

Hull and East Yorkshire LEP Board

Paper B Briefing Paper – Budget Statement 2023

Version 1.1

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1. Introduction

1.1. Jeremy Hunt, Chancellor of the Exchequer presented the Budget Statement 2023 to Parliament on the 15th of March 2023.

2. Key Points from the Budget Statement pertaining to LEP activity

2.1. Consultation on Local Authorities subsuming LEP functions

2.1.1. The chancellor announced that the government will commence a consultation on Local Authorities taking over responsibility of local economic development functions from Local Enterprise Partnership.

2.1.2. The direct text in Government Red Book reads:

‘The government is committed to empowering democratically elected local leaders at every opportunity. To this end, the government intends for the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future. Therefore, the government is minded to withdraw central government support for LEPs from April 2024. DLUHC and the Department for Business and Trade will now consult on these proposals, before confirming a decision. The government will publish an updated policy position to confirm next steps by the summer.’

2.1.3. The LEP Network are currently seeking meeting with government to provide additional detail.

2.2. Hull to allocated funding for Levelling Up Partnership

2.2.1. Government announced the rolling out of Levelling Up Partnerships to provide bespoke place-based regeneration in an initial twenty of England’s areas most in need of levelling up over 2023-24 and 2024-25.

2.2.2. Areas will be invited to form partnerships include the City of Kingston upon Hull, Sandwell, Mansfield, Middlesbrough, Blackburn with Darwen, Hastings, Torbay, Tendring, Stoke-on-Trent, Boston, Redcar and Cleveland, Wakefield, Oldham, Rother, Torridge, Walsall, Doncaster, South Tyneside, Rochdale, and Bassetlaw.

2.2.3. This will build on the success of deep dives in Grimsby, which saw cross-government working to help avoid the effective closure of the town’s fish processing sector, and in Blackpool, which unlocked a £100 million regeneration plan.

2.3. Carbon Capture, Use and Storage

2.3.1. Chancellor committed as much as £20 billion over the next two decades for local carbon capture and storage directly referencing the 'East Coast' in his statement.

2.3.2. The Humber Energy Board are liaising with government to ascertain more detail on the detail behind this announcement.

2.4. Other Economic Development Policy Announcements In Budget:

- Third Round of Levelling Up Fund to be released, providing a further £1bn to local communities so they can invest in new local priority infrastructure projects.
- £8.8bn for a second round of the City Region Sustainable Transport Settlements.
- Councils across England will get additional funding to help tackle potholes, through an extra £200m for pot-hole repairs.
- 12 new investment zones to be formed- possible areas include west midlands, east midlands, Teesside, Liverpool, and one in Wales and Northern Ireland. Access to £80m support for skills, infrastructure and tax relief.
- £200m for new regeneration projects outside Levelling Up Partnership Areas
- A long-term commitment so that Greater Manchester & West Midlands Combined Authorities areas can retain 100 percent of their business rates.
- For businesses 100 percent full expensing introduced from 1 April on plant and machinery investments.
- For R&D intensive SMEs, for every £100 spent on R&D, eligible companies will be able to claim £27 back, helping them to invest in more R&D and grow for the future.
- Government to launch a competition for small modular nuclear reactors and if the technology is proven to be viable, the Government will invest.
- The launch of Great British Nuclear to enable nuclear projects, support the UK's nuclear industry and provide opportunities to build and invest.
- To encourage investment, nuclear power will be classed as "environmentally sustainable", subject to consultation. That will give it access to the same investment incentives as renewable energy.
- Increasing tax relief for film, tv and video game industries – expenditure credit with a rate of 34 percent for film, high-end television and video games, and 39 percent for animation and children's TV sectors.