

Chancellor launches vision for future public spending

- The Spending Review will set out the plan for how public spending will deliver the people's priorities over the next three years.

The Chancellor has today (7 September) launched Spending Review 2021 (SR21), which will conclude on 27 October 2021 alongside an Autumn Budget and set out the government's spending priorities for the Parliament.

The three-year review will set UK government departments' resource and capital budgets for 2022-23 to 2024-25 and the devolved administrations' block grants for the same period.

When added to what we have already provided to invest in our future, our plans – including the additional funding for health and social care announced today (7 September) – mean core departmental spending will grow in real terms at nearly 4% per year on average over this Parliament. By 2024-25 that means that core departmental spending will be £140 billion more per year in cash terms than at the start of the Parliament.

At the Spending Review, the government will set out how we will Build Back Better, deliver the priorities of the British people and continue to support businesses and jobs through:

- Ensuring strong and innovative public services – making people's lives better across the country by investing in the NHS, education, the criminal justice system and housing;
- Levelling up across the UK to increase and spread opportunity; unleash the potential of places by improving outcomes UK-wide where they lag and working closely with local leaders; and strengthen the private sector where it is weak;
- Leading the transition to Net Zero across the country and more globally;
- Advancing Global Britain and seizing the opportunities of EU Exit;
- Delivering our Plan for Growth – delivering on our ambitious plans for an infrastructure and innovation revolution and cementing the UK as a scientific superpower, working in close partnership with the private sector.

□The Chancellor of the Exchequer, Rishi Sunak, said:

Since the start of the pandemic, we've delivered on an unprecedented scale to protect people's jobs and livelihoods.

Despite the worst economic recession in 300 years, we have not only got people back into work through the Plan for Jobs but continued to deliver on the priorities of the British people.

At the Spending Review later this year, I will set out how we will continue to invest in public services and drive growth while keeping the public finances on a sustainable path.

As part of today's launch, the Chancellor set the envelope for spending over the next three years:

- Core day-to-day departmental spending will follow the path set out at spring Budget 2021, with the addition of the net revenue raised by the new Health and Social Care Levy and the increase to dividend tax rates announced today. The Government will make available around an additional £12 billion per year for health and social care on average over the next three years.

*This additional funding for health and social care allows the Government to announce an SR21 RDEL settlement for NHS England and Improvement rising to £160 billion by 2024-25

- In total, day-to-day spending will increase to £440 billion by 2024-25, increasing by nearly £100 billion a year in cash terms over the Parliament.
- We will also deliver a step-change in capital investment, as set out at Budget 2021. We will invest over £600 billion over five years, the highest sustained level of public sector net investment as a proportion of GDP since the late 1970s.
- Overall, our record and our plans will see total core departmental spending (for day-to-day spending and investment) grow in real terms at nearly 4% per year on average (nearly 6% in cash terms) over this Parliament – a £140 billion cash increase and the largest real-terms increase in overall departmental spending for any Parliament this century.

This spending increase is part of our broader plan to return our public finances to a sustainable footing over the medium-term. The spending plans and focused tax changes we announced today, alongside the measures taken at the last Budget, show that we are determined to get our fiscal position back

on track, so that we can continue to fund excellent public services in the future.

Given the impact COVID-19 has had on the economy, the Chancellor has been clear that our spending plans will be underpinned by a focus on ensuring every pound of taxpayer funding is well-spent, so that we can continue to deliver the highest-quality services to the public at the best value. Departments have therefore been asked to identify at least 5% savings and efficiencies from their day-to-day budgets as part of these plans, which will be reinvested in our priorities.

Further information:

- The SR launch letter can be found [online](#).
- The table below sets out the envelope for core departmental spending for the SR. Given the continued uncertainty around the path of the virus, we recognise that some additional spending on top of these plans may be required in the immediate term as part of the remaining response to Covid-19. This will be considered in exceptional circumstances only, where reform and efficiencies are not sufficient to fund essential activity.
- The table below also sets out the additional funding for health and social care which is expected to be made available by the Health and Social Care Levy and increase to dividend tax rates announced by the government today. As with all tax measures, the additional revenue from the Levy and the increase to dividend tax rates will be accounted for at the next fiscal event and the costing certified by the Office for Budget responsibility (OBR). The exact amount raised will depend on the OBR's forecast in the autumn. In making these allocations, the government has taken into account the expected impact the Levy will have on profits, wages and prices, which in turn will lower the amount that would otherwise have been raised from personal and business taxes, and compensation for public sector employers. Around an additional £12 billion per year from these tax changes will be made available for health and social care resource spending, with the remainder offsetting the additional public sector costs from the Health and Social Care Levy. These estimates are based on how the OBR have considered previous similar changes.
- The Office for Budget Responsibility (OBR) will prepare an economic and fiscal forecast which will be presented alongside the Autumn Budget and SR21 on 27 October 2021.
- HMT has opened a process for the Spending Review and Autumn Budget to allow external stakeholders to submit representations. Representations

can be submitted here by 30 September.

[Sony's purchase of AWAL raises competition concerns](#)

The CMA has found that Sony's completed purchase of AWAL raises competition concerns, following a Phase 1 investigation.

[Sony's purchase of AWAL raises competition concerns](#)

- Deal could lead to worse terms for artists and less innovation in the music sector

The music industry is evolving, with the development of social media and streaming enabling artists to have more control over the distribution of their own content and promotion of their brand. As a result, while most music artists have historically been signed to one of a small number of 'major' labels, alternative business models have emerged. In particular, independent providers of Artist and Label (A&L) services offer a streamlined version of the support typically provided by the major labels, while allowing artists to retain ownership of their music and a greater percentage of royalties.

