

Levelling Up

Key Announcements	Other organisations' response	Implications for SYMCA
LUF		
Building a major waterfront extension in Doncaster (£18.6m)		It's positive for South Yorkshire as a region to get five projects, totalling 5.8% of the total budget for Britain. However, the MCA's bid was not successful. Sheffield will likely be pleasantly surprised as – like Barnsley – it wasn't classed as a priority one area.
New hospitality and visitor centres at Wentworth Woodhouse in Rotherham. (£20m)		
Finishing the Culture and Leisure Quarter in Rotherham Town Centre. (£19.6m)		
Delivering the long-planned Centre for Child Health Technology in Attercliffe. (£17m)		
Regenerating Castlegate Quarter in Sheffield. (£20m)		
UKSPF		
£2.6bn over the next three years, with the current £1.5bn only being met in 2024-25. This leaves a significantly reduced budget, which is made worse by a commitment to match previous allocations to the nations and Cornwall. The skills project Multiply (£560m) will come out of this budget.		<p>Even excluding SY missing out on a potential windfall from an EU reclassification, there will be £2bn left for local areas across the UK for the next three years for UKSPF (the amount that isn't allocated for Multiply). Matching it on previous allocations would have been £4.5bn. So, we're short of £2.5bn for local areas to potentially make decisions on, and there's still no further detail on its design nor how it will be distributed, but rumours are that it will come to MCAs. With Cornwall and the nations receiving previous amounts, this means that other areas will likely be fighting over scraps. All of this means that there will be less flexibility than we were used to under LGF and cash is probably for defined activity.</p> <p>This leaves us with a few potential actions, two short-term and one medium-term.</p> <ol style="list-style-type: none"> 1. Lobby Government on why Cornwall received a commitment to its previous, huge allocation. I've emailed Tees Valley (the

		<p>other area than SY that would have likely been reclassified) to see if they're interested in a joint response, which might improve our chances with a Tory Mayor. If not, it could be one for Dan to question them on.</p> <ol style="list-style-type: none"> 2. The size of the pot and the centralisation of the fund (with Multiply being included) is one to maybe push Neil O'Brien on. 3. We consider how to best deploy these funds. The detail isn't out yet, but if it is devolved and it is a small pot of money, it might be best served to combine this with our Investment Strategy rather than a small, standalone funding project. This could be one for Management Board to consider.
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Transport

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<ul style="list-style-type: none"> • £5.7bn will be allocated for five-year transport settlements for the regions, while £1.2bn of new funding will go towards transforming bus services to deliver London-style journey times, fares and number of services. • £21bn spending on roads • £46Bn on railways • £5bn for buses and walking 		<p>Until the IRP is published, the future of the North's economy is shrouded with uncertainty.</p> <p>BSIP seems likely to be a big issue over the next few days given the confirmation from UTG that we're bidding for a share of £600m of revenue. Which is not a lot for the entire country.</p>
<p>£570m to South Yorkshire for schemes such as starting the renewal of the Supertram.</p>		<p>We did well on CRSTS - £570m is a solid outcome. However, bus investment is looking terrible. The £3bn for buses trailed for over a year seems to only be £1.2bn across England. We'll be woefully underpowered in relation to our Bus Service Improvement Plan. We also didn't receive our Levelling Up Fund bid, which is a big disappointment.</p>

