

Communities O&S – November 2021

Economic Development Update

The following briefing note provides an update to the Communities Overview & Scrutiny Committee on recent economic development activity in Warwickshire.

It covers work undertaken by County Council officers and partners across a range of services as well as other key pieces of relevant news and information.

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HEADLINES/ KEY SUMMARY POINTS:

- The macroeconomic issues of labour and materials shortages, supply chain delays and rising energy/fuel prices continue to impact economic recovery both in Warwickshire and nationwide.
- The Autumn Budget and Spending Review took place on 27 October. The UK economy is now forecast to return to pre-Covid levels by 2022 but inflation in September was 3.1% and is likely to rise further, to average 4% over next year, according to estimates.
- The Fair Chance Employer Programme will launch in November aiming to promote and celebrate inclusive employment, calling out to recruiting employers who would like to engage with talent pools of people with supportive needs who are keen to access work opportunities
- Project Warwickshire, WCC's dedicated new programme to help the county's small businesses in the tourism, hospitality and leisure sectors bounce back from the Covid pandemic, has been launched
- Warwickshire has been awarded £2.7m from the Community Renewal Fund following a competitive bidding process and assessment by the Department of Levelling Up, Housing and Communities.

1. ECONOMIC OVERVIEW

The macroeconomic issues of labour and materials shortages, supply chain delays and rising energy/fuel prices continue to dominate the headlines and unsurprisingly, have started to negatively impact business confidence, with a particularly evident drop in positivity across the manufacturing sector.

The continued threat of inflationary pressures, forecast to average 4% next year, also continues to dampen optimism but nonetheless, the budget statement revealed that the UK economy is forecast to return to pre-Covid levels by 2022 and that unemployment is expected to peak at 5.2% next year, significantly lower than 11.9% previously predicted.

Working with our partners, the Economy & Skills team continues to deliver support to manage and mitigate these issues and demand for our programmes and services remains very high. This includes access-to-finance support such as engaging with larger local business around accessing funding from the WRIF alongside a strong focus on skills, with the launch of the Fair Chance Employer programme of particular note this month.

Last week we received the good news that Warwickshire has been awarded £2.7m from the Community Renewal Fund following a competitive bidding and assessment process by the Department of Levelling Up, Housing and Communities. WCC will act as the lead authority monitoring the county's 3 successful projects as well as delivering one of these 3 projects - the Warwickshire Brighter Futures programme designed to reduce the barriers to employment for some of the most disadvantaged young people in Warwickshire.

2. ECONOMIC RECOVERY INITIATIVES

Project Warwickshire, WCC's dedicated new programme to help the county's small businesses in the tourism, hospitality and leisure sectors bounce back from the Covid pandemic has been launched. Project Warwickshire will provide a package of help across the sector, including one-to-one advice, networking and a range of masterclasses. It will support businesses to seek and access grants and funding, as well as co-ordinating a series of networking events and webinars to share good practice and links.

The programme is funded by £320,000 from WCC's Place Shaping and Economic Recovery Fund and the County Council has recently secured a further £230,000 from the European Regional Development Fund (ERDF) to expand the support available. The programme will be delivered by Coventry and Warwickshire Chamber of Commerce working with partners including Shakespeare's England and Northern Warwickshire Tourism. For more information, see the launch article in Warwickshire Mean Business:

<https://business.warwickshire.gov.uk/september-2021/news-in-brief/project-warwickshire-launches-to-help-tourism-leisure-and-hospitality-businesses>

Leamington based **Purple Monster** have made it onto the UK's CreaTech 100 Ones to Watch list for 2021. The list is an annual showcase of innovative UK-based companies which are creating new business opportunities in B2B and B2C at the interface between creativity and technology. Purple Monster provides virtual conferences, events and communications for corporate clients which utilise both creativity and technology to deliver a unique experience. The company pivoted through the pandemic from physical events and were a recipient of the council's **Adapt & Diversity recovery grant** to assist in this transition.

Government Additional Restriction Grants – Warwickshire's District and Borough Councils who administer the funding Additional Restrictions Grant (ARG) are launching further rounds of grants. The billing rate authorities are able to set local policies for use of the ARG funding so there are five different schemes operating across Warwickshire with different priorities, processes and timescales. Rugby Borough and Stratford District have decided to work with CWLEP Growth Hub to target this latest round at businesses with post pandemic ambitions for growth whereas Warwick District are working with Coventry and Warwickshire Co-operative Development Agency to support charities and not-for-profit businesses that have been critically impacted by the pandemic. Nuneaton and Bedworth Borough are expected to support business recovery & growth, shop front improvements, market traders and SMEs in hardship. North Warwickshire Borough are understood to be considering the best use of their additional ARG funding. All ARG funding has to be allocated by March 2022.

