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Autumn Budget 2024: BSA Summary

Key Points

As part of the Autumn Budget, the Chancellor has announced the following measures:

The full documents can be found [here](#).

The press release can be read [here](#).

The OBR's forecast can be read [here](#).

The BSA's Submission ahead of the Budget can be read [here](#).

“The Chancellor has clearly set out the Government’s economic approach for this Parliament. The Government has the political strength to see their plans enacted. We therefore have a degree of certainty and stability that has been lacking in recent times. We welcome the measures to boost investment in infrastructure. We hope it will be matched by a robust programme of public service reform and modernisation to ensure every pound raised in taxation is efficiently and effectively spent. The measures announced today are tough and will directly affect every business, employer and employee. Levels of national debt, national borrowing, and national taxation continue to be too high but the political and economic frameworks are set and we will go on working closely with business and government to create the conditions in which enterprise and wealth creation can flourish,” said BSA Chief Executive Mark Fox.

The BSA will be meeting with the Department for Business and Trade shortly to discuss the sector's reaction to the Budget.

Please send any feedback or insights to piers.neill@bsa-org.com by close of play Thursday 31st October.

The following policy papers were also published today which may be of interest to BSA members:

- [Corporate Tax roadmap 2024 - GOV.UK \(www.gov.uk\)](#)
- [Transforming business rates - GOV.UK \(www.gov.uk\)](#)
- [Draft Charter for Budget Responsibility: Autumn 2024 - GOV.UK \(www.gov.uk\)](#)
- [A strong fiscal framework - GOV.UK \(www.gov.uk\)](#)
- [Response to the OBR review of the March 2024 forecast for departmental expenditure limits - GOV.UK \(www.gov.uk\)](#)
- [Impact_on_households.pdf \(publishing.service.gov.uk\)](#)
- [Policy_Costing_Document_-_Autumn_Budget_2024.pdf \(publishing.service.gov.uk\)](#)
- [Funding of the Scottish Government, Welsh Government and Northern Ireland Executive](#)



Economy, Fiscal Rules and OBR Forecasts

Fiscal Rules

- The Government's new stability rule means that the Government will not borrow to fund current spending.
- The Government will meet this in 2029-30, until that is the third year in the forecast, and then that will be the target for three years ahead.

Debt

- The Government will target debt falling as a share of the economy. Debt will be defined as Public Sector net Financial Liabilities, or 'net financial debt'.
- 'Net financial debt' recognises that government investment delivers returns for the taxpayer by counting not just the liabilities on a government's balance sheet, but the financial assets. *"This means we count the benefits of investment, not just the costs and free up our institutions to invest."*

Guardrails

- Four "guardrails" will be in place:

"First, our portfolio of new financial investments will be delivered by expert bodies like the National Wealth Fund, which must, by default, earn a rate of return at least as large as that on gilts.

Second, we will strengthen the role of institutions to improve infrastructure delivery.

Third, we will improve certainty setting capital budgets for five years and extending them at every spending review every two years.

Finally, we will ensure that there is greater transparency for capital spending with robust annual reporting of financial investments based on accounts audited by the National Audit Office and made available to the office for Budget Responsibility at every forecast."

Investment

- Overall, the Government will invest an additional £100bn over the next five years in capital spending.
- The OBR report says that in the longer term this will increase GDP by up to 1.4%.
- To unlock the growth industries of the future, the Chancellor pledged to protect government investment in research and development with more than £20bn of funding.
- This includes at least £6.1bn to protect core research funding for areas like engineering, biotechnology and medical science through Research England, other research councils, and the National Academies.
- The Government will extend the Innovation Accelerators programme in Glasgow, in Manchester and in the West Midlands.



- The Chancellor also announced over £500m of funding next year, to drive progress in improving fast, reliable broadband and mobile coverage across the country, including in rural areas.

Inflation

- The Government will maintain the Bank of England's inflation target of 2%.
- Inflation is now forecast to be 2.5% this year and 2.6% next year, then 2.3% in 2026, 2.1% in 2027, 2.1% in 2028 and 2.0% in 2029.

OBR Forecasts

Growth

- The OBR forecast that real GDP growth will be 1.1% in 2024, 2.0% in 2025, 1.8% in 2026, 1.5% in 2027, 1.5% in 2028 and 1.6% in 2029.

Budget deficit/surplus

- The OBR say that the current budget will be in deficit by £26.2bn in 2025-26 and £5.2bn in 2026-27 before moving into surplus of £10.9bn in 2027-28, £9.3bn in 2028-29 and £9.9bn in 2029-30 meeting the Government's stability rule two years early.

