

# Comprehensive Spending Review 2025 briefing

## Overview and next steps

Today, the Chancellor delivered the Government's Comprehensive Spending Review and its public spending plans through to 2029. The Government's headline is that they are investing in Britain's renewal, and security, health and infrastructure in particular; with the twin objectives of driving economic growth and an increase in living standards.

The big winners today were health, defence and R&D – with the NHS' budget set to increase by £29bn in real terms, billions in defence procurement and £86bn announced for R&D over the lifetime of this Parliament. Energy and infrastructure were also highlighted, with spending for Sizewell C, small modular reactors and Carbon Capture and Storage, as well as rail projects across the country.

For businesses, the Chancellor stated that access to talent, finance and support for innovation would address concerns. Spending in these areas included increasing the "firepower" of the British Business Bank to £25bn and £1.2bn a year by 2029 to support over a million young people into training and apprenticeships.

We expect to see all these priorities reflected in the upcoming Industrial and Trade strategies, and our focus now will be on those and:

1. Engaging with Government on the detail around defence, R&D and other areas that we have prioritised in our advocacy activity, including LSIPs, export support and the future of place-based investment e.g. the Growth Mission Fund.
2. Our Budget asks ahead of Autumn, with a clear ask that there should be no new taxes on business and a roadmap to reducing taxation burden on businesses (NICs, business rates etc.). With public spending set to increase to 44.1% of GDP by 2028/29 (according to the OBR) and public sector net debt set to reach 95% of GDP by 2028/29, a consensus is emerging that the Chancellor will have to look at ways to bring in more money later in the year.
3. We will continue to advocate for wider economic asks, including on trade and infrastructure, as well as removing barriers to growth e.g. an Employment Rights Bill that works for both employers and workers.

Our public statement and a list of the most relevant measures for us are included below.

## British Chambers of Commerce public statement

### Spending Review Must Be A Catalyst For Growth

**Responding to the Comprehensive Spending Review, Alex Veitch, Director of Policy at the BCC, said:**

“Business has been waiting for Government to show it understands the deep-rooted problems holding back our economy and how they can be solved.

“Today we have seen signs they get it, with action to address some of the key issues that can help firms.

“The Chancellor’s pledges on £15bn of regional infrastructure investment, a £14bn commitment to Sizewell C and an £86bn package for research and development funding can make a real difference.

“But the government must not give with one hand and take with the other. While plans for investment are welcome, we are clear that, if we are to sustain meaningful growth, there can be no further taxes on business in the autumn budget.

“Firms will also want to hear a lot more about the replacement for the Shared Prosperity Fund. The current information about the new scheme suggests it may be more limited in nature, and broad access to this scheme will be essential.

“These issues aside it was welcome to see a £2bn focus on Artificial Intelligence support. Many SMEs tell us they are still struggling with how they will get the best from AI, if they plan to use it all.

“The £6bn set aside for munitions production and separate funding for carbon capture, usage and storage clusters, including the Acorn Project in Aberdeenshire, are also critical to supply chains across the UK.

“New infrastructure projects will also provide investment opportunities for these supply chains, generate wealth, which is injected back into their regions, and create additional economic capacity.

“So, it was also good to hear the Chancellor talking about the government’s commitment to training, education and skills.

“Too many times in the past, big infrastructure projects have been beset by inefficiencies, delays and costs overruns.

“If we are to build on a greater scale across the whole country then we need a pipeline of new planners, carpenters, architects, technicians and construction workers.

“That’s why guarantees of £1.2bn per year of future funding for apprenticeships and training is so important.

“Today’s announcements provide us with the broad framework of where the government will invest. But the forthcoming Industrial and Trade Strategies will still have heavy lifting to do if our economy is to achieve the strong and sustained growth, we all desire.”

