

Spending Review 2020

Purpose of report

For information.

Summary

The Spending Review (SR) 2020 took place on Wednesday 25 November. The LGA had submitted proposals to the Review, and published an on-the-day briefing in response to the announcements.

This paper highlights the specific elements with relevance to culture, tourism and sport.

Recommendation

That the Board note the report.

Actions

Officers will continue lobbying activity in line with the Board's steer and the key asks put forward in our SR submission.

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Spending Review 2020

Background

1. The 2020 Spending Review outlines the Government's spending plans for 2021/22 by setting budgets for each central government department. It had originally been intended to cover three years revenue funding, and four years for capital funding. However, it was reduced to a one year review in light of the economic and fiscal uncertainty caused by Covid-19.
2. The [LGA had briefed on the basis of a three year review](#), before the shortened version was announced. It contained a series of CTS recommendations, approved by the Board at its September meeting. Key asks included:
 - 2.1. a **strategic investment of £500 million for councils to invest in leisure facilities, pitches, and parks** to reduce obesity; ensure a healthier, more active nation in the future; reduce our carbon footprint; and prepare our communities for the inspiration provided by the Commonwealth Games
 - 2.2. a local, **flexible £500 million Green Parks Fund** to help unlock such initiatives, with a £450 million capital element and an ongoing revenue commitment of around £50 million
 - 2.3. a **£100 million funding programme** that builds on the work of the Cultural Destination Programmeⁱ, Great Places Schemeⁱⁱ, and Discover England Fundⁱⁱⁱ which enabled arts and culture organisations to increase their reach by working with the tourism sector
 - 2.4. **£30 million capital funding in libraries to develop a network of makerspaces and public access computers** to turbocharge our country's recovery, close the digital skills divide in many of our most deprived areas, and grow the entrepreneurs and innovators in every council area
 - 2.5. **£500 million to invest in providers of social prescribing facilities**, including leisure centres and libraries which support community activities
 - 2.6. £100 million capital funding available to **convert disused retail units on the high streets into creative studios** to enable creative industries (worth £111 billion GDP) to thrive and drive footfall to high streets by offering chance to grow entrepreneurs and innovators for the future by delivering 3d printing, coding and display spaces for creative experimentation.
3. The LGA produced an [on-the-day briefing](#) and an [accompanying press release](#) which was quoted in multiple newspapers in the following days. The overall position on local government finances was: *"the Spending Review provides more certainty for councils next year but the long-term outlook remains unclear. Public finances will undoubtedly be under huge strain in the years ahead but investment in our local public services is critical to our national recovery next year and beyond."*

CTS-related Spending Review announcements

4. The government is supporting the regeneration of towns and communities by targeting further investment at places most in need by: • launching a new Levelling Up Fund worth £4 billion for England... this new cross-departmental Fund for England will invest in a broad range of high value local projects up to £20 million.. including arts and culture. *(Page 36, paragraph 3.16)*
5. The government will develop a UK-wide framework for investment in places receiving funding and prioritising: investment in communities and place including cultural and sporting facilities, civic, green and rural infrastructure, community-owned assets, neighbourhood and housing improvements, town centre and transport improvements and digital connectivity. *(Page 37, box 3.1)*
6. £118.5 million one-year Birmingham Commonwealth Games funding to support the games in 2022. *(Page 38, figure 3.1)*
7. Funding from the Cultural Investment Fund for Coventry's UK City of Culture 2021 programme. *(Page 38, figure 3.1)*
8. To support the world-leading culture and heritage sectors, SR20 includes:
 - 8.1 over £150 million 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
 - 8.2 more than £100 million of capital investment for DCMS-supported bodies working across culture, heritage, and sports
 - 8.3 over £320 million for our internationally renowned galleries and museums. *(Page 81, paragraph 6.87)*
9. The settlement also provides:
 - 9.1 over £150 million in 2021-22 for upcoming major events, including the 2022 Commonwealth Games in Birmingham, Festival UK and the celebrations for the Queen's Jubilee
 - 9.2 over £60 million for Sport England to increase participation in sport and support vital projects in communities across the country. *(Page 81, paragraph 6.88)*
10. This settlement includes the following priority outcomes:
 - 10.1 Increase economic growth and productivity through improved digital connectivity
 - 10.2 Grow and evolve our sectors domestically and globally, in particular those sectors most affected by Covid-19, including culture, sport, civil society, and the creative industries. *(Page 81, paragraph 6.90)*