Taxation and Pensions

National Insurance

- The rate of Employers' National Insurance will increase by 1.2 percentage points, to 15%, from April 2025.
- The Government will also reduce the Secondary Threshold - the level at which employers start paying national insurance on each employee's salary - from £9,100 per year to £5,000.
- This will raise £25bn per year by the end of the forecast period.
- The Government will increase the Employment Allowance from £5,000 to £10,500. This means 865,000 employers won't pay any National Insurance at all next year and over 1 million will pay the same or less as they did previously.

Thresholds

- The freeze in income tax and national insurance thresholds will not be extended.
- From 2028-29, personal tax thresholds will be updated in line with inflation once again.

Capital Gains

- The Government will increase the lower rate of Capital Gains Tax from 10% to 18%, and the Higher Rate from 20% to 24% while maintaining the rates of capital gains tax on residential property at 18% and 24%.



- Capital Gains Tax rates on carried interest will increase to 32% from April 2025 and, from April 2026, the Government will deliver further reforms.

Business Rates

- The Government will provide 40% relief on business rates for the retail, hospitality and leisure industry in 2025-26 up to a cap of £110,000 per business. Alongside this, the small business tax multiplier will be frozen next year.
- From 2026-27, the Government will introduce two permanently lower tax rates for retail, hospitality and leisure properties which make up the backbone of high streets across the country and it is the Government's intention that is paid for by a higher multiplier for the most valuable properties.

Inheritance Tax

- Extension of the freeze on inheritance tax thresholds until 2030. That means the first £325,000 of any estate can be inherited tax-free rising to £500,000 if the estate includes a residence passed to direct descendants and £1m when a tax free allowance is passed to a surviving spouse or civil partner.
- Inherited pensions will be brought into inheritance tax calculations from April 2027.
- The Government will reform agricultural property relief and business property relief from April 2026. The first £1m of combined business and agricultural assets will continue to attract no inheritance tax at all but for assets over £1m inheritance tax will apply with a 50% relief at an effective rate of 20%.
- The Government will apply a 50% relief in all circumstances on inheritance tax for shares on the alternative investment market, and other similar markets, setting the effective rate of tax at 20%.

Non-Domicile Status

- The Government will abolish the non-dom tax regime and *“remove the outdated concept of domicile from the tax system from April 2025”*.

Stamp Duty

- The Government will increase the stamp-duty land tax surcharge for second-homes known as the ‘Higher Rate for Additional Dwellings’ by 2 percentage points, to 5%, which will come into effect from tomorrow.
- The temporary increases to SDLT thresholds will not continue past March 2025.

Enforcement

- HMRC will hire 5,000 extra compliance officers to close the Tax Gap, update their IT systems and enhance their app, improving the user experience for millions of taxpayers.



Public Sector Finance and Productivity

Spending and Value for Money

- Day to day spending from 2024-25 onwards will grow by 1.5% in real terms and total departmental spending, including capital spending, will grow by 1.7% in real terms.
- The Chancellor added that “*given the scale of the challenge we face in our public services*” there will still be hard decisions to come.
- David Goldstone will be appointed chair of the new Office for Value for Money.

Procurement

- From 1 October 2025, “companies bidding for government contracts over £5 million per annum will be excluded from the procurement process if they do not pay their own suppliers within an average of 45 days”.

Departmental targets

- The Government is setting a 2% productivity, efficiency and savings target for all departments “*to meet next year by using technology more effectively and joining up services across government*”.

Infected Blood Scandal and Post Office Workers Compensation Schemes

- £11.8bn set aside for those infected and affected by the Infected Blood Scandal
- £1.8bn set aside for victims of the Post Office scandal

Covid

- The Covid corruption commissioner, tasked with recovering money for “*dodgy*” Covid contracts will be announced shortly.

