

Agenda Item 4

Title:	Autumn Budget Statement Reflections.
Purpose:	To inform board members of the main implications for the Buckinghamshire Economy and BLEP arising from the Chancellor's November Autumn Budget Statement.
Recommendation(s):	For board members to consider the potential implications and to advise on the actions to be taken by Bucks LEP and our partners to respond to new opportunities and the changing policy position.
Impact on Risk Register:	The Autumn Statement provided the latest national policy context for the LEP programme, it is important to review the implications of any new policy direction to spot new opportunities or to mitigate any potential risks.

There has been an unprecedented period of uncertainty since the last board meeting with a change of government resulting in policy statements made by the previous administration being scrapped or reversed within the Autumn Statement announced by the Chancellor on November 17th.

A summary of the Statement can be found via the attached link [HMG Autumn Statement 2022](#). There are a number of significant implications for the Buckinghamshire business community arising from the Chancellor's Autumn Statement. We have highlighted below a number of the main announcements that are most relevant to the Buckinghamshire Economy and have recommended future action that we would like to take to respond to the new announcements.

- **Investment Zones:**

Brief Background Summary - Announced as part of Kwasi Kwarteng/Liz Truss mini-statement **September 23rd** short turnaround for applications deadline **October 14th**. Good alignment between BC & BLEP in developing propositions and in securing political support from MP's. 2 locations proposed, Westcott Venture Park – incorporating the whole of the 650-acre site building on the momentum from the Enterprise Zone programme and supported by land owners Patrizia. Bosch Hydrogen Hub - utilising existing Bosch site and recently acquired former Intercontinental Hotel Group site to provide a national centre for Hydrogen Innovation and training for net zero technologies. Both sites are already designated for employment use.

400 applications received nationwide, in some locations concerns were raised about the impact on current planning regulations leading to unsustainable sites being put forward.

Autumn Statement **November 17th** withdrew programme. "The government will refocus the Investment Zones programme to catalyse a limited number of high potential clusters, working with local stakeholders, to be announced in the coming months. The existing expressions of interest will therefore not be taken forward." Potential opportunity for both Bucks proposals to go forward under new route, we will need to emphasise the strong links to Academia and Catapults in the proposals.

It is anticipated that the majority of new designations will be focused on economically challenged areas, however neither application submitted by Buckinghamshire Council have planning or environmental concerns and certainly have the potential to be the focus for high growth clusters with significant academic collaboration. **Action** - We are therefore recommending that continued promotion of these sites is undertaken highlighting the relative ease of development and the significant potential as cluster hubs to support national growth.

- **Funding for the Catapult Network:**

The government has now confirmed that funding for the UK's nine Catapults will increase by 35% compared to the last five-year funding cycle. This £1.6 billion investment will allow Catapults to continue supporting innovation and de-risking the transition from research to commercial delivery by providing access to world-leading facilities, expertise, skills, and equipment: accelerating innovation clusters and stimulating additional private sector investment in R&D across the UK. Given our close working relationship with the Satellite Applications Catapult and their focus on the Westcott Site this is potentially good news for Buckinghamshire. **Action** - we recommend the need to extend our links with the other Catapults most notably the Connected Places Catapult highlighting the significant potential for Buckinghamshire to support the future development of Autonomous Vehicle trials and the High Value Manufacturing Catapult where strong connections are already being established with the Manufacturing Technology Centre who we would like to invite to a future meeting of this Board to discuss and agree possible areas of collaboration. We would also want to welcome the other Catapults to this Board to support their involvement in the development of future economic strategy. [Catapult Network](#)

- **Regulatory Reform for Growth:**

The government will review retained EU law to identify changes that can be made over the next year with the greatest potential to unlock growth in key growth industries - digital technology, life sciences, green industries, financial services, and advanced manufacturing. The government will lead work to consider how the UK can better regulate emerging technologies, such as drone technologies as discussed at the LEP AGM, enabling their rapid and safe introduction. **Action** - We will continue to work alongside the Westcott Drone Cluster and the Civil Aviation Authority to ensure that we are supporting their representations into the Future of Flight programme.

- **East West Rail**

The Autumn Statement recommitted to the government's transformative growth plans for railways including East West Rail and HS2 to Manchester. Although this commitment relates to the main East West Rail route, this is potentially a much more positive outlook for the Aylesbury Link. **Action** - we will continue to support England's Economic Heartland in promoting the benefits of this additional link for economic growth and will support the use and development of the new Winslow Station and its surrounds in the lead up to its opening which is currently scheduled for late 2023.

