per cent average real terms increase per year since 2019-20. HM Treasury's capital budget in 2021-22 is £9m. Average real growth in core total DEL is 3.2 per cent per year from 2019-20 (page 87)
- £15.7m RDEL and £6m CDEL funding towards establishing a new economic campus in the north of England and increasing HMT's presence in Edinburgh, decentralising policy decision-making out of London and contributing to the government's ambitious levelling up agenda
- £4.7m to establish a central capability to manage contingent liabilities which will improve our understanding and management of government's portfolio of guarantees and insurance risk (page 87)
- £109.6m funding for the Competition and Markets Authority (CMA), including additional funding to establish a new, dedicated Digital Markets Unit (page 92)
- £493.7m total DEL for the UK Statistics Authority to deliver the Census in 2021 – including £6.5m of new investment to monitor economic and social impacts of Covid-19 (page 92)
- An £18.2m increase to UK Export Finance's resource budget, funded from premium income (page 92)

Coronavirus

The Spring Budget came just days before Covid-19 forced the UK into a full lockdown. In that Budget, the Chancellor said the Government would do “everything we can to keep this country and our people healthy and financially secure.” That consisted of a £30bn package to boost the economy, including £5bn for the NHS in England and £7bn for businesses and workers across the country. The Chancellor today pledged to continue this support to protect lives and livelihoods.

The headline figure in respect of coronavirus in today's Spending Review was the commitment of £55bn to tackle the virus in 2021-2022, with an additional £38bn for public services to continue to fight the pandemic this year.

In the Winter Covid Plan announced on Monday, the Prime Minister pledged further support for the Government's testing and tracing efforts, which has come under constant criticism. Today's Spending Review allocated a further £6bn for coronavirus vaccines as well as a further £15bn for Test and Trace, £2.1bn for PPE and £163m for medicines and therapeutics. In recognition of the vital work carried out by local public health teams, the Chancellor this afternoon announced that the Government was increasing core grant funding for local authorities to provide over £3bn of additional support for Covid-19 pressures.

Announcements

- Cement the UK's status as a global leader in science and innovation by investing nearly £15bn in R&D in 2021-22. (page 53)
- £15bn for Test and Trace, £2.1bn to continue to maintain and distribute stocks of personal protective equipment, and £163m for medicines and therapeutics. (page 59)
- Invest in critical R&D for vaccines and treatments for Covid-19. It provides £128m in 2021-22 to support vaccine R&D in the UK, including for clinical trials and to build UK manufacturing capacity. (page 54)
- The government is increasing core grant funding for local authorities and expects to provide over £3bn of additional support for Covid-19 pressures in 2021-22. (page 74)



- £733m for the UK Vaccines Taskforce to purchase successful vaccines for Covid-19. This is part of the total £6 billion the government has provided to procure vaccines. This includes £128m for UK vaccines R&D and funding for the Vaccines Manufacturing Innovation Centre (page 78).

Devolution

Were it not for the virus doing its best to upstage every news bulletin, it would be the future of the Union that would be the biggest story of the year. Indeed, the virus may prove more popular than the Government in certain parts of the Devolved nations.

The Government has acknowledged this unpopularity and is responding on an impressive scale, armed with a chequebook and a commitment to splashing a Union Flag on projects. Thus a new fund to “strengthen the links across the UK by ensuring that the benefits of the Union are clear, visible and understood by all citizens” has been announced, along with a combined £44.5m in funding to Territorial Offices to represent the UK Government in Scotland, Wales and Northern Ireland.

It is more than just political spin, however, and the acceleration of local projects and city deals will be warmly welcomed by stakeholders across the country. Even the Government’s staunchest opponents in Cardiff Bay, Holyrood and Stormont will struggle to pick holes in the additional £4.7bn to the devolved administrations next year – although that might not stop them from trying.

Announcements

- £2.6bn for the devolved administrations (page 27)
- Delivering major investment for local transport priorities in English cities through the Transforming Cities Fund and, building upon this, through five-year intra-city transport settlements for eight Mayoral Combined Authorities (page 35)
- accelerating multi-year projects under four City and Growth Deals in Scotland, driving forward local economic priorities in Tay Cities, Borderlands, Moray and the Scottish Islands (page 35)
- launching a new Levelling Up Fund worth £4bn for England, that will attract up to £0.8bn funding for Scotland, Wales and Northern Ireland in the usual way (page 36)
- A new Levelling Up Fund worth £4 bn for England, with up to £0.8 bn for Scotland, Wales and Northern Ireland (page 72)
- An additional £4.7bn to the devolved administrations through the Barnett formula in 2021-22, including £2.6bn related to Covid-19, on top of their combined baseline of over £60 billion. This builds on the unprecedented £16bn of upfront resource funding the UK government has guaranteed to the devolved administrations in 2020-21, in addition to their Budget 2020 funding for that year (page 89)
- Scottish Government will receive an additional £2.4bn through the Barnett formula, with £1.1bn of core funding and £1.3bn in relation to Covid-19 (page 89)
- Welsh Government will receive an additional £1.3bn through the Barnett formula, with £560m of core funding and £770m in relation to Covid-19 (page 89)
- Northern Ireland Executive will receive an additional £0.9bn through the Barnett formula, with £380m of core funding and £540m in relation to Covid-19 (page 89)
- Continue to contribute to the £60m cross-government GREAT Britain and Northern Ireland Campaign that plays a key role promoting the UK to visitors, students and investors (page 84)
- £5m to strengthen the links across the UK by ensuring that the benefits of the Union are clear, visible and understood by all citizens (page 87)
- A combined £44.5m in funding to Territorial Offices to represent the UK Government in Scotland, Wales and Northern Ireland (page 91)
- This includes time-limited funding for the Northern Ireland Office to implement the New Decade, New Approach agreement to mark the end of the Northern Ireland Centenary 2021 (page 91)

Digital, Culture, Media & Sport

A sector starved of audiences has now endured 8 cash-strapped months. Although a level of sector-specific support had already been provided, many will have been hoping for a further boost in the Spending Review. They will have been left disappointed, with scant mention of the culture sector in the review and only a modest capital budget increase.

The picture isn’t entirely bleak, however, with more than £100m of capital investment for DCMS-supported bodies working across culture, heritage, and sports and an even larger sum to support galleries and museums.

As ever, digital outperforms the other three strands of the Department, with big increases to support the rollout of gigabit-capable broadband and connectivity generally across the UK

Announcements

- A 2.3 percent average real terms increase per year in core resource funding from 2019-20 to 2021-22. The department’s capital budget increases by £135m in cash terms next year, taking core total DEL to £764m (page 80)
- £1.2bn from 2021-22 to 2024-25 to support the rollout of gigabit-capable broadband across the UK, essential in an increasingly digital age for supporting the UK economy. This is part of the government’s £5bn commitment to support gigabit-capable broadband rollout to the hardest to reach areas of the UK (page 80)
- £50m next year, as part of a £250m commitment to building a secure and resilient 5G network (page 80)
- Over £200m UK-wide to continue flagship digital infrastructure programmes, including the Shared Rural Network for 4G coverage, Local Full Fibre Networks, and the 5G Testbeds and Trials Programme (page 80)
- £45m for programmes to drive growth through digital technologies and data, while improving online safety and security (page 81)
- Over £150m to continue to strengthen our cultural and heritage infrastructure, including through the Cultural Investment Fund and Museums Infrastructure Fund, enabling the development of British Library North and continued investment in the Heritage High Streets programme (page 81)



- More than £100m of capital investment for DCMS-supported bodies working across culture, heritage, and sports (page 81)
- Over £320m for our internationally renowned galleries and museums (page 81)
- Over £150m in 2021-22 for upcoming major events, including the 2022 Commonwealth Games in Birmingham, Festival UK and the celebrations for the Queen's Jubilee (page 81)
- Over £60m for Sport England to increase participation in sport and support vital projects in communities across the country (page 81)
- Almost £100m to deliver the National Citizen Service (NCS) and invest in youth facilities. The government will review its programmes to support youth services including the NCS in the spring (page 81)

Education and Skills

The past six months have been busy and turbulent for the education and skills sectors – dominated by the ongoing situation caused by Covid-19, as well as the Government's pursuit of its domestic 'levelling-up' agenda.

Those within the education sector were hoping to see a little more in terms of catch-up funding from the Chancellor today, but were left mostly disappointed. The confirmation of the £2.2bn increase to school budgets was welcome, but stakeholders are already saying it doesn't do enough to mitigate the lasting effects of the past year.

On children and early years, the Government have reaffirmed their commitment of £220m for the Holiday Activities and Food programme to continue into next year, as well as a £44m investment in early years education, and £100m for the NCS and youth facilities.

As expected, technical education and skills were placed front and centre to the recovery, with additional funding announced for the Lifetime Skills Guarantee, further rollout of T-levels, and support for in-work learning across the board. £291m will be going towards Further Education, and £375m will be invested from the National Skills Fund. A focus on higher technical provision will also be welcome amongst universities, as the HE and FE sectors move towards greater parity. The exact details of how and where this money will be spent will hopefully become clearer with the publication of the FE/Skills White paper, which we are still expecting before 2020 rumbles to a close.

The R&D sector has a good deal to be happy about, after Sunak announced he would be dedicating £4.6bn in investment for Research and Development across the economy.

Announcements

- Education funding of £1.4bn, including funding for schools in England to help children catch up on lost learning and supplementary support for free school meals (page 27)
- A multi-billion-pound capital investment to deliver the government's commitments on building hospitals, schools and prisons (page 34)
- The school's budget will increase from £47.6bn in 2020-21 to £49.8bn in 2021-22 – an uplift of £2.2bn (page 44)
- Additional funding to Invest in Further Education to ensure that core funding for 16 to 19-year-olds is maintained in real terms per learner, rising in line with demographic growth (page 44)
- Confirm changes to support employers offering apprenticeships by delivering further improvements to the system (page 45)
- £220m for the Holiday Activities and Food programme to provide enriching activities and a healthy meal for disadvantaged children in the Easter, Summer and Christmas holidays in 2021 (page 45)
- Launching a 10-year school rebuilding programme, with a commitment to rebuilding 500 schools in England over the next decade (page 46)
- Providing £1.5bn over six years to deliver the government's commitment to bring all Further Education college estates in England up to a "good" condition (page 46).
- Cement the UK's status as a global leader in science and innovation by investing nearly £15 billion in R&D in 2021-22 (page 53)
- Up to £17m in 2021-22 to establish a new unit and fund that will focus on the last mile of innovation to help ensure that public sector knowledge assets (page 53)
- £450m in 2021-22 to support government priorities, drive the development of innovative ways to build new science capability and support the whole research and innovation ecosystem (page 54)
- Raise economy-wide investment in R&D to 2.4 per cent by 2027 (page 54)
- £280 million in 2021-22 for net zero R&D, including an £81 million multi-year commitment for pioneering hydrogen heating trials (page 56)
- £695m of additional R&D funding between 2021-22 and 2024-25 to support the development of cutting-edge capabilities (page 56)
- A £2.9bn cash increase in core resource funding from 2020-21 to 2021-22, delivering a 3.2 per cent average real terms increase per year since 2019-20 (page 62)
- The department's capital budget increases by £0.5bn in cash terms next year, taking core total DEL to £76.4bn (page 62)
- An increase in the schools budget from £47.6bn in 2020-21 to £49.8bn in 2021-22 (page 62)
- £291m for Further Education in 2021-22, in addition to the £400m that the government provided at SR19 (page 62)
- Investing £375m from the National Skills Fund in 2021-22 (page 62) including:
 - £138m to fund in-demand technical courses for adults, equivalent to A level, and to expand employer-led bootcamp training model
 - £127m to build on Plan for Jobs, fund traineeships, sector-based work academy placements and the National Careers Service
 - £110m to drive up higher technical provision in support of the future rollout of a Flexible Loan Entitlement
- Made available £2.5bn of funding for apprenticeships and further improvements for employers (page 62)
- Investment of £1.8bn in 2021-22 to maintain and improve the condition of school buildings (page 63)
- £300m for new school places for children with special educational needs and disabilities (page 63)
- Funding towards meeting the government's commitment to £1.5bn to bring all Further Education college estates in England up to a good condition (page 63)
- £83m to ensure that post-16 providers can accommodate the expected demographic increase in 16 to 19-year-olds (page 63)

