

The 'Build Back Better' Budget

3 March 2021

The Chancellor announced over £1 billion funding for a further 45 towns in England through the Towns Fund, including **£37.5 m for Stevenage**, the publication of the government's **Build Back Better: Plan for Growth** and £4.8 billion **UK-wide Levelling Up Fund** which provides guidance for local areas on how to submit bids.

The Budget also unveiled plans for a taskforce designed to stimulate housebuilding using **modern methods of construction (MMC)**, backed by £10m of government funding. The Ministry of Housing, Communities and Local Government (MHCLG) will establish the Taskforce, backed by £10 million of seed funding, to accelerate the delivery of MMC homes in the UK. The taskforce will work closely with local authorities and Mayoral Combined Authorities to bring forward ambitious proposals, such as those being developed by **Hertfordshire Growth Board** and the enterprise zone, **Hertfordshire Innovation Quarter**. With over 100,000 homes to build by 2036, Hertfordshire has a strategic commitment to speed up the delivery of new homes.

Find out [more](#) about how we are using offsite to accelerate the delivery of homes in Hertfordshire.

A new **two year super deduction tax benefit** to give **130% rebate** on investment could also provide significant stimulus for contractors investing in areas like Modern Methods of Construction (MMC) and digitalisation to meet expectations set out in the new Construction Sector Playbook.

Build Back Better: Plan for Growth: This focuses on three pillars of investment: infrastructure; innovation and skills. To support this growth, the Government has committed to levelling up regional disparity by:

- Regenerating struggling towns in all parts of the UK via the UK Shared Prosperity Fund and the UK-wide Levelling Up Fund;
- Realising its vision for every region and nation to have at least one globally competitive city to help drive prosperity. This includes City and Growth Deals, £4.2 billion in intra-city transport settlements;

Last year, the Government published the **National Infrastructure Strategy (NIS)** which set out how it would:

- Boost growth and productivity across the whole of the UK via the **levelling up** agenda;
- Put the UK on the path to meeting its **net zero emissions target** by 2050 by taking steps to decarbonise the UK's power, heat and transport networks as part of its Ten Point Plan for a Green Industrial Revolution;
- Accelerate and improve delivery through wide-ranging **Project Speed reforms** including streamlining the planning system; improving the way projects are procured and delivered. One of these path-finder projects' is the **Oxford-Cambridge Arc**.

In addition to its key pillars, the Plan for Growth sets out a timeline for various publications over the next 12 months. These include the **Research & Development People and Culture Strategies** which supports its approach in the context of wider economic recovery from COVID-

19. The **Devolution and Local Recovery White Paper** has been pushed further down the line with other key strategies to emerge over the next year including **Digital** and **Net Zero**.

Levelling Up Fund: Announced at the Spending Review, the £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.

The prospectus provides guidance for local areas on how to submit bids for the Fund and sets out the approach for the first round of the Fund, which will prioritise bids that can demonstrate investment or begin delivery on the ground in the coming financial year. Capacity funding will be allocated to local authorities most in need of levelling up in England. The index is based on a combination of metrics including need for economic recovery and growth, need for improved transport connectivity and need for regeneration. A separate appendix lists local authorities by priority category from 1 to 3. **Stevenage, Dacorum, St Albans, East Herts** and **Welwyn Hatfield** are all in priority category 3.

The Fund will deliver as part of a broad package of complementary UK-wide interventions, including:

- **UK Community Renewal Fund:** This will provide local areas across the UK with access to £220 million of additional funding as they prepare for the UK Shared Prosperity Fund due to launch in 2022. As EU structural funds tail off after 2022-23, the UK Shared Prosperity Fund will succeed them as a programme distinct from the UKCRF. The fund will prioritise projects that target investment at communities in need, especially at the top 100 priority places and provide capacity funding to the lead authority for these 100 places. **Hertfordshire** is not listed.
- **Towns Fund**, providing £3.6 billion to drive the economic regeneration of deprived towns and deliver long-term economic and productivity growth, by renewing and reshape town centres and high streets in a way that drives growth, improves user experience, and ensures future sustainability. **Stevenage** is to receive £37.5m, one of the highest allocations, following a successful application led by **Stevenage Development Board**, and supported by key stakeholders including **Stevenage Borough Council, Hertfordshire Local Enterprise Partnership, Hertfordshire County Council** and **Hertfordshire Growth Board**. Find out more about the **Stevenage Town Investment Plan**.
- **UK Infrastructure Bank** will be set up in Leeds which will provide financing support to local authority and private sector infrastructure projects to help meet UK Government objectives on climate change and regional economic growth. It will also establish an advisory function to help with the development and delivery of projects. It will have £12bn in capital, with aim of funding £40bn worth of public and private projects.

As part of its Investment-led recovery, the Government has also committed to a:

- £375 million UK-wide **'Future Fund: Breakthrough'** which will invest in highly innovative companies such as those working in life sciences, quantum computing, or clean tech, that are aiming to raise at least £20 million of funding;
- A new **Help to Grow scheme** to offer up to 130,000 companies across the UK a digital and management boost;
- A review of **Research & Development tax reliefs** to make sure the UK remains a competitive location for cutting-edge research;
- £68 million to fund a UK-wide competition to deliver first-of-a-kind long-duration energy storage prototypes that will reduce the cost of **net zero** by storing excess low carbon energy over longer periods;
- £15bn in **green bonds**, including for retail investors, to help finance the transition to net zero by 2050.



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