Employment and Skills

Skills

- £950 million will be invested in skills capital. This includes £300 million to be provided for further education in England, “*to ensure young people are developing the skills they need to succeed*”.
- Steps will be taken to transform the Apprenticeship Levy into a Growth and Skills Levy through £40 million investment. This will “*help to deliver on the commitment to launch shorter and foundation apprenticeships in key sectors.*”
- Skills England will “*take the time to consult with a wide range of partners to ensure that levy-funded training meets the needs of employers, providers, and learners, and secures good value for money.*”



Energy and Environment

Infrastructure

- The National Wealth Fund, the UK's new impact investor, will mobilise over £70 billion of investment into the UK's world leading clean energy and growth industries and support the delivery of the Industrial Strategy.
- The Chancellor announced £200 million of investment in 2025-26 to accelerate Electric Vehicle (EV) chargepoint rollout, including funding to support local authorities to install on-street charge points across England.
- The Chancellor confirmed the UK's clean energy sector will benefit from £3.9 billion of funding in 2025-26 for Carbon Capture, Usage and Storage Track-1 projects to decarbonise industry and contracts with 11 green hydrogen producers across England, Scotland and Wales - among the first commercial-scale projects anywhere in the world including in Bridgend, East Renfrewshire and in Barrow-in-Furness.
- The Government confirmed funding for the Warm Homes Plan, committing an initial £3.4 billion towards heat decarbonisation and household energy efficiency over the next three years. This includes £1.8 billion to support fuel poverty schemes. The Government is also providing funding to grow the heat pump manufacturing supply chains in the UK.

Taxation, levies and relief

- The [Energy Profits Levy](#) (EPL) has increased by three percentage points to 38%, removing the 29% investment allowance, and extending the time the levy applies until 31 March 2030.
- The Government will retain the availability of 100% first year capital allowances within the EPL.
- The Chancellor also confirmed £163 million of funding to continue the Industrial Energy Transformation Fund over 2025-26 to 2027-28.
- To help drive the transition to EVs, the Government announced plans to strengthen incentives to purchase EVs by widening the differentials in Vehicle Excise Duty First Year Rates between EVs and hybrids or internal combustion engine cars.
- The Government will maintain existing incentives for EVs in company car tax from 2028.
- A [consultation](#) has been published on new environmental guidance for assessing end use emissions related to oil and gas projects.
- The Government will also publish a consultation in early 2025 on how the taxation of offshore oil and gas will respond to price shocks once the EPL ends in 2030.

Energy

- The Chancellor announced the establishment of Great British Energy with £125 million in 2025-26, which will be headquartered in Aberdeen.

Welfare

Welfare and the labour market

- The Government will reform the welfare cap, which aims to limit the amount spent on certain social security benefits and tax credits. A new welfare cap for 2029-30 will have "*strengthened accountability*", to support spending control and "*ensure that welfare spending is sustainable in the medium term.*"



- To strengthen the effectiveness of the cap, DWP will publish a new annual report on welfare spending, which will include information on progress against the cap.
- Reforms to health and disability benefits will be set out in early 2025 *“to ensure the system supports people who can work to remain in or start employment, in a way that is fair and fiscally sustainable.”*
- Fraud and error in the welfare system will be tackled with a package of measures aimed at saving £4.3 billion in 2029-30. This includes strengthening the Department’s powers to recover debt as part of the forthcoming Fraud, Error and Debt Bill. DWP will continue to use data from across the Government and the private sector to tackle fraud and error.

Employment support

- The Government will shortly publish the Get Britain Working White Paper. The paper will set out a £240 million investment designed to trial new ways of getting people back into work. The Government *“will test new approaches and collect robust evidence on how to tackle the root causes of ill-health-related inactivity, support young people who are ‘not in education, employment, or training’ (NEET), and help people to develop their careers.”*
- As part of the Get Britain Working package, the Government will establish eight trailblazer areas across England and Wales that bring together health, employment and skills services *“to improve the support available to those who are inactive due to ill health and help them return to work.”* This will include NHS England Health and Growth Accelerators in at least three Integrated Care Systems *“to develop evidence of the impact of targeted action on the top health conditions driving economic inactivity.”*
- A further eight Youth Guarantee Trailblazer areas will also be established, to test new ways of supporting young people into employment or training.
- £115 million will be invested in 2025-26 to deliver Connect to Work, a new supported employment programme matching people with disabilities or health conditions into vacancies and supporting them to succeed in their roles. From 2026-27, this will support almost 100,000 people a year. Local authorities will be able to tailor their delivery in ways to meet their local needs.