- £64m for the Student Loan Company, including for its transformation programme (page 63)
- £162m to support the rollout of T Levels waves 2 and 3 (page 63)
- £72m to support the commitment to build 20 Institutes of Technology (page 63)
- £24m to start a new programme to maintain capacity and expand provision in secure children's homes (page 63)
- Provides funding towards delivering a £220m Holiday Activities and Food programme to provide enriching activities and a healthy meal for disadvantaged children in the Easter, summer and Christmas holidays in 2021 (page 63)
- Provides £44m for early years education to increase the hourly rate paid to childcare providers for the government's free hours offers (page 63)
- Provides funding to prepare for a UK-wide domestic alternative to Erasmus+ in the event that the UK no longer participates in Erasmus+ (page 63)
- Further financial support will be provided to the British Council to reform and invest (page 70)
- Almost £100m to deliver the National Citizen Service (NCS) and invest in youth facilities. The government will review its programmes to support youth services including the NCS in the spring (p81)
- £2bn Kickstart Scheme to create hundreds of thousands of new, fully-subsidised jobs for young people across the country. This settlement confirms funding for over 250,000 Kickstart jobs (page 85)
- £1.7m to establish an evaluation taskforce to improve knowledge of 'what works' to modernise and reform the Civil Service (page 87)

Environment, Food and Rural Affairs

Following the Government's publication of the [Ten Point Plan for a Green Industrial Revolution](#), environmental campaigners have been anxious to see if the Chancellor's plans would support the plan to protect the climate and the environment. The Chancellor emphasised that capital plans would invest in the greener future the Government had promised, delivering the Prime Minister's Plan, and there were a number of announcements that would seem to reflect this aim.

CSR announcements on areas such as connectivity, broadband and flood defences were coupled with the launch of the National Infrastructure Strategy, along with funding to help England meet its share of the Climate Change Committee's recommendations to plant 30,000 hectares of trees a year in the UK. Commitments on flood defences and tree planting tie into the Government objectives laid out in the Ten Point Plan, as well as an emphasis of the jobs that they would create, in line with a Green Recovery. Further to this, announcements on restoring nature, connecting people to green spaces, and making the most of existing buildings and heritage will be welcomed.

As the end of the Brexit transition period draws ever closer, as could be expected, the Department for Environment, Food and Rural Affairs has received an increase in funding as it takes on extra post-Brexit responsibilities. This funding totals £572m to "seize the opportunities resulting from environmental, regulatory and economic independence for the UK, including ambitious regulatory reforms which will enable the UK to take ownership of its own agenda." Further to this, HM Revenue & Customs is set to receive £363m to recruit 1,100 Border Force officers to deliver transit customs arrangements, as well as £1bn to reform and enhance the UK customs system after the end of the transition period, which will be important for imports and exports in the sector.

The announcement of the UK Shared Prosperity Fund as a successor to the EU Structural Funds will also be welcomed. The Government states that part of this funding will go to areas such as rural and coastal communities, and would provide an opportunity to invest in areas to support local growth as well as farming businesses. The new UK Infrastructure Bank could also be a source of finance for farmers helping to accelerate investment in climate change infrastructure projects for a net-zero transition and a green economic recovery.

Specifically on farm support, the devolved Administrations [wrote a letter](#) to George Eustice earlier this week repeating their request for the UK government to make good its commitment to provide full replacement funding post-Brexit for UK farmers, and the rural economies they underpin. In the [Statement of funding policy](#), the Government stated that they committed to maintain the funding available to farmers and land managers in every year of this Parliament, supplementing the remaining EU funding that farmers and land managers across the UK will receive for agri-environment and rural development projects. Further to this, they would be providing £1.1bn to support farmers and land managers in Scotland, Wales and Northern Ireland in 2021-22, and Scottish and Welsh governments will also receive a further combined £28 million in 2021-22 as recommended by the Bew Review.

However, the CSR does not provide the long-term funding commitments really needed to deliver the changes needed to deliver green jobs and a green economy, and concerns have been raised regarding the environmental impact of Government initiatives such as road building.

Announcements

- a step-change in investment to tackle climate change and deliver the Prime Minister's Ten Point Plan for a Green Industrial Revolution, 11 The Ten Point Plan for a Green Industrial Revolution, HM Government, November 2020 including funding for electric vehicle charging infrastructure, and new Carbon Capture and Storage (CCS) clusters by 2030 (page 34)
- a doubling of flood and coastal investment across England investing £5.2bn over six years (page 34)
- SR20 provides funding to support public transport services, including allocating over £2bn to the Department for Transport to ensure continued operation of the railways in 2021-22 (page 29)
- almost £19bn of transport investment next year, including £1.7bn for local roads maintenance and upgrades (page 33)
- over £58bn of investment confirmed for road and rail, levelling up across the country (page 34)
- investing in new green industries to support green growth clusters, including supporting coastal and post-industrial communities with investment in offshore wind capacity, port infrastructure, a global underwater engineering hub, CCS and low-carbon hydrogen (page 35)
- providing £1.1bn to support farmers, land managers and the rural economy, and £20m to support fisheries in Scotland, Wales and Northern Ireland. (page 35)
- investing in local infrastructure, local transport and digital connectivity to ensure that the services people use most often are well-maintained and accessible in all places. This investment will transform bus services and cycling infrastructure, provide high-quality 4G mobile coverage and rollout gigabit-capable broadband across the UK (page 35)
- strengthening the spine of the UK's transport connectivity to connect across regions, including through High Speed 2, the largest ever investment in motorways and A-roads, and the Union Connectivity Review. (page 35)

- supporting places, such as former industrial areas, deprived towns and coastal communities, by setting out what the UK Shared Prosperity Fund (UKSPF) will invest in and how it will be targeted (page 36)
- SR20 sets out how the government will begin to fund the Ten Point Plan, providing long-term settlements in critical areas. The Ten Point Plan mobilises £12bn to give industry the certainty it needs to invest, supports up to 250,000 green jobs and saves 180 mega tonnes of carbon dioxide equivalent. (page 39)
- More than £90 m for the Nature for Climate Fund – to increase tree planting and peatland restoration in England in line with Climate Change Commission recommendations for nature-based climate solutions. (page 41)
- A doubling of the Green Recovery Challenge Fund with a further £40 m to fund a second round of natural capital projects next year. (page 41)
- £7 m to improve public access to green space by taking forward the Coast to Coast National Trail and England Coast Path and more than £75 m in funding for National Parks and Areas of Outstanding Natural Beauty. (page 41)
- SR20 delivers on the government’s commitment to maintain the current annual budget to farmers while taking advantage of new freedoms to commence the agricultural transition in England towards a new system that delivers far greater environmental and productivity benefits. (page 41)
- £280 million in 2021-22 for net zero R&D, including an £81 million multi-year commitment for pioneering hydrogen heating trials. (page 56)
- An additional £25.8m to increase the value of Healthy Start Vouchers to £4.25 in line with the recommendation of the National Food Strategy. (page 60)
- £363m resource funding to maintain law enforcement cooperation with EU member states and recruit additional Border Force officers to deliver transit customs arrangements following the end of the transition period. (page 65)
- An additional £64m resource and £153m capital funding to deliver the new points-based migration system. (page 65)
- an additional £12 m to take forward the government’s radical planning reform agenda and £4 m towards its ongoing Oxford-Cambridge Arc programme (page 74)
- The government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021. (page 75)
- A £0.4bn cash increase in core resource funding from 2020-21 to 2021-22. The department’s capital budget increases by £0.6bn in cash terms next year, taking core total DEL to £5.8bn. (page 82)
- A doubling of the government’s flood and coastal defence investment to £5.2bn over six-years, commencing next year, which will better protect 336,000 properties across England by 2027. (page 82)
- This commitment includes a £200m six-year flood and coastal resilience innovation programme which will support over 25 local areas to take forward wider innovative actions that improve their resilience to flooding and coastal erosion, and up to £155m to accelerate 22 shovel-ready flood defence schemes announced earlier this year. (page 82)
- Total farm support in England will be £2.4bn in 2021-22 to meet the government’s commitment to maintain the current annual budget to farmers in every year of this Parliament. (page 82)
- The government will also maintain funding for fisheries in England in 2021-22 with £13.5m (page 82)
- £92m for the Nature for Climate Fund to keep the UK on track to restore more peatlands and plant England’s share of 30,000 hectares of trees a year by the end of this Parliament. (page 82)
- This will include expansion of the Urban Trees Challenge Fund and new investment in Community Forests, to bring trees and woodlands closer to where people live. This will support an additional 1,000 green jobs (page 82)
- An increase to the funding for National Parks and Areas of Outstanding Natural Beauty to more than £75m, with a further £7m to progress the England Coast Path and Coast-to-Coast National Trail. (page 82)
- An additional £40m investment in nature recovery through an extended Green Recovery Challenge Fund (page 83)
- Fulfilling the commitment made at Budget 2020 to provide an additional £7m for biodiversity conservation in the UK Overseas Territories (page 83)
- Plans to introduce a deposit return scheme, and implement consistent collection of waste – including food waste – in every local authority in England by the end of this Parliament (p83)
- £1.1bn to support farmers and land managers in Scotland, Wales and Northern Ireland (page 90)
- Almost £20m to support the fisheries sector in Scotland, Wales and Northern Ireland (page 90)
- £105.7m in funding for the Food Standards Agency (FSA) to protect core functions, including following EU Transition (page 92)
- £1.2bn to subsidise the rollout of gigabit-capable broadband, as part of the government’s £5bn commitment to support rollout to the hardest to reach areas of the UK (page 34)
- a new National Infrastructure Strategy (NIS), outlining the government’s longer-term vision for transforming UK infrastructure and plans to create a new infrastructure bank to catalyse private investment in infrastructure projects across the UK (page 34)
- delivering 10 Freeports across the UK – at least one in each of England, Scotland, Wales and Northern Ireland – to bring jobs, investment and prosperity to some of the most deprived communities. The programme aims to establish Freeports as national hubs for global trade and investment across the UK, promote regeneration and job creation and create hotbeds for innovation. (page 36)
- the implementation of recommendations made by the Project Speed taskforce to enable faster and smarter delivery of projects across the government’s infrastructure portfolio. (page 34)
- investing in new green industries to support green growth clusters, including supporting coastal and post-industrial communities with investment in offshore wind capacity, port infrastructure, a global underwater engineering hub, CCS and low-carbon hydrogen (page 35)
- supporting housing delivery and regeneration, unlocking brownfield sites, regenerating estates and releasing serviced plots on public sector land across the country through an additional £100m in 2021-22 on top of the £400m Brownfield Fund announced at Budget 2020 (page 35)
- launching a new Levelling Up Fund worth £4bn for England, that will attract up to £0.8bn funding for Scotland, Wales and Northern Ireland in the usual way. This will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. Moving away from a fragmented landscape with multiple funding streams, this new cross-departmental Fund for England will invest in a broad range of high value local projects up to £20m, or more by exception, including bypasses and other local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, and local arts and culture. It will be open to all local areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less government investment in recent years. SR20 makes available up to £600m in 2021-22. The government will publish a prospectus for the fund and launch the first round of competitions in the New Year (page 36)
- £1.2bn from 2021-22 to 2024-25 to support the rollout of gigabit-capable broadband across the UK, essential in an increasingly digital age for supporting the UK economy. This is part of the government’s £5bn commitment to support gigabit-capable broadband rollout to the hardest to reach areas of the UK (page 80)
- £50m next year, as part of a £250m commitment to building a secure and resilient 5G network (page 80)