**ENDS**

## Spending measures announced

<b>SUBJECT</b>	<b>MEASURE / ANNOUNCEMENT</b>	<b>BCC Win</b>	<b>DEVOLVED?</b>
<b>Economy, Infrastructure &amp; Devolution</b>			
<b>Regional Growth and Devolution</b>	<ul style="list-style-type: none"> <li>Local Growth Fund for MCAs</li> <li>Investing in 350 deprived communities</li> <li>Funding Devolution Priority Programme</li> <li>Establishing a Growth Mission Fund. £240m of capital from 26-27 to 29-30</li> </ul>	Potential wins but overall concerns re. UKSPF	Mainly England
<b>Green Book</b>	<ul style="list-style-type: none"> <li>Publishing review of Green Book</li> <li>Introduce 'place-based business cases'</li> </ul>	Yes, previous ask	UK
<b>Rail</b>	<ul style="list-style-type: none"> <li>£3.5bn to support delivery of TransPennine route upgrade</li> <li>£2.5bn for the delivery of East-West rail</li> <li>Funding for the Midlands Rail Hub (funding amount not specified)</li> <li>£445m for railway in Wales over ten years</li> </ul>	Potential wins in terms of overall rail investment	England and Wales
<b>Aviation</b>	<ul style="list-style-type: none"> <li>Extending the Advanced Fuels Fund to 2029-30 (SAF)</li> </ul>	Yes	UK
<b>Roads</b>	<ul style="list-style-type: none"> <li>£24bn of capital funding between 26-30 to maintain and improve motorways and local roads</li> </ul>	Yes	England
<b>Housing</b>	<ul style="list-style-type: none"> <li>£39bn in Affordable Homes Programme</li> <li>£10bn delivered through Homes England to 'unlock hundreds and thousands more homes'</li> </ul>	Yes as long as co-located with sufficient levels of employment land	England
<b>Transport</b>	<ul style="list-style-type: none"> <li>Four year settlement for TfL</li> <li>Four fold increase in local transport grants by the end of Parliament</li> <li>Extending £3 bus fare cap until March 2027</li> </ul>	Yes	Varied

	<ul style="list-style-type: none"> <li>£2.6bn to decarbonise transport. Includes £1.4bn to support uptake of electric vehicles including vans and HGVs, and £400m to support rollout of charging infrastructure</li> <li>£616m to build and maintain walking and cycling infrastructure</li> </ul>		
<b>People &amp; Work</b>			
<b>Apprenticeships/ Growth and Skills Levy</b>	<ul style="list-style-type: none"> <li>Funding for 1500 apprentices at Sizewell C</li> <li>£1.2bn/year by end of parliament to support young people into jobs and training</li> </ul>	Yes, sought support to tackle NEETs	England only
<b>Local Skills Improvement Plans</b>	<ul style="list-style-type: none"> <li>Not mentioned – more detail expected in the coming weeks</li> </ul>		England only
<b>Health &amp; NHS</b>	<ul style="list-style-type: none"> <li>Funding for more appointments</li> <li>3% real terms increase per year for length of parliament</li> </ul>	Welcome, our NEETs report called for a properly funded health and social care system	England only
<b>Childcare/early years</b>	<ul style="list-style-type: none"> <li>Extending Free School Meals and breakfast clubs</li> <li>Increased funding for school-based nurseries</li> </ul>	Yes, People & Work report called for childcare support for working parents	England only
<b>Education/Schools</b>	<ul style="list-style-type: none"> <li>£4bn uplift for core schools budget</li> <li>Mental health support teams in all schools</li> </ul>	Welcome, our NEETs report raised concerns about mental health of young people	England only
<b>Employment</b>	<ul style="list-style-type: none"> <li>increasing funding for employment support to over £3.5 billion by 2028-29</li> <li>extending funding for eight youth guarantee trailblazers and nine inactivity trailblazers</li> </ul>	Yes, sought support to help adults back into work Yes, we called for extension of youth guarantee trailblazers in our NEETs report	England, Scotland and Wales

<b>Energy &amp; Net Zero</b>			
<b>Nuclear</b>	<ul style="list-style-type: none"> <li>• £14.2bn of investment for Sizewell C.</li> <li>• £2.5bn of support for Small Modular Reactor Programmes.</li> <li>• £2.5bn in nuclear fusion including processing.</li> </ul>	Yes	UK-wide
<b>Carbon Capture, Usage and Storage</b>	<ul style="list-style-type: none"> <li>• £9.4bn in capital budgets over the Spending Review Period.</li> <li>• Fill storage capacity of the East Coast Cluster and HyNet Cluster.</li> <li>• Government support for Acorn and Viking clusters.</li> </ul>	Yes	UK-wide
<b>Great British Energy</b>	<ul style="list-style-type: none"> <li>• GB Energy and Great British Nuclear to invest more than £8.3bn in homegrown clean power.</li> </ul>	Yes	UK-wide
<b>Decarbonisation</b>	<ul style="list-style-type: none"> <li>• £2.6 billion of capital investment to decarbonise transport, including £1.4 billion to support uptake of electric vehicles, and £400m to support rollout of charging infrastructure.</li> </ul>	Yes	UK-wide
<b>UK Climate Resilience</b>	<ul style="list-style-type: none"> <li>• £4.2 billion to build and maintain flood defences.</li> </ul>	Not called for, but would welcome	UK-wide
<b>Global Britain (Trade, Investment, Defence)</b>			
<b>Defence</b>	<ul style="list-style-type: none"> <li>• £4.5bn investment in munitions. Including six new energetics and munitions factories.</li> <li>• £6bn to upgrade nuclear submarine production.</li> <li>• £4bn on autonomous systems development, including land drone swarms.</li> </ul>	BCC called for defence spending to rise to at least 2.5% by mid 2027 – delivered in this Review	UK-wide