Devolved and Local Government

English Devolution

- Integrated settlements for Greater Manchester and West Midlands Combined Authorities at the start of 2025-26
- Four further Mayoral Combined Authorities will have such settlements from 2026-27: the North East, South Yorkshire, West Yorkshire and Liverpool City Region
- Government will also explore how an integrated settlement could apply to the Greater London Authority from 2026-27
- Arrangements are set out in the documents for the [Memorandum of Understanding for the single settlements](#) (MoU). Details: [Integrated settlements for Mayoral Combined Authorities - GOV.UK](#)
- Upcoming English Devolution White Paper will set out more detail on devolution plans
- £100 million over the next three years to deliver innovative projects, partnering with Mayors and local leaders, and developing new approaches to public service reform with a focus on experimentation and learning

Local Government and Local Programmes

- Continuing the UK Shared Prosperity Fund at a reduced level for a further year, providing £900 million in advance of wider funding reforms



- Local authorities will be able to tailor their delivery of ‘Connect to Work’ in ways that meet their local needs. GM and WMCA will receive funding included in their Integrated Settlement
- Increasing core spending power by around 3.2 per cent in real terms in 2025-26. £1.3 billion of new grant funding including at least £600 million for social care. £1 billion uplift for SEND and alternative provision funding
- Redistributing funding to ensure that it reflects an up- to-date assessment of need and local revenues
- Reform to local growth funding landscape at Phase 2 of the Spending Review: rationalising the number of funds, moving away from competitions, and better supporting local leaders to drive growth
- Also roll out of new Local Growth Plans and Government will set out more detail on its strategy for regional growth
- Confirmed funding for MHCLG’s core Levelling Up Fund projects - providing £1.0 billion in 2025-26 to revitalise high streets, town centres and communities
- Long-Term Plan for Towns will be retained and reformed into a new regeneration programme
- Minded to cancel “*unfunded Levelling Up Culture and Capital Projects*”, and the West Midlands culture and inward investment funding, announced at Spring Budget 2024, but will consult with potential funding recipients first
- Minded to cease funding for the functions previously delivered by Local Enterprise Partnerships and the Business Board Network, and will consult on ending funding for pan-regional partnerships
- Upcoming English Devolution White Paper will include “*working with councils to move to simpler structures that make sense for their local areas, with efficiency savings from council reorganisation helping to meet the needs of local people*”
- Confirmed funding for UK-wide [Investment Zones](#) and Freeports, including approval of the East Midlands Investment Zone to support advanced manufacturing and green industries, and the designation of five new customs sites in existing Freeports. MHCLG will also “*work with partners to ensure the Freeports policy model aligns with the national Industrial Strategy*”
- Individual projects:
 - confirmed investment in the Liverpool Central Docks to deliver up to 2,000 homes and transform the waterfront
 - £25 million funding for the North East Mayoral Combined Authority to remediate the Crown Works Studio site
 - Unlocking transformational growth in the Oxford, Milton Keynes and Cambridge corridor through £10 million of funding to enable the Cambridge Growth Company to develop an ambitious plan for the housing, transport, water, and wider infrastructure

Transport Projects

- TransPennine Route Upgrade between York and Manchester, via Leeds and Huddersfield, will transform northern rail connectivity and lay the ground for Northern Powerhouse Rail. Momentum maintained on Northern Powerhouse Rail
- Progressing HS2 Phase One between London and Birmingham. HS2 trains will run to Euston, with funding provided for tunnelling to the central London terminus, catalysing private investment into the station and local area
- East West Rail will connect Oxford, Milton Keynes, and Cambridge and unlock land for housing and laboratories. The first East West Rail services will begin operations next year, running between Oxford, Bletchley, and Milton Keynes. The acceleration of the Marston Vale Line will ensure these services extend to Bedford from 2030. Consultation being launched on next stages of East West Rail



- Increasing City Region Sustainable Transport Settlements, funding projects such as Liverpool’s Baltic Railway Station, the renewal of Sheffield’s Supertram system and the continued development of West Yorkshire Mass Transit
- £650 million of funding for local transport beyond City Region Sustainable Transport Settlements in 2025-26 including funding to progress transport-related Levelling Up Fund projects from Rounds 1, 2 and 3. Further detail in due course
- Third Road Investment Strategy will be set out in the next phase of the Spending Review
- Over £200 million in 2025-26 to accelerate the rollout of electric vehicle charging infrastructure, including funding to support local authorities to install on-street charge points across England
- Nearly 50% increase, on 2024-25, in funding for local roads maintenance
- Progressing dualling sections of the A47, and work on the A57
- Will move toward feasibility work on improvements to the A75 by providing up to £5 million in 2025-26
- £485 million for Transport for London (TFL)’s capital renewals programme in 2025-26
- After a review the Transport Secretary has decided not to progress with the following “unfunded and unaffordable road schemes”: A5036 Princess Way, A358 Taunton to Southfields, M27 J8 Southampton, the A47 Great Yarmouth Vauxhall Roundabout and A1 Morpeth to Ellingham