- Over £200m UK-wide to continue flagship digital infrastructure programmes, including the Shared Rural Network for 4G coverage, Local Full Fibre Networks, and the 5G Testbeds and Trials Programme (page 80)
- Over £150m to continue to strengthen our cultural and heritage infrastructure, including through the Cultural Investment Fund and Museums Infrastructure Fund, enabling the development of British Library North and continued investment in the Heritage High Streets programme (page 81)
- More than £100m of capital investment for DCMS-supported bodies working across culture, heritage, and sports (page 81)
- Aim of enabling 80 per cent of UK trade to be covered by free trade agreements by the end of 2022. (page 51)
- The Government will also step up international engagement, including as an independent member of the World Trade Organisation, to strengthen the rules-based global trading system. (page 51)
- £1bn funding to reform and enhance the UK customs system after the end of the Transition Period, including investment in critical physical and IT infrastructure and support for UK traders and businesses (page 86)
- SR20 confirms an additional £4.7bn to the devolved administrations through the Barnett formula in 2021-22, including £2.6bn related to Covid-19, on top of their combined baselines of over £60bn. This provides an additional £2.4bn for the Scottish Government, £1.3bn for the Welsh Government and £0.9bn for the Northern Irish Executive. This builds on the unprecedented £16bn of upfront resource funding the UK government has guaranteed to the devolved administrations in relation in 2020-21, in addition to their Budget 2020 funding for that year. (page 36)
- Continue to contribute to the £60m cross-government GREAT Britain and Northern Ireland Campaign that plays a key role promoting the UK to visitors, students and investors (page 84)
- a new National Infrastructure Strategy (NIS), outlining the government's longer-term vision for transforming UK infrastructure and plans to create a new infrastructure bank to catalyse private investment in infrastructure projects across the UK (page 34)

Energy and Industry

The rollover of the Spending Review this year was anticipated to mean that industry announcements would have taken a backfoot. Prior to the pandemic, it was expected that clarity on the Government's net zero transition plans across the sector would be finalised, which despite unprecedented times, has somewhat been delivered. The publication of the National Infrastructure Strategy alongside the Spending Review has only positively added to this.

The Chancellor has outlined that BEIS will receive a settlement of £2.4bn resource spending and £15.6bn capital spending, which will "primarily" go towards "record-breaking investment in R&D and programmes to help the UK achieve its goal of reaching Net Zero greenhouse gas emissions by 2050." A total of £200m has been allotted to the Net Zero Innovation Portfolio. Similarly, looking ahead to Cop26, and to ensure adequate financial support for the government's Ten Point Plan, BEIS have been allocated over £3bn of new funding. This include £1bn towards the construction of 4 new Carbon Capture and Storage plants by 2030, which was heavily expected to be announced.

Further to this, confirmation of over £1bn to make further progress towards delivering the government's commitment to invest in the energy efficiency and heat decarbonisation of schools, hospitals and homes has been announced. The Chancellor went further, with another £160m to upgrade the UK's portside manufacturing capabilities and £240m to support industry to produce low-carbon hydrogen at scale and over £80m to test its use in heating buildings.

Nuclear was another area that was expected to be addressed, and the Review commits that the Government's response on the recent consultation on the RAB model will be published in due course. In addition, the Chancellor has also allocated £525m towards the development of a large-scale nuclear project, including SMRs and next generation advanced modular reactors. Questions from the sector that have gone unanswered over the last year are now being dealt with across the Spending Review and the Infrastructure Strategy, which will be warmly welcomed across UK industry.

Announcements

- Investing in new green industries to support green growth clusters, including supporting coastal and post-industrial communities with investment in offshore wind capacity, port infrastructure, a global underwater engineering hub, CCS and low-carbon hydrogen (page 35) .
- SR20 provides £1bn for a Carbon Capture and Storage Infrastructure Fund and will help establish four CCS clusters by 2030, capturing up to 10 megatonnes of carbon dioxide a year by 2030 (page 40).
- UK aims to develop 5 gigawatts (GW) of low-carbon hydrogen production capacity by 2030, supporting up to 8,000 jobs. This will be supported by a range of measures, including a £240 m Net Zero Hydrogen Fund and £81 m for pioneering hydrogen heating trials (page 40).
- By 2030 the government plans to quadruple offshore wind capacity to 40 GW and maximise the opportunities this presents for jobs and investment (page 40).
- SR20 provides over £125 m for nuclear technologies in 2021-22, as part of up to £525m set out in the Ten Point Plan, including £385 m for an Advanced Nuclear Fund (page 40).
- The government is committing £200m for NZIP in 2021-22 to support new decarbonisation solutions and bolster emerging technologies such as direct air capture and low carbon hydrogen (page 41).
- SR20 also confirms £122 m in 2021-22 to support creation of clean heat networks (page 41).
- £280 million in 2021-22 for net zero R&D, including an £81m multi-year commitment for pioneering hydrogen heating trials (page 56).
- Increased support for net zero innovation, including £200m in 2021-22 for the Net Zero Innovation Portfolio, to develop new decarbonisation solutions and accelerate near-to market low-carbon energy innovations (page 79).
- Over £1bn towards the construction of 4 new Carbon Capture and Storage plants by 2030 (page 79).
- Confirmation of over £1bn to make further progress towards delivering the government's commitment to invest in the energy efficiency and heat decarbonisation of schools, hospitals and homes (page 79).
- £160m to upgrade portside manufacturing capabilities to help build the next generation of offshore wind farms (page 79).
- £240m to support industry to produce low-carbon hydrogen at scale and over £80 million to test its use in heating buildings (page 79).



- £525m towards the development of a large-scale nuclear project, subject to value for money assessment, and advanced nuclear technologies, including novel small modular reactors and next generation advanced modular reactors (page 79).
- £2.7bn for the Nuclear Decommissioning Authority to enable it to continue the work of safely decommissioning the UK's nuclear legacy sites, across England, Scotland and Wales (page 79).
 - Funding to ensure Ofgem can develop regulatory regimes and enable to infrastructure needed to support the transition to Net Zero (page 91).

Equalities

The coronavirus pandemic has exacerbated many deep-rooted inequalities in society, and as the Chancellor stated, the UK was entering a moment of profound economic crisis.

Although announcements in the Spending Review were not aimed specifically at alleviating hardships for different groups, some changes to earnings will seek to help the most vulnerable earners in the UK. The Chancellor confirmed that the Treasury will be accepting the Low Pay Commission's recommendation to increase the national living wage to £8.91. The Spending Review's Equalities Impact Assessment notes how this increase in minimum wage is set to "disproportionately benefit women", who tend to otherwise work in lower-earning jobs.

Over the course of the first lockdown, it soon became evident that domestic abuse services and charities were struggling under the weight of an increase in demand of services, at a time during which normal fundraising avenues were significantly constrained. Last week, the Government confirmed there would be new funding to support rape and domestic abuse services. In today's Spending Review, additional funding was announced for local authorities, which will also go on to help with the provision of support and accommodation services for victims of domestic abuse, after the passage of the Domestic Abuse Bill.

Announcements

- The government will prioritise the lowest paid, with 2.1m public sector workers earning less than £24,000 receiving a minimum £250 increase. (page 21)
- £98m of additional resource funding, bringing total funding to £125m, to enable local authorities to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England (page 74)
- £165 m of resource funding confirmed for local authorities through the Troubled Families programme (page 74)

Foreign Affairs, Defence and International Development

Global Britain has become as popular a slogan with the Government as *Get Brexit Done*. As the UK leaves the transition period on 31st December 2020, the Prime Minister has committed to maximizing British influence abroad and "[seize the opportunities ahead.](#)"

2021 will be an important year for the UK on the global stage, as it hosts the G7 and the UN Climate Change conference, COP26. With the formation of the Foreign, Commonwealth and Development Office in December, Boris Johnson promised to streamline the UK's foreign policy aims but those in the development sector raised concerns this would dilute development spending.

Those sounding alarm bells in the aid sector have been somewhat vindicated today, as the Chancellor announced the Government will indeed reduce UK overseas aid spending from 0.7 percent to 0.5 percent next year. He did reaffirm their wish to get back to the 0.7 percent target but avoided giving any concrete date.

For the Defence sector, the Spending Review is a major win. Last week the Prime Minister announced an additional £24bn funding for the Armed forces over the next four years, raising the total expenditure on Defence to 2.2 percent of GDP. The package therefore is the largest real terms increase this century.

A significant portion of the new funds will be allocated towards building a robust National Cyber Force of hackers; and a new Space Command designed to protect orbiting satellites and launch its own rockets. Other areas that will be modernised through the Tempest programme include the development of a sixth generation of fighter jets and increasing the ability of the Royal Navy to project British power overseas.

However, there have been questions as to the merit of increasing the Defence expenditure at a time when the UK's economy has sharply contracted. Clearly, growing threats from aggressive actors like Russia and China in attacking and undermining the UK's critical infrastructure through asymmetrical means indicates that the Government is attempting to tackle these issues head on. Moreover, the policy feeds into the Government's levelling up agenda, through the large-scale building of new ships and equipment across the UK, providing high skilled jobs that will be required in the aftermath of both Brexit and Covid-19.

An Integrated Review of Security, Defence, Foreign Policy and Development was due to coincide with today's spending review but has been pushed back until early 2021. However, major announcements expected in the review have already been actioned by the Prime Minister, leading to criticism that the Government is making decisions without the strategy being in place.

