

Budget 2021

Planning & Housing Commission

23 March 2021

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Budget 2021 – Some headlines

- **Headline economic projections improved.** GDP now expected to reach pre-pandemic peak 6 months earlier.
- **Most forms of Covid-related business support extended** (often until September). This includes the furlough, SEISS VAT and business rate reliefs etc. Also an additional £425m in Additional Restrictions Grant, plus £6-18k 'Restart' Grants for closed retail and hospitality firms
- **Two tax changes:** Corporation and income tax up & new 'super-deduction' to encourage private investment
- GM received £8.6m capacity funding to prepare for our share of the £4.2bn **Intracity Transport Settlement**
- **Funding under the Towns Fund** for three places in GM: Bolton, Cheadle, and Rochdale.
- **Freeport status was awarded to Liverpool City Region (LCR)** – with Port Salford part of the LCR bid.
- **Two Help to Grow schemes:** 'Help to Grow: Management' (providing leadership and management training), and 'Help to Grow: Digital' (vouchers subsidising the cost of software).
- Several competitive funding streams:
 - The **Community Ownership Fund** for community groups to buy or take over community assets
 - The **Community Renewal Fund** – Further detail in following slides
 - The **Levelling Up Fund** – Further detail in following slides

Levelling Up Fund and Community Renewal Fund

Levelling Up Fund (1/2)

- The LUF will replace the local growth fund and will support individual **capital projects of up to £20m each**, or up to £50m for transport initiatives in exceptional circumstances.
- **Local authorities will be the lead bidders** and eligible for funding for one project per constituency in their area (larger LAs can therefore place more bids). To note, each constituency does not necessarily need a project attached to it. Where constituencies cut across council boundaries, a lead authority will need to be designated. The GMCA is eligible to submit one Transport bid.
- The Government has developed an index of places in ‘most significant need’, divided into three tiers. **All GM areas are in Tier 1, with the exception of Salford.** Authorities in Tier 1 will receive £125,000 in capacity funding to develop their bids, although Government expects this to arrive too late to support bids into the first round of the Fund and is intended to support bids in future years.

Levelling Up Fund (2/2)

- The Fund will support three types of project:
 - **Transport:** There is a clear preference here for smaller schemes (larger schemes 'by exception').
 - **Regeneration and town centre investment:** This will include brownfield regeneration, site acquisition, and 'bringing public services into town centres'
 - **Cultural investment:** Maintaining, regenerating or creatively repurposing museums, galleries and visitor attractions.
- Bids will be assessed against four key criteria, in line with green book guidance: Their tier, deliverability of the project, strategic fit with local and fund priorities, and value for money. **MPs will be expected to back one bid in their constituency and this support will be highly valued.**
- There will be an **initial focus on projects which can demonstrate investment or begin delivery on the ground within the year.** The deadline for bids is Friday 18th June; decisions should be expected in Autumn 2021.

Community Renewal Fund (1/3)

- The CRF is a £220m, one-year pilot fund acting as a bridge to the UK Shared Prosperity Fund (UKSPF), **supporting projects totalling up to £3m per local authority area**, with minimum project size expected to be £0.5m.
- The CRF will be 90% revenue funding with has four investment priorities:
 - **Skills**: including work-based training, retraining and digital skills/inclusion
 - **Local business**: including supporting entrepreneurs, innovation and decarbonisation
 - **Communities and place**: Including feasibility studies for net zero projects, opportunities for culture-led regeneration, green spaces and rural connectivity.
 - **Supporting people into employment**: Including addressing barriers to employment, raising aspirations, and basic skills.
- Match funding will score highly.

Community Renewal Fund (2/3)

- The Fund has **four overarching objectives**: supporting a smooth transition between EU funding and the UKSPF, enabling innovation through pilots, a new (more direct) way of working between the UK Government and places, levelling up and creating opportunity, and building capacity.
- The CRF has identified **100 ‘priority places’** from an Index of Economic Resilience (note: this is a different prioritisation than used under LUF). **Only four GM local authority areas are in this list**: Bolton, Manchester, Oldham and Rochdale.
- The Prospectus does not rule out bids from places outside the ‘Top 100’, but **given the relatively low amount of funding available overall, it seems unlikely that bids from outside these places will be successful**. In fact, £3m per authority is not even enough to cover all the priority areas.
- As with the LUF, bids are due by Friday 18th June with results are expected in late July. Bids must relate to activity which is complete by 31 March 2022.

Community Renewal Fund (3/3)

- There is a two stage process of appraisal and assessment
- The **GMCA will be the 'lead authority' for the CRF in Greater Manchester and will invite project proposals from a range of local applicants**, including but not limited to, universities, voluntary and community sector organisations, and umbrella business groups.
- GMCA will receive capacity funding to help to invite and appraise these bids with no nationally set eligibility criteria. The funding is £20k per priority place (£80k for GMCA). The appraisal criteria and process are yet to be confirmed.
- Applicants must include 1-2% (min £10k) evaluation costs in all bids.
- The GMCA will be responsible for appraising these projects and producing a shortlist to send to Government. Only applications on the shortlist from the GMCA will be considered. **Government will then assess the projects submitted and decide which are successful.** GMCA will be the grant issuer and will performance and contract manage all successful projects.

Timelines

Bid design, prioritisation and CRF shortlisting

