

E-mail alert: Spring Statement 2025

- 1.1 On 26 March 2025, the Chancellor of the Exchequer delivered her [Spring Statement](#), responding to the [latest set of forecasts for the economy and public finances](#) from the Office for Budget Responsibility (OBR).
- 1.2 In line with the previous commitment to only have one major fiscal event each year and the upcoming Spending Review to be delivered on 11 June 2025, this Statement did not include many new policy announcements with a direct impact on local government, other than policies and schemes that were announced after the Autumn Budget but before the Spring Statement.
- For example, a ‘policy’ covered by the scorecard in the Spring Statement relates to the impact of exceptional financial support arrangements announced for specific councils earlier this year, including bespoke council tax referendum limits.
 - The Government has also recommitted itself to further business rates reform previously announced in a discussion paper alongside the 2024 Autumn Budget (including, for example, new business rates multipliers). An interim update will be published in the summer, with further policy detail announced in the 2025 Autumn Budget.
 - In what is seemingly a new announcement, HM Treasury will explore incentives on recovering COVID scheme fraud by agreeing parameters of a retention scheme with departments, arms-length bodies and local government. However, it does not appear that any more details are available on the potential arrangements.
- 1.3 Two more recent announcements mentioned in the Spring Statement documents are:
- The Government’s response to its [technical consultation on introducing a building safety levy](#) on new dwellings which require a building control application. The levy will aim to collect around £3.4 billion over a 10 year period and be introduced from Autumn 2026. The levy will be charged on the basis of floorspace and the consultation response includes a levy rate for each local authority. There will be a 50% levy discount on works on previously developed land and certain residential buildings which provide important community facilities and certain types of communal accommodation (e.g. affordable housing) and developments of fewer than 10 units will be exempt altogether. Regulations will be laid in Parliament later this year, and we will provide further updates as more information becomes available.
 - A [£2 billion uplift to funding for affordable housing in 2025/26](#), focused on homes deliverable within this Parliament and ahead of decisions for funding in 2026/27 and beyond. The majority of this funding will fall in 2026/27, but a tail of funding will cover completions of homes after this. All projects funded through this £2 billion will need to start by March 2027, and will need to finish by June 2029. The funding will be made available to providers on the same terms as the Affordable Homes Programme for 2021-26.

- 1.4 The attached appendix contains our usual summary of OBR forecasts for further information and we will continue to update subscribers on further developments as usual through the Funding Briefing Service.