Announcements

- £821m for the Conflict, Stability and Security Fund, which brings together multiple government departments and agencies to support the UK's national security interests overseas. The fund works with partner governments and civil societies around the world to protect people from the scourge of conflict and insecurity. (page 48)
- The UK will spend the equivalent of 0.5 per cent of gross national income (GNI) as overseas aid in 2021 (page 50)
- The government intends to return to the 0.7 per cent target when the fiscal situation allows.
- The Foreign Secretary will run a cross-government process to review in detail how ODA is allocated against the government's priorities. (page 50)



- Following a £60m and £26m of additional grant funding already provided further financial support will be provided to support the British Council to reform and invest. (page 50)
- The Spending Review will also provide £821m for the Conflict, Stability and Security Fund to support the UK's national security and resilience through overseas engagement. (page 51)
- The government will also step up international engagement, including as an independent member of the World Trade Organisation, to strengthen the rules-based global trading system. (page 51)
- £60m for the FCDO to support the UK's new relationship with the EU and to maintain and strengthen diplomatic relations with EU institutions and member states. (page 52)
- Support Gavi, the Vaccine Alliance, a global health organisation to which the UK is the largest donor, with £1.65bn over five years to support the immunisation of close to 75m children in the world's poorest countries against infectious diseases. (page 55)
- Additional funding of over £24bn in cash terms over four years, including £6.6bn of R&D, to maintain a cutting-edge military. This settlement means that the Defence budget will grow at an average of 1.8 per cent per year in real terms from 2019-20 to 2024-25. (page 56)
- The Government will provide the UK Intelligence Community (UKIC) with a £173m funding increase in 2021-22, representing a 5.4 per cent average annual real terms increase since 2019-20. It also includes over £1.3bn of capital investment from 2021-22 to 2024-25. (page 56)
- Continued investment in the National Cyber Security Programme, funding transformational cyber security projects to support government departments, the private sector and wider society. (page 56)
- £695m of additional R&D funding between 2021-22 and 2024-25 to support the development of cutting-edge capabilities. (page 56)
- The government will invest in enhancing nuclear detection capability, with an additional £22m resource funding in 2021-22 and £329m capital funding from 2021-22 to 2024-25. (page 60)
- The Ministry of Defence (MOD) settlement provides an increase in defence spending of over £24 billion in cash terms over the next four years against the 2020-21 budget, meaning that the defence budget is £6.4bn higher in 2024-25 compared to 2020-21 funding levels. (page 68)
- Core resource funding increases by £885m in cash terms from 2020-21 to 2021-22, delivering a 1.1 per cent average real terms increase per year from 2019-20 to 2021-22 for the Armed Forces. (page 68)
- New funding pledges for the Armed Forces will progress the UK's carrier strike capabilities, with at least 48 F-35s by 2025, eight Type 26, five Type 31 frigates and upgrade Typhoon radars. (page 68)
- £695m of additional R&D funding between 2021-22 to 2024-25 to support the development of cutting-edge capabilities (page 69)
- The Single Intelligence Account (SIA) settlement provides a £79m cash increase in core resource funding from 2020-21 to 2021-22 (page 69)
- enable research into artificial intelligence and other battle-winning technologies, with an investment of at least £6.6bn in R&D (page 68)
- a 5.5 per cent average real terms increase in core non-ODA resource funding per year since 2019-20 (page 70)
- funding to deliver against the government's levelling up agenda by committing to an increased FCDO presence in East Kilbride and a new FCDO hub outside of London (page 70)
- £14m of non-ODA investment for a new IT system to enable the newly FCDO to operate as effectively and efficiently as possible (page 70)
- funding to build and modernise the UK's embassies in Washington, Paris and Ottawa so that they better represent the UK's global role and ambition (page 70)
- £60m to prepare for the UK's new relationship with the EU, including strengthening bilateral diplomatic relations with EU institutions and member states (page 70)
- funding to support the British Council to reform and invest (page 70)
- The UK will spend the equivalent of 0.5 per cent of its national income as overseas aid in 2021, therefore providing £10bn of official development assistance in 2021-22. The Government intends to return to the 0.7 per cent target when the fiscal situation allows. (page 70)
- The Foreign Secretary will run a cross-Government process to review in detail how ODA is allocated against the Government's priorities. (page 70)
- £1.65bn over five years to support Gavi to immunise close to 75 million children against infectious diseases (page 71)
- £340m over the next four years to support the World Health Organisation in its role coordinating the global response to Covid-19 (page 71)
- The Government will remain the largest donor to the International Development Association (page 71)
- ODA funding will be used to improve access to education for girls, starting by co-hosting a successful Global Partnership for Education summit in 2021 (page 71)
- £821m of funding to the Conflict, Stability and Security Fund. (page 48)

Health

Bearing much of the initial impact of the Covid-19 pandemic, the Government has sought to build on its pledges to tackle coronavirus with a £52bn package for frontline workers, including £22bn for the Test and Trace programme, over £15bn for the procurement of personal protective equipment (PPE) Equipment and £2.7bn to support the development and procurement of vaccines. One of the key challenges posed to DHSC and the NHS over the coming year, will certainly be the effective deployment of a Covid-19 vaccine. As such, the Vaccines Taskforce will be allotted £733m in 2021-22 to purchase vaccines and will play a crucial role in bringing together primary care networks, pharmaceuticals and community centers in the eventual roll out.

Perhaps most interesting, is the Government's efforts to consolidate its levelling up agenda through expanding the healthcare system. The exacerbation of regional health inequalities has demonstrated the need for the Government to create a more robust and effective health regime that works to the benefit of the entire United Kingdom, especially traditional 'red wall' seats. As part of this, the Government has continued its manifesto pledge to build 40 new hospitals through multi-year capital funding, moreover £4.2bn has been committed to refurbishing and maintaining hospital infrastructure.

The Covid-19 pandemic has also shed light on the severe shortage of workers in the NHS, with stakeholders fearing that an increasingly restrictive immigration policy will merely deter migrants from entering the workforce. To allay these fears, the Chancellor has set aside an additional £260m for growing the NHS workforce and supporting commitments made in the NHS Long Term Plan, in addition to building on the ambitions set out in the NHS People Plan for 2020/21 through pay rise for over 1m NHS workers. However, while these commitments may help reduce some of the burdens of healthcare workers, long standing and deeply engrained cultural issues such as bullying, workforce burnout and racism will require a more systematic and vigorous approach to combatting.

Announcements

- The government will continue to provide for pay rises for over 1m NHS workers. In setting the level for these rises the government will need to take into account the challenging fiscal and economic context. (page 21)
- The NHS Pay Review Body and Doctor and Dentist's Review Body will report as usual next spring, and the government will take their recommendations into account. (page 21)
- £52bn for frontline health services to tackle the pandemic including £22 billion for the Test and Trace programme, over £15bn for the procurement of personal protective equipment (PPE) Equipment and £2.7bn to support the development and procurement of vaccines (page 27)
- The government has now made available over £6bn in total to develop and procure Covid-19 vaccines. Of that, SR20 confirms £733m in 2021-22 for the UK Vaccines Taskforce to purchase successful vaccines and £128m for research and development (R&D) and vaccines manufacturing. Further funding will be allocated from the Covid-19 reserve as needed (page 27)
- SR20 commits a further £163 million to increase supplies of key medicines for treating Covid-19 patients. (page 28)
- The government will provide an additional £3bn next year to support the NHS recovery from the impacts of Covid-19 (page 28)
- SR20 provides £2.1 billion to purchase and store PPE, sufficient funding to meet expected demand and maintain a 4-month stockpile across 2021-22 (page 28)
- significant increases in research and development (R&D) with almost £15bn in 2021-22 including funding for clinical research to support delivery of new drugs, treatments and vaccines (page 33)
- £4.2bn for NHS operational investment next year to allow hospitals to refurbish and maintain their infrastructure, and £325m of new investment in NHS diagnostics equipment to improve clinical outcomes (page 33)
- over £260m for transformative digital infrastructure programmes, including the Shared Rural Network for 4G coverage, Local Full Fibre Networks, and the 5G Diversification and Testbeds and Trials Programmes. (page 33)
- a multi-billion-pound capital investment to deliver the government's commitments on building hospitals, schools and prisons (page 34)
- Overall, core resource budgets will grow 3.5 per cent on average per year in real terms between 2019-20 and 2021-22 to £147.1 Bn. Core capital budgets will grow by £2.3 Bn in cash terms compared to 2019-20, delivering a 13.4 per cent average real terms increase per year. (page 44)
- Providing a cash increase of £33.9 Bn a year by 2023-24, taking the core NHS England budget from £114.6 Bn in 2018-19. NHS Mandate 2020 to 2021, DHSC, 2020 to £148.5 Bn in 2023-24. This includes an increase in core funding of £6.3 Bn in 2021-22. (page 44)
- £325 m for the NHS to invest in new diagnostics equipment. (page 44)
- An additional £260 m for Health Education England in 2021-22, to support the training and retention of our vital NHS workforce. (page 44)
- Multi-year funding to build 40 new hospitals and upgrade 70 more by 2030. (page 44)
- £4.2Bn for hospitals to refurbish and maintain their infrastructure. (page 44)
- £559m to support the modernisation of technology across the health and care system. (page 44)
- Providing £3.7Bn for the hospital building programme and £1.7 Bn for the hospital upgrade programme up to 2024-25. (page 45)
- SR20 also commits an additional £200 m from 2021-22 to fund a second round of pilots under the Shared Outcomes Fund (SOF). (page 48)
- Cement the UK's status as a global leader in science and innovation by investing nearly £15bn in R&D in 2021-22. (page 53)
- By 2023-24 the government will be investing £1.4bn more per year in core funding for its world-leading research base such as on cancer. (page 53)
- £450m in 2021-22 to support government priorities, drive the development of innovative ways to build new science capability and support the whole research and innovation ecosystem. (page 54)
- Invest in critical R&D for vaccines and treatments for Covid-19. It provides £128m in 2021-22 to support vaccine R&D in the UK, including for clinical trials and to build UK manufacturing capacity. (page 54)
- Make £548m available towards supporting developing country access to Covid-19 vaccines through the COVAX Advance Market Commitment. (page 55)
- Support Gavi, the Vaccine Alliance, a global health organisation to which the UK is the largest donor, with £1.65bn over five years to support the immunisation of close to 75 million children in the world's poorest countries against infectious diseases. (page 55)
- The Department of Health and Social Care (DHSC) settlement provides a £6.6bn cash increase in core resource funding from 2020-21 to 2021-22, delivering a 3.5 per cent average real terms increase per year since 2019-20. The department's capital budget increases by £2.3bn in cash terms compared to 2019-20, delivering a 13.4 per cent average real terms increase per year, taking core total DEL to £156.4bn. (page 59)
- Cash increase of £33.9 billion a year by 2023-24. This takes the NHS England budget from £114.6 billion in 2018-19 to £148.5 billion in 2023-24, with an increase of £6.3 billion in 2021-22. (page 59)
- £1bn to begin tackling the elective backlog, enough funding to enable hospitals to cut long waits for care by carrying out up to one million extra checks, scans and additional operations or other procedures. (page 60)
- Around £500m to address waiting times for mental health services. (page 60)
- £1.5bn to help ease existing pressures in the NHS caused by Covid-19. (page 60)
- £325m for the NHS to invest in new diagnostic machines (such as MRI and CT scanners) to improve clinical outcomes. (page 60)
- Multi-year capital funding commitments of £3.7bn until 2024-25 to make progress on building 40 new hospitals by 2030. (page 60)
- £1.7bn until 2024-25 for over 70 hospital upgrades to improve health infrastructure across the country over the long term. (page 60)
- £4.2bn in 2021-22 for NHS operational capital investment to allow hospitals to refurbish and maintain their infrastructure. (page 60)
- £165m in 2021-22, ringfenced to replace outdated mental health dormitories with single en suite rooms. (page 60)
- £260m for Health Education England to continue to grow the NHS workforce and support commitments made in the NHS Long Term Plan. (page 60)
- £9.4m to improve maternity safety, including through pilots aimed at reducing incidence of birth-related brain injuries. (page 61)
- Providing DHSC research and development (R&D) a budget of £1.3bn to continue the world-leading work of the National Institute for Health Research (NIHR) and Genomics England (GEL). (page 61)
- Provides £559m to support the modernisation of technology across the health and care system. (page 61)