Sony is one of the 3 major record labels active in the UK today. In addition to its main label offering, Sony Music Entertainment, Sony also owns The Orchard, an A&L services provider that it acquired in 2012. AWAL is an emerging music distributor offering an alternative to traditional music deals, providing both A&L services and a 'DIY platform' that allows artists to upload their own music for distribution.

The Competition and Markets Authority's (CMA) investigation found that the wholesale distribution of recorded music in the UK is highly concentrated at present, with the 3 major labels accounting for the vast majority of the market. AWAL is an important emerging player, widely recognised for its innovative business model. It is one of the few suppliers outside the major labels that has succeeded in gaining a meaningful foothold in the market and has grown significantly in recent years.

As part of its investigation, the CMA found evidence that – if the deal had not gone ahead – Sony and AWAL could also have competed more strongly with

each other in future. AWAL was well-placed to grow its business even further in the coming years. There is also evidence that Sony intended to expand The Orchard's offering, focussing more on the emerging pool of smaller artists, which would have led it to compete more with AWAL.

This competition between Sony and AWAL could have benefited artists by improving the terms of their deals with distributors, potentially allowing them to keep a larger share of their earnings and to have more ownership of their music rights. The CMA is therefore concerned that the loss of an innovative competitor like AWAL could, despite continued presence of the other major labels, lead to worse terms for artists and less innovation in the music sector.

Colin Raftery, Senior Director at the CMA, said:

The music industry forms an important part of the UK's flourishing entertainment sector, and it's essential that distributors continue to compete to find new and creative ways of working with artists.

We're concerned that this deal could reduce competition in the industry, potentially worsening the deals on the table for many music artists in the UK, and leading to less innovation across the industry.

Sony must now address the CMA's concerns within 5 working days. If it is unable to do so, the deal will be referred for an in-depth Phase 2 investigation.

For more information, visit the [Sony / AWAL merger inquiry page](#).

Notes to editors:

1. The CMA served an initial enforcement order in May. Details of this can be found on the [Sony / AWAL merger inquiry page](#).
2. This is a Phase 1 decision. Unless the parties offer suitable Undertakings in Lieu, it will proceed to Phase 2. A collection of guidance published by the CMA on mergers work can be found on the [CMA mergers guidance](#).
3. Sony and AWAL have 5 working days to offer legally-binding proposals to the CMA to address the competition concerns identified. The CMA would then have a further 5 working days to consider whether to accept any offer instead of referring the case to a Phase 2 investigation.
4. The CMA has found competition concerns with regards to Sony's purchase of AWAL, but not with regards to Sony's purchase of Kobalt Neighbouring Rights.
5. In July, the [House of Commons Select Committee on Digital, Culture, Media and Sport published a report](#) raising concerns about the strong position of the major music groups and its impact on artist remuneration.
6. All media enquiries should be directed to the CMA press office by email

on press@cma.gov.uk, or by phone on 020 3738 6460.

Bill to strengthen democracy to be debated in House of Commons

Legislation which will strengthen the integrity of elections in Britain is to be debated in the House of Commons today.

Bill to strengthen democracy to be debated in House of Commons

Minister of State for the Constitution and Devolution Chloe Smith, is expected to set out in the Commons the government's plans to update electoral law. Delivering on a UK-wide manifesto commitment, the Elections Bill will help safeguard our elections to ensure our democracy remains secure, fair, modern and transparent.

Minister of State for the Constitution and Devolution Chloe Smith said:

Voters must be confident, not only that their vote is theirs and theirs alone, but that their voices are heard and their vote matters.

The Elections Bill keeps our elections free and fair and will ensure democracy across the UK continues to thrive.

The measures set to be scrutinised by parliamentarians will protect the rights of electors to vote in secret and without fear. New laws will strengthen action against intimidation of voters, by improving and updating the offence of 'undue influence' in electoral law, to prevent people from being coerced into giving up control over their vote.

The Bill will also toughen sanctions for those convicted of intimidating political candidates, campaigners and elected representatives by barring perpetrators from running for elected office for a period of five years.

The UK is renowned for its democratic heritage, but it is essential that it is able to keep up with changes in society and technology so that it remains fit for the modern age.

In the UK, we are stewards of a fantastic democratic heritage, and as the world moves on, we must move with it, ensuring our democracy remains fit for the future.

Amid the growth in online political campaigning, the government will introduce a new digital imprints regime, requiring political campaign content promoted online by a party, candidate or campaigner to explicitly show who is behind it. This means voters know exactly who is informing their political views online.

The Elections Bill will also include measures to reduce the potential for someone to steal another person's vote by introducing sensible safeguards for postal and proxy voting. This will see party campaigners banned from handling postal votes, putting a stop to postal vote harvesting.

Minister Smith is expected to argue "electoral fraud, at any level and in any context, is a threat to people's confidence in our elections, and to the very fabric of our democracy".

The Bill will introduce a requirement to show an approved form of photographic identification before voting at the polling station.

These sensible checks and balances have existed in Northern Ireland since 2003, helping to stop voter fraud without compromising the ability to vote, and should apply across the United Kingdom. For any eligible voter who does not have one of a broad range of accepted identification documents, a free, locally issued Voter Card will be available from their local authority.

The Government's wider Elections Bill will also:

- improve access to voting for electors with disabilities
- tackle electoral fraud by post and proxy
- increase transparency and accountability within our elections
- empower British citizens living overseas to participate in our democracy
- amend voting and candidacy rules for EU citizens following our departure from the EU

Robust discussion and freedom of expression has always been a crucial part of our democracy. Today MPs will have the opportunity to freely debate measures designed to protect these key principles.