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Spring Budget 2023: ukactive analysis

The Chancellor has delivered the 2023 Spring Budget. The fiscal event was delivered at a time of uncertainty for the physical activity sector, with energy costs still high and the Energy Bill Relief Scheme of support throughout the winter coming to an end. Meanwhile, there is a focus from the Government on growth and productivity, particularly around expanding the workforce. Below is a summary of the key changes for the sector, the impact these will have on ukactive's members, and next steps.

Summary

The main focus of this Budget was economic growth, in particular encouraging those currently out of work back into the economy. This includes pension reform to incentivise older workers to remain in work, childcare reform to free new parents to return to work, and the Disability White Paper. There was also support for some sectors affected by ongoing high energy prices, including £63m made available for public leisure facilities with pools, and a commitment to support the further rollout of musculoskeletal (MSK) hubs.

Public leisure support

The Chancellor confirmed the Government's announcement of £63m would be made available for public leisure facilities as support for high energy prices. £40m of the fund will be for investment in long-term energy efficiency, while £23m will help local leisure centres with immediate costs. The fund will last for one year, be managed by Sport England, and be available for council-run facilities, private companies running facilities on behalf of councils, and charities. ukactive will support the Government and Sport England to channel this financial package to those facilities most at need, helping to retain services and keep facilities open.

ukactive view: This is a welcome development in providing immediate support for those facilities struggling most acutely with rising energy bills. This is the result of intensive lobbying from ukactive and our coalition of sector partners, armed with essential data and insight provided by our members.

We await the publication of the full eligibility criteria and will continue to work with the Government ahead of the upcoming Sport Strategy to ensure it provides a long-term strategy for public leisure.

Employment and Health

The Government will embed tailored employment support within mental health and MSK services in England, including scaling up MSK hubs, for which ukactive is driving a major [national pilot](#). The Government said it will turn community hubs and leisure centres into MSK hubs which deliver evidence-based support for MSK conditions in England so more people can access treatment, building on the work of ukactive.



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Government is also introducing employment advisors in MSK services in England, helping individuals with MSK conditions to return to, or remain in, employment.

The Health and Disability White Paper sets out reforms aimed at making it easier for disabled people and those living with long-term health conditions to enter and remain in the workforce. Changes include the removal of Work Capability Assessments, adding a new health element to Universal Credit, and investment in employment support.

ukactive view: Government support for MSK hubs is a significant step in recognising the value of the physical activity sector in supporting the health of the nation, and could be the first step in scaling our sector's work in this area to reduce the burden on the NHS and social care.

Business taxation reforms

While the headline rate of Corporation Tax remains at 25%, there were changes announced to other areas of business taxation. Two new Capital Allowances will be introduced, allowing businesses to write off the cost of qualifying expenditure against taxable income, thus cutting businesses' overall tax bill. This will run until April 2026, and means for every £1 invested in qualifying expenditure, companies can save up to 25p on their tax bill.

There will also be reforms to the tax system for small businesses, including changes to the Enterprise Management Incentives scheme and inclusion to the Help to Save scheme. There will also be two consultations: a commitment from HMRC to deliver a systematic review of guidance and forms for small businesses; and a consultation to simplify calculating income tax for smaller, growing sole traders.

ukactive view: Removing tax barriers to the sector is important to facilitate growth. ukactive awaits further information in qualification for capital allowances, and terms of reference for the consultations before responding.

Children and young people

In the Spring Budget the Chancellor announced measures to improve childcare provision for working parents, including:

- Schools and local authorities will be funded to increase the supply of wraparound care, so that parents of school age children can drop their children off between 8am and 6pm – tackling the barriers to working caused by limited availability of wraparound care.

Prior to the Spring Budget, the Department for Education announced the following measures to improve the provision of physical activity and sport for children and young people:



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- Over £600m across the next two years for the PE and Sport Premium, a funding commitment to improve the quality of PE and sports in primary schools to help children benefit from regular activity.
- £22m for two years of further funding for the School Games Organiser network (SGO).
- Up to £57m funding awarded to Active Partnerships in collaboration with ukactive, StreetGames, and the Youth Sport Trust for the open sports facilities programme, to open more school sport facilities outside of school hours especially targeted at girls, disadvantaged pupils, and pupils with special educational needs.
- Equal access to sports in school, setting out that offering girls and boys the same sports where it is wanted is the new standard.
- Delivering a minimum two hours of curriculum PE, with more support being offered through a refreshed School Sport Action Plan.
- Expansion of the Schools Games Mark to reward parity of provision for girls. This kitemark scheme, delivered by the Youth Sport Trust, recognises schools that create positive sporting experiences across all sports for young people, supporting them to be active for 60 minutes a day.
- A new digital tool for PE and Sport Premium to support schools in using the funding to the best advantage of their pupils.

ukactive view: The measures announced by the Department for Education prior to the Spring Budget are welcome, and provide some security of funding for schools and children's activity providers. There is opportunity within the Budget's announcements around childcare to ensure physical activity is part of this support, and ukactive will closely work with the Department for Education on this.

Business rates

The Chancellor confirmed the changes to business rate bills in England taking effect from 1 April 2023 to reflect changes in property values since the last revaluation in 2017. Below is a reminder of the announcements which will take effect from 1 April:

- the business rates multipliers will be frozen in 2023-24 at 49.9 pence and 51.2 pence, preventing them from increasing to 52.9 pence and 54.2 pence;
- upwards Transitional Relief will support properties by capping bill increases caused by changes in rateable values at the 2023 revaluation. The 'upward caps' will be 5%, 15% and 30%, respectively, for small, medium, and large properties in 2023-24, and will be applied before any other reliefs or supplements;
- Retail, Hospitality and Leisure Relief for eligible retail, hospitality, and **leisure businesses** is being extended and increased from 50% to 75% business rates relief up to £110,000 per business in 2023-24;



- bill increases for the smallest businesses losing eligibility or seeing reductions in the Supporting Small Business Scheme (SBRR) or Rural Rate Relief (RRR) will be capped at £600 per year from 1 April 2023; and
- at Autumn Budget 2021 the Government announced a new improvement relief to ensure ratepayers do not see an increase in their rates for 12 months as a result of making qualifying improvements to a property they occupy. This will now be introduced from April 2024. This relief will be available until 2028, at which point the government will review the measure.

The Government has also published the results of its technical consultation on business rates from 2022.

ukactive view: This is a welcome development as it prevents business rates being significantly impacted by inflation before the revaluation in 2023. ukactive will continue to monitor the impact these changes have on business rates, as well as consulting members on a long-term proposal for business rate reform.

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

If there are any questions on any of the above, please contact Stephen McLoughlin at stephenmcloughlin@ukactive.org.uk.