Scotland

- Confirmed £125 million for Great British Energy, which will be headquartered in Aberdeen. Also confirmed support for two electrolytic hydrogen projects in Scotland, in Cromarthy and Whitelley
- £122 million for City and Growth Deals, including the contribution to the Argyll and Bute Growth Deal which delivers £25 million of investment in the region over 10 years. This Deal will be supported by a rigorous value for money assessment as part of the review of the business cases for projects within it
- “Record £47.7 billion for the Scottish Government in 2025/26 includes £3.4 billion through the Barnett formula”
- Confirming funding for the Investment Zones and Freeports programmes across the UK - including Scotland’s Green Freeports
- UK Government to working closely with the Scottish Government on the Industrial Strategy, 10-year infrastructure strategy and the National Wealth Fund
- UK Government is allocating £750,000 for the Scotland Office in 2025/26 to champion Brand Scotland
- An extension of the Innovation Accelerators programme will support the high-potential innovation cluster in the Glasgow City Region

Northern Ireland

- Proceeding with the Mid South West and Causeway Coast and Glens City and Growth Deals. The Budget confirms £162 million of investment over 15 years, subject to value for money assessments of business cases
- “The biggest real terms settlement for Northern Ireland since devolution”. £1.5 billion for the Northern Ireland Executive under the Barnett formula in 2025-26
- Chancellor committed the UK Government to working closely with the Northern Ireland Executive on the Industrial Strategy, 10-year infrastructure strategy and the National Wealth Fund
- Measures such as the Northern Ireland Enhanced Investment Zone, and the UK-wide investment of over £500m in digital infrastructure through Project Gigabit and the Shared Rural Network, benefit Northern Ireland



- Government is also providing £730,000 to support schools as they work towards integrated status, and a further £45.8 million for the Police Service of Northern Ireland's Additional Security Fund and the Executive Programme on Paramilitarism and Organised Crime

Health

Capital investment

- The Government is providing £22.6 billion of resource spending in 2025-26 for the Department of Health and Social Care. This aims to support NHS England to deliver an additional 40,000 elective appointments a week, and make progress towards the commitment that patients should expect to wait no longer than 18 weeks from referral to consultant-led treatment.
- Patient care pathways will be reformed *'to ensure patients are seen in settings which can deliver better patient experience for lower cost'*.
- Following Lord Darzi's report, the Government will take *'significant steps'* to address the £37 billion shortfall identified. Phase 1 of the Spending Review provides an increase of £3.1 billion in 2025-26 compared to 2023-24, rising to £13.6 billion. These measures will:
 - Support NHS performance across secondary care with around £1.5 billion capital funding for new surgical hubs and diagnostic centres to build capacity for over 30,000 additional procedures, and over 1.25 million diagnostic tests; new beds to create more treatment space in emergency departments, reduce waiting times and *'help shift more care into the community'*, and £70 million to invest in new radiotherapy machines to improve cancer treatment.
 - Invest over £1 billion to tackle reinforced autoclaved aerated concrete (RAAC).
 - Invest over £2 billion in NHS technology and digital *'to run essential services and drive NHS productivity improvements, to free up staff time, ensure all Trusts have Electronic Patient Records, improve cyber security and enhance patient access through the NHS App.'*
 - Continue delivery of the New Hospital Programme *'on a more sustainable and deliverable footing, moving swiftly to rebuild hospitals wholly or primarily built with RAAC or which are in build.'*
 - Strengthen the UK's pandemic preparedness and health protection with £460 million of investment to address the risk posed by future health emergencies.
 - Provide £26 million to open new mental health crisis centres. The Government *'is committed to tackling the root causes of mental health problems and supporting people to remain in, return to or find work.'*
 - Protect core R&D budgets with a real terms increase in funding for the National Institute for Health and Care Research to support the NHS and wider health and care system *'in driving a revolution in research, life sciences, med tech and data.'*

10 Year Health Plan

- The Government's 10 Year Health Plan will focus on reform, increasing productivity and *'ensuring every pound of taxpayers' money is spent wisely'* through three shifts in how healthcare is delivered. These will be:
 - In shifting care from hospital to community, including encouraging more care to be delivered through Neighbourhood Health Services.
 - In transforming the NHS from analogue to digital. Technological opportunities will be harnessed to transform the patient experience, free up staff time and improve the quality of care.



- In moving from a model of sickness to prevention.