- **Levelling Up**

The second round of the Levelling Up Fund will allocate at least £1.7 billion to priority local infrastructure projects. Successful bids will be announced before the end of the year. The government also remains committed to supporting digital infrastructure investment through Project Gigabit. Buckinghamshire Council have submitted the following bids for the fund for the following constituency areas.
Aylesbury – Transport Bid Completing and enhancing the Aylesbury orbital transport strategy.

Aylesbury – Regeneration and town centre investment Focussed on the relocation of Aylesbury bus station and a new transport hub

Buckingham – Transport Investments Making sustainable connection to our Enterprise Zones and key business parks.

Amersham & Chesham – Regeneration and town centre investment Chesham Station Quarter Regeneration

Beaconsfield – Transport Investments The Ivers Community Connectivity Network

- **Energy Efficiency Taskforce (EETF)**

The government is announcing a new long-term commitment to drive improvements in energy efficiency to bring down bills for households & businesses and the public sector with an ambition to reduce the UK's final energy consumption from buildings and industry by 15% by 2030 against 2021 levels. New government funding worth £6 billion will be made available from 2025 to 2028. A new EETF will be charged with delivering energy efficiency across the economy. **Action** - we will ensure that those businesses identified from the Buckinghamshire Net Zero Audit and that have worked through the BBF Low Carbon programme are aware of this new funding programme when full details emerge. Board may also wish to consider how we may be able to directly support businesses reduce their energy costs through a dedicated loan fund supporting decarbonisation.

- **Audio Visual Tax Reliefs**

The government is seeking to build upon the success of the audio-visual subset of the creative industry tax reliefs, covering film, animation, high-end TV, children's TV, and video games. Given the strength of this sector in Buckinghamshire, together with the additional support already being planned for businesses in this area from the National Film and TV School as Jon Wardle will explain as part of his welcome to the school this is excellent news for this growing part of our economy.

- **Business Rates – Overall Package**

From 1 April 2023, business rate bills in England will be updated to reflect changes in property values since the last revaluation in 2017. A package of targeted support worth £13.6 billion over the next 5 years will support businesses as they transition to their new bills, protect businesses from the full impact of inflation, and support our high streets. **Action** - We will work with Buckinghamshire Council colleagues to alert businesses to the potential changes and support available, however the most direct implication will be to the Enterprise Zone programme where the value of retained business rate relief may increase for direct reinvestment.

- **Reforms to Research and Development (R&D) tax reliefs**

For expenditure on or after 1 April 2023, the Research and Development Expenditure Credit (RDEC) rate will increase from 13% to 20%, the small and medium-sized enterprises (SME) additional deduction will decrease from 130% to 86%, and the SME credit rate will decrease from 14.5% to 10%. this will provide further incentives for Buckinghamshire businesses to develop their R&D investment. **Action** we will work with Innovate UK and UKRI to ensure more Buckinghamshire businesses are developing their R&D base.

- **In-Work Conditionality for Universal Credit claimants**

The government will bring forward the nationwide rollout of the In-Work Progression Offer, announced at Spending Review 2021, starting with a phased rollout from September 2023, to support individuals on Universal Credit (UC) and in-work to increase their earnings and move off benefits entirely. **Action** As part of the Opportunities Bucks programme, we intend to monitor the impact of this change on those communities with higher claimant count figures.

- **NHS workforce plan**

The government is publishing a comprehensive NHS workforce plan, including independently verified workforce forecasts, next year. This will include measures to make the best use of training to get doctors, nurses and allied health professionals into the workforce, increase workforce productivity and retention. **Action** - We will work with the Buckinghamshire Health and Social Care Academy to ensure that the leadership programme it has already developed is recognised as a trailblazer in this sphere.

- **Appointment of Adviser on Skills Reform**

Sir Michael Barber has been appointed to advise the Chancellor of the Exchequer and the Secretary of State for Education on the implementation of current reforms set out in the Skills for Jobs White Paper including the Lifetime Skills Guarantee providing free training for adults and for the Skills Bootcamp proposals providing short skills boosting courses.

- **Growth Deals**

The Autumn Statement announced the latest wave of regional devolution Growth Deals. These included for Norfolk, Suffolk, Cornwall as well as a deal that was trailed for an area of the North East covering Newcastle, Gateshead, Northumberland, North Tyneside, South Tyneside, Sunderland, and possibly Durham. **Action** - we will continue to monitor the development of these deals and consider any emerging implications for a future Buckinghamshire submission.

The Autumn Budget Statement appears to have settled the volatile markets and whilst there are a number of policy changes there are also new opportunities to explore. Support for innovation appears to be an enduring theme along with business support particularly in relation to energy usage and the transition to net zero resources.

Board members are asked to

Consider the potential implications and to advise on the actions to be taken by Bucks LEP and our partners to respond to new opportunities and the changing policy position.