Housing, Communities and Local Government

The Spending Review made a series of new announcements relating to housing, local government and the Government's levelling up ambitions. In addition to the spending review reconfirming the £12.2bn Affordable Homes Programme, there was an announcement of National House Building Fund with initial funding of £7.1bn over the next four years. This announcement seems to be in keeping with the ambitions of Government to 'build, build, build'. Much of this money shall go towards

capital grant funding for land remediation and infrastructure investment, with a further announcement in the next multi year spending review on future funding. Many welcome any funding and measures to address the UK's housing shortage. Some, however, were hoping for clarity on the future of the current stamp duty holiday.

A commitment to extend the Green Homes grant scheme was forthcoming in the spending review. However, many stakeholders have said that a trick had been missed here, by not including longer term schemes to decarbonize and retrofit homes.

Levelling up, as expected, took center stage in this spending review. The Chancellor confirmed the UK Shared Prosperity Fund, emphasizing that it would at least match current EU structural funding. Funding shall be made available to pilot programmes and new approaches, more details should follow in the New Year. The inclusion of £4bn levelling up fund is a new pot of money MPs and local areas can use to invest in local infrastructure projects. This £4bn figure has been welcomed, but Labour have been critical of the structure of the fund with Shadow Chancellor Anneliese Dodds stating that the scheme “involves MPs going to ministers to beg for support for their areas, rather than that change being driven from local communities”.

It is estimated that local government core spending power is set to increase by 4.5 per cent in cash terms in 2021-22. This is in addition to confirmation that the referendum threshold for increases in council tax will remain at 2 per cent in 2021-22. However, some have argued that flexibility on council tax and social care precepts only adds to the responsibility of local authorities, who are already strained by their work during the pandemic so far.

Announcements

- Over £5.4bn to help local authorities in England respond to the impacts of Covid-19 in 2020-21, on top of £1.6bn awarded in 2019-20, bringing the total to date to over £7bn. Additional financial support will also be available to local authorities facing the highest ongoing restrictions. This will support local public health initiatives through the Contain Outbreak Management Fund (page 27)
- SR20 provides funding to support rough sleepers and those at risk of homelessness during Covid-19 through an additional £254m of resource funding, including £103m announced earlier this year for accommodation and substance misuse (page 29)
- Nearly £20bn of investment underpinning the government's long-term housing strategy, including £7.1bn for a National Home Building Fund and confirming over £12bn for the Affordable Homes Programme (page 34)
- Supporting housing delivery and regeneration, unlocking brownfield sites, regenerating estates and releasing serviced plots on public sector land across the country through an additional £100m in 2021-22 on top of the £400m Brownfield Fund announced at Budget 2020 (page 35)
- Supporting the long-term regeneration of 167 towns across England to increase jobs, deliver growth and improve living standards through the Towns Fund (page 36)
- Delivering 10 Freeports across the UK – at least one in each of England, Scotland, Wales and Northern Ireland – to bring jobs, investment and prosperity to some of the most deprived communities. The programme aims to establish Freeports as national hubs for global trade and investment across the UK, promote regeneration and job creation and create hotbeds for innovation. (page 36)
- Support better appraisal of investment in places through the refreshed Green Book (page 36)
- Improve the government's understanding of, and its impact on, places, through supporting investment in departments' IT estates and strengthening guidance enabling better data capturing and data sharing (page 36)
- Bring policy makers closer to the communities they serve, setting out plans to deliver a new government economic campus in the North of England and progresses work on government Hubs in Cardiff and Belfast, to operate alongside the new Queen Elizabeth House 'Edinburgh Hub'. These steps will support the Places for Growth programme to enable further relocations of civil service roles outside of London. (page 36)
- SR20 allocates £475 m to make public buildings greener, £150 m to help some of the poorest homes become more energy efficient and cheaper to heat with low-carbon energy, and a further £60 m to retrofit social housing. (page 41)
- Extends the Green Homes Grant voucher scheme with £320 m of funding in 2021-22. (page 41)
- Core spending power for local authorities is estimated to increase by 4.5 per cent in cash terms in 2021-22. (page 45)
- The referendum threshold for increases in council tax will remain at 2 per cent in 2021-22. (page 45)
- £165 m for local authorities through the Troubled Families programme, providing intensive support to families facing multiple interconnected problems. Funding is distributed by the Ministry of Housing, Communities and Local Government, with input from the Department for Education, the Department of Health and Social Care, the Ministry of Justice, HM Treasury and the Home Office. (page 48)
- £2.1 Bn provided to local authorities through the improved Better Care Fund which will be pooled with the NHS to help meet adult social care needs and reduce pressures on the NHS. (page 48)
- The government expects to provide local authorities with over £3bn to address Covid-19 pressures, including in adult social care. (page 60)
- A £0.2 bn cash increase in core resource funding from 2020-21 to 2021-22, delivering an 8.9 per cent average real terms increase per year since 2019-20 (page 72)
- MHCLG's capital budget in 2021-22 will be £7.8 bn and core total DEL will be £9.9 bn (page 72)
- A new Levelling Up Fund worth £4 bn for England, with up to £0.8 bn for Scotland, Wales and Northern Ireland. The fund for England will invest in a broad range of high value local projects up to £20 m, with a total of £600 m available in 2021-22 (page 72)
- £87 m in 2021-22 primarily to support the delivery of long-term accommodation for rough sleepers (page 73)
- nearly £20 bn in multi-year capital investment to underpin the government's long-term housing strategy including initial funding of £7.1 bn for a National Home Building Fund to unlock up to 860,000 homes. This includes £4.8 bn of capital grant funding, delivery of the Brownfield Fund, an additional £100 million for non-Mayoral Combined Authorities, £2.2 bn of new loan finance to support housebuilders across the country. (page 73)
- £12.2 bn for the Affordable Homes Programme reconfirmed, to deliver up to 180,000 new homes for affordable homeownership and rent. (page 73)
- £220 m additional funding to help local areas prepare over 2021-22 for the introduction of the UK Shared Prosperity Fund (page 73)
- £621 m in 2021-22 for investment from the Towns Fund (page 73)
- up to £10 m of resource funding, and the first tranche of a total of £175 million of capital funding to establish Freeports (page 73)
- an additional £30 m to help deliver the new building safety regime, taking resource funding to at least £70 m in 2021-22 (73)
- £1.6 bn of capital confirmed to remove unsafe cladding from high rise buildings (page 73)
- an additional £12 m to take forward the government's radical planning reform agenda and £4 m towards its ongoing Oxford-Cambridge Arc programme (page 74)

- £98 m of additional resource funding, bringing total funding to £125 m, to enable local authorities to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England (page 74)
- £165 m of resource funding confirmed for local authorities through the Troubled Families programme (page 74)
- The government is increasing core grant funding for local authorities, and expects to provide over £3 bn of additional support for Covid-19 pressures in 2021-22, including an additional £1.55 billion of grant funding to local authorities to meet additional expenditure pressures as a result of Covid-19, £670 million of additional grant funding to help local authorities support the more than 4 million households that are least able to afford council tax payments, an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues, and extending the existing Covid-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021. (page 74/75)
- The underlying core settlement for local authorities in 2021-22 includes: £300 million of new grant funding for adult and children's social care, in addition to the £1 billion announced at SR19 that is being maintained in 2021-22 in line with the government's commitment, increasing Revenue Support Grant in line with inflation, maintaining the existing New Homes Bonus scheme for a further year with no new legacy payments, and providing £16 million to support modernisation of local authorities' cyber security systems. (page 75)
- local authorities will be able to levy a 3 per cent adult social care precept, which means they will have access to over £1 billion of funding for social care. (page 75)
- The government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021. (page 75)
- To support businesses in the near-term, the government has decided to freeze the business rates multiplier in 2021-22, saving businesses in England an estimated £575 million over the next five years. Local authorities will be fully compensated for this decision. (page 75)
- £228m to support the Government's levelling up agenda through investment into the Government Property Agency. Investment in the government hubs programme supports departments in relocating 22,000 roles out of London and the South East by 2030 (page 87)
- £33m to enable gov.uk to provide the public with better, more personalised public services (page 87)
- £32m to develop a consistent way of signing into government services online (page 87)

Home Affairs and Justice

The Spending Review today has coincided with a report from the Equality and Human Rights Commission that concludes the Home Office did not comply with section 149 of the Equality Act 2010 (the PSED) in understanding the impact on the Windrush generation and their descendants when managing the "hostile environment" policy agenda.

The Chancellor did commit to extra funding to support vulnerable people in the asylum system, but there is still concern amongst many that the Home Office's hostile environment policy is continuing under the current Home Secretary, as she plans to overhaul the UK's asylum system in 2021.

The Chancellor has recommitted to their manifesto pledge to secure an extra 20,000 police officers by 2023, and those in the security sector will likely welcome the announcement of funding to tackle economic crime.

However, the pandemic has had a huge consequence on the Justice System, with court backlogs and the outgoing chief inspector of prisons, Peter Clarke, stating that prisons keeping inmates in cells for 23 hours a day, were acting dangerously. To counter this the Chancellor has announced an extra £337m extra funding for the criminal justice system; with £4bn over the next four years to improve prison places in England and Wales.

