

# PRESS RELEASE

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## CREATIVE INDUSTRIES FEDERATION RESPONSE TO THE BUDGET MARCH 16 2016

### The headlines

- We welcome the tax break for museums and galleries and other specific measures for that sector.
- We welcome further fiscal incentives for small creative businesses and freelancers.
- We are increasingly concerned about the impact on local authority budgets and the consequences for provision of arts and culture.

### The details

There are several elements of the Budget affecting the arts, creative industries and cultural education.

We welcome measures for arts and heritage including:

- The new tax break for museums and galleries that will be available to temporary and touring exhibitions from April 2017
- Specific projects including £2 million to refurbish the Hall for Cornwall in Truro, £13 million for Hull's City of Culture, a new Shakespeare North theatre in Knowsley and £14 million for the STEAMhouse in Digbeth, Birmingham, bringing together arts and STEM to drive innovation
- Extending the Cathedral Repairs Fund by an extra £20 million.

We welcome support for the digital economy - in addition to the Institute of Coding already announced - including:

- The establishment of a new Broadband Investment Fund to support alternative broadband networks
- Delivery of a 5G strategy in 2017 so that the UK becomes a world leader in 5G.

As a sector with high numbers of small and medium-sized enterprises and freelanceRs, we also welcome other measures including:

- New tax-free allowances for micro-entrepreneurs
- Cutting business rates for smaller businesses so that businesses occupying property with a rateable value of £12,000 or less will pay no business rates with tapered rates of relief on properties worth up to £15,000
- Simplification of National Insurance contributions for the self-employed
- All Local Enterprise Partnerships (LEPs) to have a small business representative on their board.

We are pleased that our major creative businesses also stand to gain from the cut in corporation tax to 17 per cent by 2020.

However, while we welcome business rate relief for small companies, we are extremely concerned that the estimated £7 billion savings for these small businesses will be forfeited by the local authorities who have been given the right to retain business rate income as part of plans for greater financial autonomy. Any further decrease in revenues for local authorities risks further damage to local arts organisations.

Given the current marginalisation of creative subjects in schools, we will examine carefully the changes for education to be announced fully in the White Paper tomorrow.

### **Our comment**

John Kampfner, chief executive of the Creative Industries Federation, said: “We welcome the fiscal measures to encourage entrepreneurship and innovative small businesses in our sector and the wider support for culture including measures that should help museums and galleries around the country.

“But we are extremely concerned that local authorities will be hit by another major cut to their budgets when local arts provision is already under pressure.”

**Note:** The Creative Industries Federation is the membership body that unites the arts, creative industries and cultural education in the UK.