Housing, Planning and Investment Zones

Housing and Planning

- The Government will deliver up to 5,000 new affordable social homes with £500 million in new funding for the Affordable Homes Programme.
- This brings total investment in housing supply to over £5 billion and supports the delivery of 33,000 new homes through £128 million for housing projects across the country.
- The Government will set out details of new investment to succeed the 2021-26 Affordable Homes Programme at the Spending Review.
- Confirmation of a £56 million investment at Liverpool Central Docks which is expected to deliver 2,000 homes in North Liverpool, along with office, retail, leisure, and hotel facilities.
- A £25 million investment in a joint venture to establish a new fund with Muse Places Limited and Pension Insurance Corporation to deliver 3,000 energy-efficient new homes across the country, with a target of 100% of these being affordable.
- The confirmation of £47 million to local authorities to tackle pollution in rivers, which has halted housebuilding in highly polluted areas. This funding could support the delivery of an estimated 28,000 homes that cannot be built currently due to these restrictions.

Defence

Funding

- A total increase to the Ministry of Defence's Budget of £2.9bn next year "*ensuring the UK comfortably exceeds UK NATO commitments and providing guaranteed military support to Ukraine of £3bn per year, for as long as it takes*".
- The Government will set a path to spending 2.5% of GDP on defence at a future fiscal event.

Education

- £1.4 billion allocated for school rebuilding, reaffirming the Government's commitment to improve the school estate.
- £1.8 billion has also been confirmed to support the expansion of government-funded childcare, helping deliver the roll-out through local authorities - with a further £15 million of capital funding allocated to expand school-based nurseries.
- [Primary schools can now apply for up to £150,000](#) of the £15 million, with the first stage of the plan set to support up to 300 [new or expanded nurseries](#) across England.
- The Government will triple its investment in breakfast clubs to over £30 million and also announced £44 million to support kinship and foster carers.



Tech

Investment

- The Department for Science, Innovation and Technology (DSIT) settlement provides a total of £15.1 billion in 2025-26.
- DSIT is establishing the new Regulatory innovation Office which ‘will reduce the burden of red tape, speeding up access to new technologies that improve people’s daily lives and unlock growth opportunities.’
- A review will be launched on barriers to the adoption of transformative technologies that could enhance innovation and productivity, with a focus on the growth-driving sectors identified by the [Industrial Strategy Green Paper](#). The review’s recommendations will ‘directly inform the development of the Industrial Strategy and sector plans.’
- The Artificial Intelligence Opportunities Action Plan will shortly be published. This will set out a roadmap to capture the opportunities of AI to enhance growth and productivity, and ‘better deliver services for the public.’
- A National Digital Library is being created. The library will provide ‘simple, ethical, and secure access to public data assets, giving researchers and businesses powerful insights that will drive growth and transform people’s quality of life through better public services and cutting-edge innovation, including AI.’

Digital infrastructure

- The Government will invest over £500 million in Project Gigabit and the Shared Rural Network, rolling out digital infrastructure to under-served parts of the UK.

Support for SMEs to adopt digital technology

- The Department for Business and Trade will soon announce details of a £4 million pilots package to encourage tech adoption for SMEs.
- Funding for the Made Smarter Adoption programme will double to £16 million in 2025-26, supporting more small manufacturing businesses to adopt advanced digital technologies and enabling the programme to be expanded to all nine English regions.
- The SME Digital Adoption Taskforce will be extended, and will provide an interim report early in 2025 with practical steps and recommendations to enhance SME adoption of digital technology, using insights from local and international experiences.

Justice and Home Affairs

Justice

An additional £1.9 billion total departmental spending to the Ministry of Justice (MoJ) in 2025-26 - an average real terms increase of 5.6% each year from 2023-24 to 2025-26.

£2.3 billion of investment in prison expansion over 2024-25 and 2025-26

A minimum £500 million additional investment across prisons and probation in 2025-26 to recruit thousands of new prison and probation staff

£220 million investment in prison and probation service maintenance in 2024-25 and up to £300 million in 2025-26



Home Affairs

Total Home Office funding will increase from £20.3 billion in 2023-24 to £22.1 billion in 2025-26.

The Home Office is reinvesting £281 million in 2024-25 and £536 million in 2025-26 of the savings from cancelling the MEDP to make the asylum system more efficient by reducing the asylum backlog, increasing appeals capacity, increasing returns and ending hotel usage.

Additionally, the Home Office will deliver the new Border Security Command with new specialist investigators and new powers to tackle the organised criminal gangs.