Announcements

- Over £270m in 2020-21 to support the recovery of the justice system, including funding to ensure safety in prisons and courts and funding to reduce backlogs in the Crown Court caused by Covid-19. (29)
- SR20 provides £246m next year for the justice system's continued recovery from Covid-19, including funding to continue tackling backlogs in Crown and family courts and employment tribunals, as well as £43m to ensure the continued safety of prisons and courts. It also provides a total of £40m funding to support victims of crime. (page 29)
- a multi-billion-pound capital investment to deliver the government's commitments on building hospitals, schools and prisons (page 34)
- An additional £400m to help deliver the government's commitment to recruit 20,000 extra police officers by 2023. (page 45)
- An additional £63m to tackle economic crime, including support for the National Economic Crime Centre (NECC), along with £20m for Companies House reform. (page 45)
- £337m extra funding for the criminal justice system, including £275 m to bring more offenders to justice. This ensures the justice system will deliver swift and effective justice to convict offenders, support victims, and protect the wider public. (page 45)
- Confirming more than £4bn over the next four years to make significant progress in delivering 18,000 modern prison places across England and Wales by the mid-2020s. (page 46)
- An additional £217m to deliver the Future Borders and Immigration System. (page 52)
- The Home Office (HO) settlement provides a £881m cash increase in core resource funding from 2020-21 to 2021-22. (page 64)
- The department's capital budget increases by £128m in cash terms next year. (page 64)
- More than £400m additional funding to continue the recruitment of 20,000 extra police officers by 2023 in England and Wales. (page 64)
- The settlement gives Police and Crime Commissioners (PCCs) in England flexibility to increase funding in 2021-22, if all PCCs take advantage of this flexibility, this would raise up to an additional £320m. (page 64)
- £363m resource funding to maintain law enforcement cooperation with EU member states and recruit additional Border Force officers to deliver transit customs arrangements following the end of the transition period. (page 65)
- £66.4m in resource funding and £459.5m in Official Development Assistance (ODA) resource funding to support and protect vulnerable people in the asylum system. (page 65)
- An additional £64m resource and £153m capital funding to deliver the new points-based migration system. (page 65)

- Increases the government's efforts to tackle economic crime by providing an additional £30.5m in resource and £32.5m in capital funding in 2021-22. (page 65)
- The Ministry of Justice (MoJ) settlement includes a £145m cash increase in core resource funding from 2020-21 to 2021-22. (page 66)
- More than £4bn capital funding over the next four years to make significant progress in delivering 18,000 additional prison places across England and Wales by the mid-2020s. (page 66)
- An additional £337m for the criminal justice system in England and Wales. (page 66)
- £119m additional funding to support the ongoing response of the wider justice system to Covid-19. (page 66)
- £315m capital funding to improve the condition of the existing prison estate and £105m for improvements to the court estate. (page 66)
- The Law Officers' Departments (LODs) settlement includes a £26.4m cash increase in core resource funding from 2020-21 to 2021-22 for the Crown Prosecution Service (CPS), Serious Fraud Office and HM Procurator General and Treasury Solicitor. (page 67)
- Additional funding to ensure the CPS is fully equipped to support the work of 20,000 additional police officers and to improve its response to rape and sexual assault cases. (page 67)
- £98 m of additional resource funding, bringing total funding to £125 m, to enable local authorities to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England (page 74)
- An additional £200m for the second round of the Shared Outcomes Fund (page 97)

Transport and Infrastructure

The Spending Review has seen the publication of the long-awaited National Infrastructure Strategy, outlining major spending commitments worth £27bn across transport, digital infrastructure, energy and housing. This included the creation of a new £4bn cross-departmental Levelling Up Fund that will allow local authorities to bid for investment in local infrastructure in England. Equivalent funding worth £800m for Scotland, Wales and Northern Ireland will also be made available. Alongside this, the Treasury has announced the creation of a new UK Infrastructure Bank, which will be located in the north of England, and will work with the private sector to finance new major projects from next Spring.

Low-carbon mobility was a key theme for the Spending Review, with funding worth over £1.3bn committed to support the rollout of EVs, which marks an important step in the Government's aims to achieve net zero, particularly in light of the recent decision to bring forward the ban on sales of new petrol and diesel vehicles from 2040 to 2030. The Chancellor also announced investment worth £120m for 500 new zero-emissions buses and pledged to spend £257m on cycling and walking infrastructure.

Local transport was also addressed, with the Chancellor announcing investment worth £2.5bn for the transport networks of 8 city regions across England. The Chancellor also announced £1.7 bn for local roads maintenance and upgrades to tackle potholes, relieve congestion and boost connectivity.

Noticeably absent were any major announcements around freight and logistics, particularly as the preparations for a no-deal Brexit begin.

Announcements

- £12.8bn to keep the country's transport networks moving, so that those who need to travel can do so safely and reliably (page 27)
- £4.8bn of further support for transport during the pandemic, including for buses, light rail, cycling, and Transport for London (page 27)
- Over £2bn to the Department for Transport to ensure continued operation of the railways in 2021-22 (page 29)
- over £58bn of investment confirmed for road and rail, levelling up across the country (page 34)
- a doubling of flood and coastal investment across England investing £5.2bn over six years (page 34)
- £1.2bn to subsidise the rollout of gigabit-capable broadband, as part of the Government's £5bn commitment to support rollout to the hardest to reach areas of the UK (page 34)
- a new National Infrastructure Strategy (NIS), outlining the Government's longer-term vision for transforming UK infrastructure and plans to create a new infrastructure bank to catalyse private investment in infrastructure projects across the UK (page 34)
- delivering 10 Freeports across the UK – at least one in each of England, Scotland, Wales and Northern Ireland – to bring jobs, investment and prosperity to some of the most deprived communities (page 36)
- £950m to support the rollout of rapid electric vehicle (EV) charging hubs at every service station on England's motorways and major A-roads (page 39)
- £582m for the Plug-in Car, Van, Taxi, and Motorcycle Grant until 2022-23, reducing the sticker price of zero and ultra-low emission vehicles for the consumer (page 39)
- £275m to extend support for charge point installation at homes, workplaces and on-street locations (page 39)
- £90m to fund local EV charging infrastructure to support the roll out of larger on street charging schemes and rapid hubs in England. (page 40)
- £257m for cycling and walking infrastructure in 2021-22 (page 40)
- £81m of R&D funding in 2021-22 to launch a programme of investment in low and zero emission transport technologies (page 40)
- £57m on a joint programme to regenerate the former SSI Steelworks site in the Tees Valley (page 48)
- A new Levelling Up Fund worth £4 bn for England, with up to £0.8 bn for Scotland, Wales and Northern Ireland. The fund for England will invest in a broad range of high value local projects up to £20 m, with a total of £600 m available in 2021-22 (page 72)
- £2bn of confirmed funding in 2021-22 for rail services building on the estimated £12.8 bn of support for transport services that the Government has already committed to provide in 2020-21 (page 76)
- Over £2.5 bn has been confirmed for eight city regions across England. Funding for the first year of intra-city transport settlements (2022-23) will include a portion of the final year of the Transforming Cities Fund. From 2022-23, maintaining the Government's commitment of £4.2 bn for five-year, consolidated intracity transport settlements, subject to appropriate governance being in place. A further £50 m of resource funding will be provided in 2021-22 to support the relevant Mayoral Combined Authorities with preparations for these settlements (page 77)



- £1.7 bn in 2021-22 for local roads maintenance and upgrades to tackle potholes, relieve congestion and boost connectivity (page 77)
- £300 m in 2021-22 to drive transformation of bus services including £120m in 2021-22 to support delivery of over 800 cleaner, greener, quieter zero emission buses (page 77)
- £30m for the Infrastructure and Projects Authority to reform project delivery capability across Government (page 87)

Welfare and Social Care

During the pandemic, the Government rolled-out a £20 per week uplift to Universal Credit. Although the Chancellor did not make an announcement today on whether this measure would be maintained beyond next Spring, he did reveal a £2.9bn investment in a 'restart' programme to be delivered by the Department for Work and Pensions. He said that the scheme was designed to support people who have been unemployed for over a year to find new jobs, which by the time the UK is out of the current crisis could be a considerable portion of the population.

The £20 Universal Credit uplift, however, was not applied to those on 'legacy' benefits. Those still on such benefits overwhelmingly tend to have a disability. Though there was no commitment to roll this out to 'legacy' benefit claimants, the Chancellor did today reveal a support package of £573m for Disabled Facilities Grants and an investment of £71m in the Care and Support Specialised Housing Fund. The Chancellor also committed to providing funding to get more disabled people into work and to improve DWP's health assessments system.

In the 2019 Spending Round, the Chancellor boosted spending in the social care sector by a further £1bn and the Budget in March confirmed that such spending would continue in every year of this Parliament. In recognition of the considerable existing pressures on social care, in combination with the impact of coronavirus, the Chancellor revealed today that the Government would enable Local Authorities to access over £1bn of spending for social care through a £300m social care grant in combination with the ability to levy a 3 percent adult social care percent on council tax. He announced that this would be in addition to the £1bn announced at the last spending round, which had been maintained for a second year.

The Chancellor also today revealed a £2.1bn fund which was to be provided to local authorities through the improved Better Care Fund which will be pooled with the NHS to help meet adult social care needs and reduce pressures on the NHS. The funding announced today, however, falls short of the amount called for by the Health and Social Care select committee, despite significant resources the Chancellor has made available today.

Announcements

- SR20 provides a 28.1 percent average yearly increase in overall spending in real terms since 2019-20, including support for the department during the Covid-19 crisis. (page 22)
- SR20 provides £3.6bn of additional funding in 2021-22 for DWP to deliver labour market support. This includes funding for (page 22):
 - the new 3-year long £2.9bn Restart programme to provide intensive and tailored support to over 1m unemployed people and help them find work
 - work search support measures announced in the Plan for Jobs
 - the £2bn Kickstart Scheme to create hundreds of thousands of new, fully subsidised jobs for young people across the country. To date, tens of thousands of Kickstart jobs have been created. This settlement confirms funding for over 250,000 Kickstart jobs.
- The Government is also providing funding to get more disabled people into work and to improve DWP's health assessments system. (page 22)
- Investing £1.4bn to build on the Plan for Jobs commitment to increase capacity in Job Centre Plus and double the number of work coaches (page 29)
- Investing £0.2bn in other job search support measures announced in the Plan for Jobs this Summer, including the Job Entry: Targeted Support and Job Finding Support schemes, the Youth Offer and Sector-based Work Academy Programme placements. (page 29)
- Local authorities to access over £1bn of spending for social care through £300m of social care grant and the ability to levy a 3 per cent adult social care precept. (page 44)
- Social care authorities will be able to charge an adult social care precept of up to 3 per cent. (page 45)
- £2.1bn provided to local authorities through the improved Better Care Fund which will be pooled with the NHS to help meet adult social care needs and reduce pressures on the NHS. (page 48)
- The Department of Health and Social Care (DHSC) settlement provides a £6.6bn cash increase in core resource funding from 2020-21 to 2021-22, delivering a 3.5 per cent average real terms increase per year since 2019-20. The department's capital budget increases by £2.3bn in cash terms compared to 2019-20, delivering a 13.4 per cent average real terms increase per year, taking core total DEL to £156.4bn. (page 59)
- Cash increase of £33.9bn a year by 2023-24. This takes the NHS England budget from £114.6bn in 2018-19 to £148.5bn in 2023-24, with an increase of £6.3bn in 2021-22. (page 59)
- The government expects to provide local authorities with over £3bn to address Covid-19 pressures, including in adult social care. (page 60)
- An investment of £573m in Disabled Facilities Grants. (page 60)
- An investment of £71m in the Care and Support Specialised Housing Fund. (page 60)



Stakeholder reactions

Business and Employment

Citizens Advice Scotland has expressed disappointment that the Chancellor failed to confirm whether the temporary £20-per-week increase to Universal Credit would be made permanent beyond March 2021. They call on the government to prioritise strengthening social security.

