

SPENDING REVIEW FACTSHEET: LEVELLING UP

Chapter two

Infrastructure investment across the UK

Where policy is reserved for the UK government – for example digital infrastructure – it is taking action to improve infrastructure across the whole of the UK. Where policy is devolved – for example substantial areas of transport – the UK government allocates funding to the devolved administrations through the Barnett formula.

The map shows how investment by the UK government in a number of local infrastructure programmes will benefit different regions.

In addition, the government is making key transport investments in England, including:

- 1 North East**
 - Tyne and Wear and Tees Valley will benefit from intra-city transport settlements starting from 22/23.
 - Providing £30m to the North East including £10m to redevelop Sunderland Central station.
- 2 North West**
 - Greater Manchester and Liverpool City Region will benefit from intra-city transport settlements starting from 22/23.
 - Providing £40m to Greater City Region including funding for a next generation Urban Traffic Management and Control system.
 - Providing an additional £140m to have the construction time of dualing the A66 across the Henshaw.
- 3 Yorkshire and Humber**
 - Sheffield and Leeds City Regions will benefit from intra-city transport settlements starting from 22/23.
 - Providing £20m to West Yorkshire Combined Authority including £20m for active and sustainable travel across Bradford, and £20m to Sheffield City Region including for a new bus rapid transit line.
- 4 West Midlands**
 - Developing schemes including the A1 from Doncaster to Darlington.
 - West Midlands Combined Authority will benefit from intra-city transport settlements starting from 22/23.
 - The Transforming Cities Fund provides £20m to West Midlands Combined Authority to invest in public transport schemes.
- 5 East Midlands**
 - Upgrading the A46 Country Junctions.
- 6 East of England**
 - Providing £20m to Derby & Nottingham including £20m for bus rapid transit in Derby, and £40m to Leicester.
 - Progressing the North Hykeham Relief Road in Lincolnshire.
- 7 London & South East**
 - Providing £20m to Norwich including a mobility hub at Norwich station, and £50m to Cambridgeshire and Peterborough to invest in public transport schemes.
 - Building the Great Yarmouth Third River Crossing in Norfolk and Lake Lothing Third Crossing in Suffolk.
- 8 South West**
 - The West of England Combined Authority will benefit from intra-city transport settlements starting from 22/23.
 - Providing £50m to Plymouth including £20m to improve walking and cycling, and £20m to Bournemouth, Christchurch & Poole.
 - Investing in the A303 Stonehenge scheme, and in investment to improve rail services across Bristol and the surrounding region.

Local infrastructure schemes

- City and Growth Deal (UK wide)
- Flood Defences (England only)
- Housing Infrastructure Fund - Forward funding (England only)
- Mayoral Devolution (England only)
- Regeneration Project (England only)
- Towns Fund (England only)

We are delivering on our commitment to level up opportunities across the UK at Spending Review by:

Supporting jobs and investment in local areas, helping people feel better off, by:

1. supporting millions of jobs and businesses across every corner of the UK through the COVID-19 support schemes
2. setting out a National Infrastructure Strategy to increase transport and digital connectivity across the UK
3. setting up a new infrastructure bank to catalyse private investment in infrastructure projects across the UK
4. setting out £100bn of capital investment next year to boost growth across the UK:

What is the National Infrastructure Strategy?

- The National Infrastructure Strategy (NIS) sets out the government's plans to transform UK infrastructure, boosting transport and digital connectivity, based around three central objectives: economic recovery from Covid-19; levelling up and strengthening the Union; meeting the UK's Net Zero Emissions target by 2050
- The government will spend £27bn in 2021-22 on economic infrastructure, as part of the £100bn of capital investment.
- Some of the measures being announced include
 - A major new national infrastructure bank based in the north of England;
 - Long-term transport funding settlements for northern cities;
 - A new Levelling Up Fund worth £4 billion for England to invest in local infrastructure
 - £1.3bn to support vital new technologies: carbon capture and storage and hydrogen;
 - £1.9bn for electric vehicle charging infrastructure and grants for zero and ultra-low emissions vehicles, coupled with a commitment to end the sale of new petrol and diesel vehicles by 2030;
 - £5.2bn flood defence funding to protect 336,000 homes;
 - Landmark reform of the planning system to make it easier to build social infrastructure.

What is a UK infrastructure bank?

- The bank will support infrastructure projects across the UK.
- It will focus on i) economic growth ii) levelling up iii) transitioning to Net Zero.
- It will be operational in an interim form from spring 2021.
- The bank will co-invest alongside private sector investors, using loans, guarantees, equity and hybrid products.
- It will be headquartered in the north of England and operate UK-wide.
- Able to lend and offer advisory support to local and mayoral authorities for key regional infrastructure projects.

- It will replace some of the activities of the European Investment Bank (EIB) but provide more targeted support for UK projects.

Changing the way that government delivers for local areas by:

- Reforming the Green Book to better link projects and programmes to government objectives so that only proposals that meet them are short listed and improving the understanding of impacts of proposals on places.
- Ensuring that public spending across government is focused on delivering priority outcomes for citizens, such as raising productivity and empowering places so everyone can benefit from levelling up.
- We have put this into practice by assessing all decisions made at SR in line with these priority outcomes, including investment in the Transforming Cities Fund, the UK Shared Prosperity Fund and selections for the Government's High Potential Opportunities Programme.
- Relocating 22,000 civil service roles out of London and the South East by 2030 in order to ensure civil servants reflect the communities they serve.

Helping towns and cities to thrive by:

- Setting out how the UK Shared Prosperity Fund will help to level up and create opportunity for people and places across the UK; and providing £220 million additional funding to help local areas prepare over 2021-22 for introduction of the new Fund.
- A new Levelling Up Fund worth £4bn for England to invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery
- Investing in local transport like roads, buses, and cycling

What is the Levelling Up Fund?

- The government is launching a new Levelling Up Fund worth £4bn for England,
- This will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery.
- This new cross-departmental Fund for England will invest in a broad range of high value local projects up to £20 million, or more by exception, including bypasses and other local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, and local arts and culture.
- It will be open to all areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and in areas that have received less government investment in recent years.
- The SR makes available up to £600m in 2021-22. We will publish a prospectus for the fund and launch the first round of competitions in the New Year.

What is the UK Shared Prosperity Fund?

- The UK Shared Prosperity Fund will help to level up and create opportunity across the UK for people and places.
- It will operate UK-wide, using the new financial assistance powers in the UK Internal Market Bill.
- Funding will ramp up so that total domestic UK-wide funding will at least match EU receipts, on average reaching around £1.5 billion a year. In addition, to help local areas prepare over 21/22 for introduction of the UKSPF, we will provide additional UK funding to support our communities to pilot programmes and new approaches.
- A portion of the Fund will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities. This will prioritise investment in people and skills tailored to local needs, investment in communities and place, and investment for local business.
- A second portion of the Fund will be targeted differently to people most in need through bespoke employment and skills programmes.

- The Spending Review sets out the main strategic elements of the UKSPF in the Heads of Terms. The government will set out further details in a UK-wide investment framework in the spring and confirm multiyear funding profiles at the next Spending Review.

This is a long-term ongoing priority and we will continue to revisit it at every future Budget and Spending Review until we deliver on this promise.

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Notes to editors

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