<b>Defence</b>	<ul style="list-style-type: none"> <li>Defence Investment Plan in the autumn to include £15bn in sovereign nuclear warhead plan investment.</li> <li>Defence Industrial Strategy (forthcoming) to unlock growth potential of defence industries in the economy.</li> <li>Defence Reform and Efficiency Plan also due in the autumn.</li> </ul>	Sought implementation of defence spending uplift as priority for overall industrial strategy and sectoral industrial strategies	UK-wide
<b>Trade</b>	<ul style="list-style-type: none"> <li>Supports forthcoming Trade Strategy through investment in reducing global trade barriers and building new export opportunities.</li> </ul>	Subject to forthcoming detail in the Trade Strategy	UK-wide
<b>Trade</b>	<ul style="list-style-type: none"> <li>Supports trade promotion and investment, including maximising opportunities in highest potential markets for exports.</li> </ul>	Subject to forthcoming detail in the Trade Strategy	UK-wide, but devolved administrations also have powers on trade promotion
<b>Investment</b>	<ul style="list-style-type: none"> <li>Refocuses the Office for Investment to land the biggest opportunities in investment and growth.</li> </ul>	BCC has sought full implementation of Harrington Review recommendations, including on inward investment.	UK-wide
<b>Digital</b>			
<b>Digital Infrastructure and Connectivity</b>	<ul style="list-style-type: none"> <li>£1.9bn for Building Digital UK.</li> <li>Connecting homes and businesses and businesses to gigabit-capable broadband to reach 99% of UK premises by 2032.</li> </ul>	No – BCC had called for long-term Government funding to support Project Gigabit (full gigabit broadband coverage by 2030).	UK-wide

	<ul style="list-style-type: none"> <li>Working with industry to deliver Shared Rural Network so most remote areas have 4G coverage.</li> </ul>		
<b>Artificial Intelligence</b>	<ul style="list-style-type: none"> <li>£2bn to implement the AI Opportunities Action Plan, including 20-fold increase in support for compute capacity; £500m for creation of new UK Sovereign AI Unit; £48m for the Tech Expert to drive collaboration with universities on AI; and £240m for the AI Security Institute.</li> <li>New AI Adoption Fund.</li> <li>Department for Science, Innovation and Technology to bring together the digital transformation of public services under one department.</li> </ul>	Yes – welcome this funding from Government. Would welcome further support for SMEs to take up AI.	UK-wide
<b>Research and Development</b>	<ul style="list-style-type: none"> <li>Government prioritising R&amp;D, increasing funding to £22.6bn per year by 2029-30.</li> <li>Increased support for UK's science base, including through UK Research and Innovation, and association to Horizon Europe and its successor.</li> </ul>	Yes	UK-wide
<b>Cyber Security</b>	<ul style="list-style-type: none"> <li>Government commitment to build strong digital and technology foundations, tackle urgent cyber security and technical resilience risks.</li> <li>Support for the National Cyber Security Centre and the National Protective Security Authority.</li> </ul>	No. No ask from BCC on these areas but have called for long-term support for businesses on cyber.	

- |  |   |  |  |
|--|---|--|--|
|  | <ul style="list-style-type: none"><li>• Integrated Security Fund will address serious threats to national security, including, among others, cyber risks.</li></ul> |  |  |
|--|---|--|--|

### Further reading and links

- The Spending Review full [document](#)
- The Chancellor's [speech](#) in full (text)
- A link to [re-watch the Chancellor's speech in full](#)
- All associated supplementary documents [here](#)