11. The Department for International Trade's (DIT) settlement [will]... continue to contribute to the £60 million cross-government GREAT Britain and Northern Ireland Campaign that plays a key role promoting the UK to visitors, students and investors. (*Page 83, paragraph 6.97*)

LGA view:

12. Culture and the creative industries, tourism and sport services are among those that have been hardest hit by Covid-19, yet have the potential to contribute significantly to economic recovery and personal resilience over the forthcoming years. The recognition throughout the spending review document of their importance is a positive sign, including their explicit inclusion in the objectives for the UK Shared Prosperity Fund and Levelling Up Funds.
13. However, leisure services are in need of an immediate injection of funding if they are to keep services going until the investment from the Spending review is available, and to enable them to benefit from the capital investments announced today. It is important that Government announces a second investment on top of the £100 million already announced. The £60 million funding announced to increase sports participation must target youth sports, in light of the dramatic decrease in activity over the period of the pandemic, and seek to address the significant inequalities that have also been highlighted by Covid-19.
14. While the ongoing investment into the GREAT campaign is important, Government must undertake a full review of destination management organisations and ensure they have the funding they require to support local visitor economies to recover and attract visitors.
15. Councils play a vital role in local place-shaping and spend over £2 bn a year on cultural, sporting and related services. This contribution needs to be recognised by giving them a role in shaping the details and distribution of the funding schemes announced.

Implications for Wales

16. The majority of the specific announcements relate to England only. However, the Welsh Assembly will receive a proportion of funding, determined by the Barnett formula, to develop its own investment programmes into culture, tourism and sport.
17. We will liaise with Welsh colleagues on any UK-wide implications, or opportunities for shared lobbying.

Financial Implications

18. All CTS services appear to be included in scope for the £4 billion Levelling Up Fund and the unspecified amount available through the UK Shared prosperity Fund. They will additionally benefit from the £100 million capital fund allocated to DCMS arms-length

bodies, including Arts Council England and Sport England. All this is capital funding, not revenue funding.

19. Sport services will additionally benefit from a £60 million fund to increase participation.
20. There is no specific funding for tourism and it is unlikely the £60 million for the GREAT fund will directly support council's plans for the visitor economy. The £320 million announced for galleries and museums is similarly intended for the national portfolio, and not to support local cultural assets.

Next steps

21. Officers will continue lobbying to ensure that CTS services remain embedded in the design of the Levelling Up Fund and UK Shared Prosperity Fund. To do this, we will draw on the individual proposals set out in paragraph 2 to illustrate the opportunities.
22. We will engage VisitEngland in an urgent conversation about funding and support for local visitor economies, including destination management organisations; and seek clarity on the status of the planned tourism zones.
23. The Board is invited to identify any further amendments to the workplan that may be needed in response to the Spending Review.

ⁱ <https://www.artscouncil.org.uk/cultural-destinations#section-1>

ⁱⁱ [https://www.artscouncil.org.uk/funding-finder/great-place-scheme#:~:text=The%20Great%20Place%20Scheme%20is,cohesion%20and%20health%20and%20wellbeing\).](https://www.artscouncil.org.uk/funding-finder/great-place-scheme#:~:text=The%20Great%20Place%20Scheme%20is,cohesion%20and%20health%20and%20wellbeing).)

ⁱⁱⁱ <https://www.visitbritain.org/discover-england-fund>