

Spending Review to conclude late November

News story

The Chancellor has decided to conduct a one-year Spending Review in order to prioritise the response to Covid-19, and our focus on supporting jobs



In order to prioritise the response to Covid-19, and our focus on supporting jobs, the Chancellor and the Prime Minister have decided to conduct a one-year Spending Review, setting department's resource and capital budgets for 2021-22, and Devolved Administration's block grants for the same period.

Multi-year NHS and schools' resource settlements will be fully funded, as will priority infrastructure projects.

The government has been clear that we would keep plans for the Spending Review under review given the unprecedented uncertainty of Covid-19.

While the government would have liked to outline plans for the rest of this Parliament, the right thing today is to focus entirely on the response to Covid-19 and supporting jobs – that's what the public would expect.

The government has put in place considerable support for businesses, families and the economy throughout the current crisis and will continue to show flexibility and creativity in our response.

The Spending Review will build on that support and focus on three areas:

- Providing departments with the certainty they need to tackle Covid-19 and deliver our Plan for Jobs to support employment;
- Giving our vital public services enhanced support to continue to fight against the virus alongside delivering first class frontline services; and

- Investing in infrastructure to deliver our ambitious plans to unite and level up the country, drive our economic recovery and Build Back Better.
- That means the government will continue to deliver on our commitments and the priorities of the British people – and to do so the Spending Review will confirm multi-year capital spending for key programmes where certainty is needed to ensure no time is lost in delivery.

The Chancellor of the Exchequer, Rishi Sunak, said:

In the current environment its essential that we provide certainty. So we'll be doing that for departments and all of the nations of the United Kingdom by setting budgets for next year, with a total focus on tackling Covid and delivering our Plan for Jobs.

Long term investment in our country's future is the right thing to do, especially in areas which are the cornerstone of our society like the NHS, schools and infrastructure. We'll make sure these areas crucial to our economic recovery have their budgets set for further years so they can plan and help us Build Back Better.

Further information

- As outlined in July in the interest of fairness we must exercise restraint in future public sector pay awards, ensuring that across this year and the spending review period, public sector pay levels retain parity with the private sector.
- The precise date for the Review will be confirmed shortly but it will be in the last weeks of November.
- Hospital building and HS2 are examples of the kind of capital projects which require multi-year capital allocations.

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