

APPENDIX 3

Announcements relevant to North Midlands, as circulated by the Chief Executive of D2N2 Local Enterprise Partnership

D2N2 LEP Board - Budget Briefing

LEPS TO GET MORE GROWTH DEALS, CASH FOR HOUSE BUILDING AND A SMALL BUSINESS REPRESENTATIVE ON ALL BOARDS

In terms of the specific impact on LEPs, the Chancellor confirmed that up to £1.8billion would be allocated through a further round of Growth Deals later this year. He also announced that a further £2billion of the Local Growth Fund would be allocated through the Home Building Fund (para 1.282), and the requirement that a nominated Small Business Representative sits on all LEP Boards (para 2.316).

The Budget's specific references to LEPs cited examples of initiatives with specific partnerships, such as:

- The agreement with LEPs in the Midlands Engine and the British Business Bank to create a Midlands Engine Investment Fund of over £250million, to invest in smaller businesses in the Midlands (**Para 1.306**).
- Greater Manchester and East Cheshire, Sheffield City Region and Lancashire LEP, and the Midlands will each benefit from a science and innovation audit to map their research and innovation strengths, and to identify areas of potential global competitive advantage. Future audits in other areas are to be announced later in the year (**Para 1.286**).
- Greater Birmingham and Solihull LEP is to be supported to develop a proposal for a new Knowledge Quarter in the area around the Curzon Street HS2 station (Para 1.312).

The 'Devolution Revolution' features prominently, with some deals being on LEP geographies. The Budget confirmed new Mayoral Devolution Deals with the West of England, Greater Lincolnshire and East Anglia; seeing deals extend to English counties and southern cities (**Para 1.279**).

Local Growth Fund allocations will be included in non-ringfenced single pots of funding for areas with previously agreed Mayoral Devolution Deals to spend on local priorities, worth £2.86billion in total (**Para 1.280**).

The Government will create a new MarineHub Enterprise Zone in Cornwall. New Enterprise Zones will also be created in Brierley Hill in Dudley, Loughborough and Leicester and there will be an extension of the Sheffield City Region Enterprise Zone.

Enterprise Zones will be able to offer Enhanced Capital Allowances for eight years following the establishment of the ECA site (**Para 1.283**).

On the Northern Powerhouse – The Budget gave the green light to High Speed 3 between Leeds and Manchester, with £60million being provided to develop plans for both the Leeds-Manchester route by 2017 and to improve transport connections between cities of the North. Upgrading of the M62 to four-lane smart motorway will be accelerated. Developing the future transformation of east-west road connections will include a new Trans-Pennine tunnel under the Peak District, between Sheffield and Manchester (para 1.291).

MIDLANDS ENGINE STARTING TO GET TRACTION

Today's Budget 2016 saw a number of additional funding 'asks' from the Midlands Engine answered by the Chancellor, including on:

Finance for business –

- The £250million-plus Midlands Engine Investment Fund (**mentioned above**) – a 'fund of funds' investing in small and medium-sized enterprises (SMEs) – was agreed between Government and the British Business Bank; and Midlands Engine partners, subject to final funding arrangements.

Transport –

- **Midlands Connect** – the initiative already working to better integrate all transport networks across the region, and between those and other regions – will be put on a statutory footing by the end of 2018, to create a sub-national transport body for the region. Midlands Connect also received £5million in the July 2015 Budget. It is seen as vital in taking forward Midlands Engine ambitions.
- Priority roads development work will include the continued development of the M1, between London through the Midlands and up to Yorkshire, into a smart motorway (through technological improvements)
- Further improvements will also be made to three major Midlands roads at the A46 Newark bypass and its A1 junction, by upgrading single carriageway on the A45 Stanwick to Thrapston, and upgrading the M42 and M5 around Birmingham to a four lane smart motorway.
- Launch of a 'Local Majors Fund', enabling local areas to bid for funding for large local transport projects.

Innovation –

- Midlands-wide science and innovation audit, (**mentioned above**).
- A £16million research and development fund, match-funded by industry, will support East Midlands' aerospace. It includes £7million to help Rolls-Royce develop new high-temperature alloys in Derby.
- The Midlands will also receive over £15million funding to support lower vehicle emissions technologies