Skills

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<ul style="list-style-type: none"> • Today's Spending Review allows for 4% increase in school spending per pupil in 2022, and 1% per year in 2023 & 2024. • A £3.8bn increase on skill spending, an increase of 42%. • A 29% real terms increase in adult skills funding from 2019-20 to 2024-25.43 This will expand the Lifetime Skills Guarantee so more adults in England can access funding for in-demand Level 3 courses and scale up Skills Bootcamps. • Apprenticeships funding will increase to £2.7bn by 2024-25 • £1.6bn will provide up to 100,000 16 to 19-year-olds studying for T-levels – technical-based qualifications 	<p>The aspiration of 'levelling up' is a good one but Government policy on education is achieving the opposite. "Education funding policy is driving money away from areas with greater relative need". (<i>Public Accounts Committee</i>)</p> <p>"With just £2bn added, the Government's plan for education recovery is completely inadequate." (<i>National Education Union</i>)</p> <p>"It's good to see investment in skills rising again after a lost decade of cuts. However, it looks like this only restores some of the previous cuts and so won't be enough to transform Britain into a skills superpower" (<i>Learning and Work Institute</i>)</p>	<p>A good critical take is that this isn't "much of a boast really" as it shows that there's been "A decade and a half without growth"</p> <p>Many of the announcements around adult skills funding are not for us. The Skills Bootcamps, for example, we are involved in support for these but do not manage them directly. However, as big chunks of the new cash were for 16-19 and 19+ (including Multiply – see below), we might want to think about shaping our ask / narrative around this.</p>
<p>"Multiply" will be a separate £560m commitment which would aim to see up to 500,000 people receive free personal tutoring or digital training in maths. The Multiply programme will be part of the UKSPF.</p>		<p>The Multiply scheme is likely to come our way and will be in addition to AEB.</p>
<p>Delivery of the commitment to 20 Institutes of Technology across England.</p>		<p>South Yorkshire has a bid in to DfE for an Institute of Technology.</p>

Innovation

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<p>£22bn target has slipped from 24/25 to 26/27, but there it is still a huge amount of investment.</p>	<p>"Very welcome commitment to "levelling up" R&D without compromising existing excellence. I thought that govt might be tempted to game the</p>	<p>There is a lot of money for innovation. Details of the mechanisms to achieve this will follow in Levelling Up White Paper. It is important they</p>

	target by including cost of R&D tax credits. Very pleased that they didn't do this." (<i>Professor Richard Jones</i>)	involve co-creation with MCAs to reflect local knowledge of the needs of local economies, rather than being entirely top-down. There's lots still up for grabs, so this could be one to focus our attention on. It's vital that a large chunk of this money is directed away from the Golden Triangle and MCAs could have a role in this. SY is well placed to help deliver on levelling up through innovation investment, especially with the plans in development with Paul Collier et al.
The £1.4bn Global Britain Investment Fund will funnel money into key innovative sectors by handing out grants to encourage internationally mobile companies to invest in the UK's critical industries, including life sciences and automotive		
There is a reform of the system of tax reliefs for investment on research and development in an effort to boost innovation in Britain, while "refocusing" breaks that domestic companies can claim when carrying out research overseas		Should be a boost for private sector innovation, but this needs to be stimulated by a huge public sector investment targeted at weaker economies, like in Germany.

Net Zero

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<ul style="list-style-type: none"> £30bn over four years for Net Zero investment. Fuel duty shelved for the 12th consecutive year. 50% reduction in domestic air passenger duty, reducing the cost of flying within the UK. 	<p>"We have a commitment of £30bn of public money over 4 years when we in fact need it annually." (<i>NEF</i>)</p> <p>"The commitment to spend billions on road building and continue to freeze fuel duty will come as cold comfort to the many households</p>	In his speech, the Chancellor mentioned climate and net zero three times and cider ten times. This was not a green Budget, and this doesn't appear to be the priority for the Government despite what they've said previously.

Sunak positioned airports as “major regional employers”.	with no car who continue to be pummelled by rising rail and bus fares.” (<i>Campaign for Better Transport</i>)	
Business rate exemptions and relief in England for eligible green technologies to support the decarbonisation of non-domestic buildings.		Some of the measures announced have relevance for decarbonising the economy, yet there was little in the way of direct new spending measures announced on the agenda. It is right that Net Zero is still a focus of the MCA, but the Government hasn’t backed up its words with adequate funding. The Net Zero Strategy having been launched last week goes some way to explain the sparse references to Net Zero, but it was still surprising that there weren’t more green announcements. Some specific criticisms have been levelled such as the £3.8bn skills funding is not tightly enough linked to green jobs and skills.

Flooding

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<ul style="list-style-type: none"> • £5.2bn to better protect 336,000 properties across England from flooding. • £27m to support flooding incident and emergency response activities • An additional £22m each year for the maintenance of flood defences 		