The **Recruitment and Employment Confederation** has welcomed the Chancellor's commitment to support people back into work and believe the rise in minimum wage will help "hard-hit firms preserve employment." They are willing to continue working with the government and incentivise job creation.

Localis has commented that local authorities have barely enough extra funding to continue to provide frontline services, whilst also welcoming the creation of an infrastructure bank. Localis chief executive, Jonathan Werran said "On the face of it the local state lives to fight another day from today's Spending Review announcement" <https://bit.ly/2JcoGWA>

The **Association of Convenience Stores** has welcomed the Government's announcement on 2021 wage rates. Chief Executive James Lowman said: "These are extraordinary and challenging times for businesses. Wage costs remain the biggest cost in a convenience store business, so a more restrained National Living Wage Increase will help struggling businesses to keep more colleagues employed rather than having to plan a cut in hours or headcount." <https://bit.ly/3nTGPY3>

Make UK has welcomed the priority to protect jobs and investment in future opportunities, whilst also arguing for more short-term support for the Aerospace and Automotive industries. Stephen Phipson, Chief Executive of Make UK, said: "This was a realistic statement which lays bare the immense challenges the Chancellor and the economy faces in the near term. In the face of these it is absolutely right that the priority must be to protect jobs, whilst trying to create opportunities for young people whose futures have been left badly scarred. Equally, it is vital to put in place the foundations now for how we rebuild our economy."

The **Trade Unions Congress** has expressed disappointment at the announcement to freeze public sector pay rises, with General Secretary Frances O'Grady saying: "For all the government's talk of levelling up, this spending review will level down Britain, hitting key workers' pay and breaking the government's promises to the lowest paid." <https://bit.ly/3nWyiUd>

Turn2us has criticised the announcements on social security spending, with Thomas Lawson, Chief Executive at Turn2us, saying: "Today's announcement does not go far enough to help the many thousands of people who are struggling to stay afloat; and will push more low income households across the country into the grip of poverty. There is an absence of any new policies to improve our inadequate social security system and enable people to have enough income to get by, let alone thrive."

The **Public and Commercial Services Union** has commented on the public sector pay freeze, with PCS General Secretary Mark Serwotka saying: "Civil servants and other public sector staff will feel a deep sense of betrayal at today's pay freeze."

The **Confederation of British Industry** has welcomed the Chancellor's announcements of a National Infrastructure Bank, settlement on R&D and plan for creating jobs and renewing skills. Rain Newton-Smith, CBI Chief Economist, said: "Stark forecasts point to tough times ahead. But through his statement, the Chancellor has made some bold autumn decisions to power a Spring recovery. The Spending Review lays the foundations for a brighter economic future." <https://bit.ly/2IYiQlz>

The **Chartered Institute of Personnel and Development** has a mixed response to the Spending Review, welcoming the increase in the living wage but arguing for more investment in skills. Ben Willmott, Head of Public Policy for the CIPD, said: "The big gap in the Chancellor's announcement was on investment in skills. The Government's ambition and level of investment in this area fails to do enough in the current crisis." <https://bit.ly/3fwAhvD>

The **Institute of Directors** has a mixed response, welcoming the lack of tax rises on enterprise but expressing concern at no mention of Brexit. Jonathan Geldart, Director General said: "Today's statement provided a sobering view of the challenge ahead, and funding for infrastructure and skills will be crucial to meeting that challenge. Just as significant was what the Chancellor didn't announce. Business leaders will be relieved that the Treasury is resisting the temptation to hike taxes on enterprise for now, but will be concerned that Brexit didn't merit a mention." <https://bit.ly/2KGIDXe>

London First has welcomed the commitments in the Spending Review, but expressed concern over the lack of business support. Jasmine Whitbread, Chief Executive, said: "The Chancellor is right to focus on getting as many people as possible back into work, but without further support for businesses to hire more staff, jobs are unlikely to return in the short term."

Napo has called the public sector pay freeze an "insult" to the "hidden heroes" of the pandemic. They believe all essential workers should receive a pay rise for their hard work and dedication and call on the government to reverse this decision.

DWF has commented that the Spending Review demonstrates the government's commitment to achieving net zero by 2050, but states they need to invest more in the private sector to achieve this goal.

Kate Burnett, **Data and Marketing Association** Talent General Manager said: 'the focus on skills training is welcome and will form a vital part of coronavirus recovery. In the DM industry, investment in re-skilling provides opportunity for a wide range of people to take up new roles in data, which is shown to have subsequent positive returns on investment in their training. Government should focus on working with industry bodies to roll out sector specific training opportunities to as large an audience as possible. We also welcome the extension of support for Kickstart, Traineeships and Apprenticeships to support young people entering the workforce. The next 12 months will see young people needing significant help to enter the workforce and these schemes must be resourced quickly in order for companies to implement them.'



MONITORING

The **Chartered Management Institute** has welcomed the Spending Review's focus on long-term unemployment, reskilling and retraining workforces and helping young people get into work. However, they state more needs to be done to achieve the government's ambition of levelling up the country.

Barton Willmore has expressed elation that the government has "finally" announced the National Infrastructure Strategy. They believe there are a lot of positives from the strategy, but further detail is needed in key areas.

The **Association of Independent Professionals and the Self-Employed** has expressed disappointment at the lack of support for the self-employed, with Andy Chamberlain, Director of Policy saying: "It's disappointing that in a Spending Review so focused on battling unemployment in the UK, there was nothing to support the self-employed"

Grant Thornton has welcomed the commitments to spending on the NHS, with Matt Custance, Public Sector Advisory Partner, saying: "We welcome the announcement of an additional £3bn for the NHS, as well as an additional £2.3bn to its capital budget."

Unite has criticised the public sector pay freeze, with assistant general secretary Gail Cartmail saying: "The chancellor Rishi Sunak has delivered a body blow to the public sector workers he has targeted to bear the brunt of the costs of the pandemic with a pay freeze"

WSP has commented on the Spending Review with Jim Coleman, Head of Economics saying: "It's positive to see this one-year Spending Review offer greater detail on the means by which Treasury will deliver on its infrastructure revolution."

Communities, Housing and Local Government

The **Federation of Master Builders** has commented that a bolder response is needed for the building industry to tackle the challenges facing it. Brian Berry, Chief Executive, said: "Local builders stand ready to support a strong and green economic recovery, but the statement from the Chancellor today fell far short. We look to the National Infrastructure Strategy for more detail, but no mention in the Chancellor's speech of low carbon homes or green jobs is unacceptable given the challenges we face."

The **National Residential Landlords Association** has criticised the cut in the amount of benefits tenants can rely on to pay their rent. Ben Beadle, Chief Executive, said: "Many renters and landlords are struggling with the consequence of rent arrears through no fault of their own yet the Government is failing to take the action needed to address this."

The **Mayor of London** has commented that the government has chosen to "to ignore the true scale of the economic challenges" London faces. He believes that continuing with austerity measures will choke off growth and damage London businesses and the lives of Londoners.

The **Local Government Information Unit** has expressed concern over the funding for local government. Jonathan Carr-West, Chief Executive, said: "Today's statement was a bleak account of the nation's finances and a tightening of Whitehall's centralising grip."

The **National Federation of Roofing Contractors** has commented on the Spending Review, with Chief Executive, James Talman, saying: "It is very welcome that a further £320 million of funding has been committed to the Green Homes Grant for the next year, but the government has missed a trick by not extending this to have a broader scope."

Devolution

The **Scottish Green Party** has criticised the announcements in the Spending Review. Scottish Greens co-leader Patrick Harvie said: "The Chancellor wants to lay the cost of the pandemic on the shoulders of those who have suffered the most from it, and to punish those who have worked on the front line getting us through it."

The **Scottish National Party** has criticised the announcements made today. SNP Shadow Chancellor Alison Thewliss MP said: "The Tory government is threatening Scotland's recovery by slashing pay for millions of workers, and falling a long way short of the £98 billion package of support for the economy and public services needed to secure a fair and full recovery from the pandemic."

Women and Equalities

The **Centre for Social Justice** has welcomed the announcements on job creation, protection and funding for the restart programme, with Edward Davies, Director of Policy saying: "Amidst the eye-watering barrage of numbers, the focus first and foremost on jobs, was the right one. It is not just important for the recovery of the economy but as the Chancellor said, a job is the best route to personal prosperity – an identity, purpose, and reason to get up each morning." <https://bit.ly/2V0Fsu9>

Homeless Link has welcomed the measures on homelessness, but also does not believe they go far enough and focus too narrowly on tackling rough sleeping at crisis point. Rick Henderson, Chief Executive of Homeless Link, commented: "While we commend the additional investment to help alleviate rough sleeping, we are concerned that the Spending Review falls short of ensuring that we are able to fulfil the ambition of preventing and ending homelessness in all its forms." <https://bit.ly/2HyUpjZ>

Education and Skills

NAHT has called the Spending Review a "slap in the face" for school leaders and their teams. They believe front-line workers deserve financial help and the government has missed the opportunity to provide support



MONITORING

Barnardo's has welcomed the additional investment in schools, employment programmes, the NHS and local authorities. However, they have raised concerns that the government failed to commit long-term funding for children's social care and vital services to stop families reaching crisis point. They believe more needs to be done to help the most vulnerable.

Save the Children has commented that the cuts to the UK aid budget has "broken Britain's reputation for leadership on the world stage." In addition, they have expressed huge disappointment on the removal of the £20-a-week boost to Universal Credit and call for the government to "to maintain this vital lifeline for families."

The **National Education Union** has criticised the public sector pay freeze, with Dr Mary Bousted, Joint General Secretary, saying: "Education workers are key workers who have kept the country going during the pandemic, but pay cuts are their only reward from this Government."

The **NASUWT** has called the decision to freeze teachers' pay "short-sighted." They state teachers have been on the front-line during the pandemic and the refusal to increase their pay is a "slap in the face." Furthermore, they believe the strain on school budgets will continue.

The **National Education Union** has expressed concerns over the cuts to the UK aid budget, stating the decision as "short-sighted" and "counter-productive." They fear the cuts will stop millions of children receiving an education.

Impetus has welcomed the government's focus on youth employment in the Spending Review but find the lack of detail on the Shared Prosperity Fund "worrying." They are concerned that some job schemes are reliant on EU funding and will be forced to close.

The **National Centre for Universities and Business** has welcomed increased R&D spending. Dr Joe Marshall, Chief Executive, said: "The Chancellor has today taken a positive step forward, committing to spending almost £15 billion on research and development (R&D)."

The **Education Policy Institute** has a mixed response to the Spending Review. Natalie Perera, Executive Director, said: "While it is a positive step that the government is honouring its commitment to increase the schools budget by £2.2bn next year, it is disappointing that no additional funding is available to continue to provide catch up support for pupils who have had their education disrupted as a result of the pandemic."

