

# VIEWPOINT

**After breathing a collective sigh of relief that the Government's misguided Landfill Tax reform proposals were to be shelved, we were left with a hollow sense of victory following the Autumn Budget.**



Despite economic growth being the Government's number one mission (remember that?), growth barely featured in the Chancellor's speech. As a key supplier of new housebuilding, infrastructure and foundational manufacturing, the UK mineral products industry has been staring down the most challenging period in a generation. November's Budget did little to try and lift market confidence or create the conditions to boost long-term investment.

Yes, we welcomed the decision to bury proposed Landfill Tax reforms as well as the commitment to increase local roads maintenance funding. Both are sensible steps and show that the Government is capable of listening if enough voices speak up. However, these do not compensate for the glaring absence of broader, growth-oriented policies.

## Cumulative burden

In our pre-Budget submission, MPA proposed a suite of measures to stimulate economic activity. We called for a super-deduction to encourage capital investment, pragmatic regulatory reforms to reduce barriers to growth, and targeted tax and policy changes to support infrastructure, highways, procurement and energy efficiency.

Instead, the Budget loaded yet more taxes onto businesses and households, more complex business rates for industrial sites, and a string of policies with (at best) questionable impact on economic revival. The announcement on the exclusion of indirect emissions from the Carbon Border Adjustment Mechanism is also a concern for our cement and lime producing members. All this cumulative burden weighs on the industry whilst the construction sector – the driver of demand for the vast majority of mineral products – remains stagnant.

## Grow, don't shrink

Headlines in recent months have reported the lowest demand of ready-mixed concrete for six decades and domestic cement production at its lowest levels since the 1950s. These are not just statistics – they reflect site closures, job losses, shrinking capacity, and the degradation of domestic supply chains.

Our members had hoped the Budget would spark some recovery. In reality, they face more of the same – an economic environment that discourages investment, where difficult decisions have to be made (and already are being made) to balance cost pressures against poor demand. The country's productive

capability to deliver future growth is being eroded, precisely when it is most urgently required.

## Roads revival

The one true positive for our industry in the Budget was the commitment to double local road maintenance funding by 2029-30. The backlog identified by the Asphalt Industry Alliance's ALARM survey sits at nearly £17 billion, with less than half the local road network currently considered to be in a good state of structural repair.

Investing in local roads not only helps deliver better conditions for all road users, but actually supports growth ambitions – with DfT research showing that every additional £1 spent on road maintenance results in a return on investment of between £2 and £9. We need a lot more of that kind of forward thinking. But the Budget's emphasis on taxation and welfare, without corresponding measures to stimulate investment, will inevitably prolong economic stagnation.

## Empowering policy

Like the supply of minerals, growth cannot be assumed, it needs to be planned and worked for. Our members are resourceful, resilient to a point, and will do whatever they can to support economic recovery, but they need an empowering policy environment to build upon. The Autumn Budget was a missed opportunity to do just that and leaves the construction sector without the platform to help drive the growth the Government says it wants, and country so desperately needs.

**Chris Leese**  
**Executive Chair**  
**MPA Executive Management Committee**