WorldSkills UK has commented on the spending commitment for investing in skills. Dr Neil Bentley-Gockmann OBE, Chief Executive, said: "Today's announcements from the Chancellor reaffirm the Government's understanding that investing in skills is key to driving the country's recovery."

Energy, Engineering and Utilities

UK Steel has "cautiously welcomed" the Spending review, believe the additional funding for jobs, infrastructure and innovation need to be set out with further steps and practical detail.

The **Royal Society of Chemistry** has welcomed the Chancellor's announcements on research, development and education budgets, but they believe more information is needed on how chemical sciences playing their part in a green economic recovery.

Engineering UK has commented on the Spending Review, saying: "EngineeringUK welcomes the confirmation in the Spending Review of large-scale infrastructure investment starting next year and the ongoing commitment around Net Zero and a green economy."

Cory Riverside Energy has responded to the Spending Review, with Dougie Sutherland, CEO saying: "While there were fewer references to climate change than many would have liked, there were some positive updates, including changes to the "green book" guidance to factor net zero into policy appraisal, and plans for a new National Infrastructure Bank to plug the infrastructure funding gap."

Environment, Food and Rural Affairs

CPRE, the Countryside Charity has commented on the lack of funding for rural communities. Tom Fyans, Deputy Chief Executive of CPRE, the countryside charity, said: "Coronavirus has led to seismic changes in how and where we live and work and that's why it is critical that the government begins to level up against rural disadvantage. Rural communities have not received a fair share of public money for too long and aren't able to fulfill their potential in contributing to the wider economy."

Sustain: The alliance for better food and farming has expressed disappointment on measures relating to food and farming, with Ben Reynolds, Sustain, Deputy CEO, commenting: "The Spending Review did little to spell out support for food and farming. As the country's largest sector employing 1 in 7, and contributing between a third and a quarter of greenhouse gas emissions, this was an opportunity to put investment in good food and farming as part of measures to build a green economic recovery." <https://bit.ly/3l3ufnd>

The **Country Land and Business Association** has commented on the lack of measures aimed at the rural economy, with Mark Bridgeman, President, saying: "We understand the Chancellor continues to fight the economic fallout of Covid-19. But this Spending Review did little to show the Government's mantra of 'building back better' will apply to the rural economy." <https://bit.ly/3nSjBq4>

The **Food and Drink Federation** has welcomed further investment in skills and R&D, with Ian Wright CBE, FDF Chief Executive saying: "Today's Spending Review announcement will be broadly welcomed by the food and drink industry, particularly the Chancellor's commitment to additional investment in skills."

The **National Trust** have welcomed the government's commitment to nature and green spaces in the Spending Review, but express concern in the lack of long-term funding they believe is needed to deliver urgent environmental changes.



MONITORING

Sustrans has welcomed the spending commitments for green travel, with Xavier Brice, CEO saying: "Today's Spending Review put aside a welcome £257m for walking and cycling in 2021/22 alongside more funding for local road maintenance."

Financial Services

The **Centre for Policy Studies** has commented on the Spending Review, with Robert Colvile, Director, saying: "Today's spending review recognises the extraordinary scale of the Government's fiscal response to the pandemic, but also the extraordinary and long-lasting economic damage that it has inflicted."

The **Institute of Economic Affairs** has welcomed the announcements made in the Spending Review. Mark Littlewood, Director General, said: "The Chancellor's diagnosis was correct – and it is encouraging that he grasps the scale of the problem."

Science, Technology and Digital

Prospect has criticised the announcement on freezing public sector pay. Prospect general secretary Mike Clancy, said: "The Chancellor started his statement by promising stronger public services, but by freezing the pay of many thousands of public servants he is undermining the very people who are the foundation of our public sector."

Welfare and Social Care

Oxfam has voiced serious concern over the government's decision to reduce UK aid, saying it will lead to "tens of thousands of otherwise preventable deaths." They call the announcement a "false economy" and demand the government reverse the cuts.

The **British Association of Social Workers** has criticised the lack of measures needed to address poverty and low pay for social workers, with the Association saying: "This year has been incredibly difficult for all, but the challenges that public sector workers have faced is unparalleled. An announcement for a pay freeze for public sector workers apart from 'doctors, nurses, and others' ignores the huge number of low paid care workers for which a pay rise would have made a significant difference."

Carers UK have voiced its concern over the Spending Review, stating it does not provide enough funding for adult social care services. They are calling for the government to prioritise unpaid carers "who are being disproportionately affected by the pandemic."

Care England has expressed surprise on the announcements for social care. Professor Martin Green, Chief Executive, says: "In light of the sector's contribution during the COVID-19 pandemic, Government must support and be responsive to the needs of the sector. Of course £1 billion is welcome, we welcome every penny, but in comparison with the NHS and the challenges that the sector faces, this figure is too little and too late."

Transport and Infrastructure

The **Association for Project Management** has welcomed the launch of a new National Infrastructure Strategy, believing the announcement will "turbo-charge recovery." With further investment in skillsets and training, they believe this will be a "future pathway for successful delivery."

The **National Union of Rail, Maritime and Transport Workers** has expressed disappointment at the announcement to freeze public sector pay rises, with General Secretary Mick Cash saying: "It is shameful that the government is employing a policy of divide and rule of private and public key workers, all of who have risked their lives during the pandemic." <https://bit.ly/3pZQC0C>

The **Construction Industry Training Board** has expressed confidence at the commitment to higher infrastructure spending. Steve Radley, CITB Policy Director, said: "The Chancellor's commitment to a large increase in infrastructure spending next year and publication of the National Infrastructure Strategy give the construction industry greater confidence about the future work pipeline." <https://bit.ly/39lcqhr>

The **British Chambers of Commerce** has welcomed the launch of the National Infrastructure Strategy, calling it "an important step in overcoming the longstanding infrastructure deficit." They also believe investing in retraining and reskilling initiatives are critical to limiting long-term unemployment.

Construction Products Association has welcomed the Chancellor's announcement on the National Infrastructure Strategy and believe "the government is taking real steps" to deliver a strong infrastructure sector.

Health

The **British In Vitro Diagnostic Association** has welcomed the measures designed to help the NHS maintain services as it recovers from the ongoing pandemic. Chief Executive Doris-Ann Williams said: "At a time when the COVID-19 pandemic is still putting our health service and society under great pressure, we welcome the measures the Chancellor has taken to protect and enhance spending in the NHS." <https://bit.ly/2KGBH21>

The **Royal College of Nursing** has commented that the Chancellor has "failed to act" by not delivering a valuable pay rise to nursing staff. They further express concern that social care workers will not receive a pay increase and will "oppose plans to freeze the pay of equally skilled professionals".

The **Royal Pharmaceutical Society** has welcomed investment in health and social care and the impact this will have on pharmacists and pharmacies. Claire Anderson, Chair of the RPS in England said: "I welcome the Chancellor's continued determination to support efforts to tackle coronavirus and I hope this commitment translates to investment in pharmacy teams working on the ground." <https://bit.ly/364HeB1>



MONITORING

Cancer Research UK has said today's announcement is a step in the right direction for cancer care. Michelle Mitchell, Cancer Research UK's chief executive, said: "This spending review was a pivotal moment for the Government to back its ambitions to improve cancer survival, and today's announcement is a step in the right direction."

The **Alzheimer's Society** has criticised the lack of fundamental reform announced for the social care sector. Fiona Carragher, Director of Research and Influencing said: "Eighteen months ago, the Government said they would fix the social care crisis once and for all. In the last nine months, the utterly shattered state of the still un-fixed system has been lit up for all to see by coronavirus. People with dementia, who are by far the biggest recipients of social care, have been catastrophically hit, dying in their thousands."

Sense has called the Spending Review a "huge disappointment for our sector." They believe the £1bn allocated for social care is not enough for valuable reform and that the government has "yet again failed to support social care" for disabled people and their families.

Action Radiotherapy has commented that the Spending Review fails to provide adequate funding for vital cancer treatments. They believe this will have a "catastrophic" impact on cancer services and "lead to thousands of unnecessary deaths."

Samaritans has welcomed the announcements on mental health support, with Julie Bentley, CEO, saying: "This is a step in the right direction and suicide prevention must form a central part of government plans around mental health and wellbeing."

International Development

World Vision UK has expressed deep disappointment that the Spending Review has cut UK aid, stating the government has "broken its promise to the world's poor." They urge the government to reverse this decision immediately.

CAFOD has expressed alarm at the announcement that UK aid spending will be reduced, with CAFOD Director Christine Allen stating the UK government has "turned its back on the world" <https://bit.ly/3nWbYu4>

The **Institute of Development Studies** has expressed disappointment with the cut to UK aid spending, with Director Professor Melissa Leach commenting that "Today's announcement is incredibly damaging with devastating long-term consequences for millions of the poorest people in the world and for the UK's international reputation.

Tearfund has commented on the cut to the aid budget, with Nigel Harris, Tearfund CEO, saying: "As the world struggles to recover from Covid-19, it is more essential than ever that the UK maintains its historic commitment to spending 0.7% of national income supporting the poorest people on our planet. While it's right the Chancellor addresses the needs of people in the UK, we must not forget our global community." <https://bit.ly/2V3ghXP>

UNICEF UK has expressed disappointment at the decision to cut the UK's aid budget, with Unicef UK's Director of Advocacy, Joanna Rea, saying: "Millions of children globally rely on UK Aid to survive and have never needed aid more, with 6,000 more children at risk of dying each day from the impact of Coronavirus on vital health services. We must ensure no child is left behind in the wake of today's decision." <https://bit.ly/3m0MTxk>

WaterAid has expressed deep disappointment over the reduction of Overseas aid budget. They believe the government has "taken a huge step away" from being a world leader in protecting the world's poorest people and reduced the country's international standing.

Global Justice Now has criticised the cut in the aid budget, with Daniel Willis, aid campaign manager, saying: "Today's brutal slashing of the UK aid budget is not only a betrayal of countless promises, but will accelerate the UK's increasingly extractive relationship with the global south."

Plan International has commented that the cut to UK aid will have a "devastating impact" on marginalised children across the world. They have expressed disappointment that the UK is turning its back on "those that who need our support most."

The **Overseas Development Institute** has criticised the cut in aid spending. Sara Pantuliano, Chief Executive, said: "The UK government's announcement today that it plans to cut Official Development Assistance is a serious error of judgment."

Quakers in Britain has deemed that the government "has failed to deliver on Quaker priorities", by not providing funding for peace-making in the UK and abroad and by not putting climate change "at the heart" of the Spending Review.



MONITORING

Essential information and connections

London 11th Floor | The Shard | 32 London Bridge Street | London SE1 9SG

Brussels 7th Floor | Rue du Trône 60 | Brussels 1050 | Belgium

Edinburgh 32 Calton Road | Edinburgh | EH8 8DP

Paris 315 Bureaux de la Colline | 92213 Saint-Cloud cedex | Paris

+44 20 7593 5500 +44 20 7593 5501 customer.service@dodsgroup.com

www.dodsgroup.com