The Future Careers Digital Market Place has been extended and filming will now continue into 2022. A number of key sectors unable to previously commit due to operational demands are now able to work with us to build recruitment pieces to meet future skills needs. Health and Social Care, Retail, Manufacturing and Logistics will all feature in the new round of films.

The final phase of the project will bring together all films and create a digital marketplace to support Warwickshire residents to explore careers across a wide variety of sectors.

The digital marketplace platform will also link to the new **Fair Chance Employer** project, acting as an interactive jobs board. Launching in November, the Fair Chance Employer programme will create and shape inclusive job opportunities, posting vacancies in the digital Market Place, linking a film to each vacancy and providing a safe space for candidates to contact employers to discuss employment opportunities.

Coventry and Warwickshire Co-operative Development Agency (CWDA) supported a further 19 groups in Warwickshire during the second quarter of 2021/22 as part of their **Social Enterprise Support Programme** which is part funded by WCC. The programme – which is also funded by the European Regional Development Fund –

provides support to groups seeking to set up new social enterprises and those already trading. Funding from WCC's Place Shaping & Economic Recovery Fund is bridging the gap between budgets ending in March 2021 and the commissioning of WCC's new third sector support contracts from March 2022. The support to a further 19 groups brings the total number of groups supported in Warwickshire in 2021/ 2022 to 39 against an agreed target for the first two quarters of 30. For more information, visit: <http://www.cwcda.co.uk/Social-enterprise>

Coventry and Warwickshire Reinvestment Trust's **JumpStart** project has supported 65 Warwickshire residents looking to start a business during the first two quarters of 2021/22. Part funded by WCC's Place Shaping & Economic Recovery Fund, Jumpstart is one of two economic recovery projects focussed on meeting the increased demand for start-up support. The community-based project complements the county-wide start-up service delivered by Coventry and Warwickshire Chamber of Commerce on behalf of WCC (see ERDF update below) by focusing on underrepresented groups and hard-to-reach individuals in certain parts of the county. JumpStart is expected to support 315 Warwickshire residents between April 2021 and March 2024. For more information: visit: <https://www.cwrt.uk.com/jumpstart>

The Economy and Skills service continues to engage with a number of Warwickshire businesses about accessing funding from the £90m Business Investment Growth (BIG) Fund, one of the three strands forming the £140m Warwickshire Recovery and Investment Fund (WRIF) launched on 1 July 2021. Businesses engaged in the process including those involved in modern methods of construction, battery and zero carbon vehicle technology and social housing.

3. BUSINESS & ECONOMY SUPPORT

A further £0.5 million has been secured from the European Regional Development Fund (ERDF) to support an extension to the **“CW Business Start, Grow and Scale” programme**. The 18-month extension, recently approved by the Ministry for Levelling Up, Housing and Communities will support an additional 279 businesses between January 2022 and June 2023 including the new Tourism support programme, Project Warwickshire (see above).

A further 28 businesses completed the intensive support provided by the programme in the second quarter of 2021/ 2022 and seven new jobs were created. This brings the total number of businesses supported since January 2016 to 802. 364 new jobs have also been created and 423 Warwickshire residents helped to start their own business.

The current £3 million phase (from January 2019 to June 2023) is funded by £1.5 million from the ERDF and a number of other funders. For more information on the programme and the support available, visit: <https://www.warwickshire.gov.uk/cwbsp>

The **Coventry and Warwickshire Duplex Investment Fund** which provides a combined loan and grant to businesses towards the costs of capital investments has supported another business in Warwickshire. A £44,000 loan will allow Adventure Sports (Warwickshire) Limited, an outdoor sports and recreational business based in Warwick, to complete a refurbishment which will allow them to offer better and new experiences to clients. The business, which currently employs 16 FTE, is expected to be able to recruit an additional three staff after the investment.

Duplex has now provided loans worth £558,848 to businesses in Warwickshire across a range of sectors. Duplex – which is funded by a £2 million loan from WCC’s Capital Investment Fund as well as by funding from Coventry City Council, the Government’s Growth Deal and Coventry & Warwickshire Local Enterprise Partnership – is expected to provide just under £10 million of investment to Warwickshire businesses over the next ten years and to create over 600 jobs by March 2033. For more information, visit: <https://www.cwrt.uk.com/duplex>,

4. EMPLOYABILITY & SKILLS SUPPORT

The Fair Chance Employer Programme which will launch in November 2021 aims to promote and celebrate inclusive employment, calling out to recruiting employers who would like to become a “Fair Chance Employer” to engage with talent pools of people who are keen to access work opportunities.

The programme is designed to work collaboratively with education providers and employability groups, helping employers to level-up their opportunities by offering Warwickshire residents with supportive needs equal access to careers. By supporting emotional, learning and workplace barriers, making adjustments to recruitment methods or providing enhanced induction training to bridge any initial skills gaps, the programme will support employers to demonstrate inclusivity and attract more candidates to their roles.

The programme aims to shape more than 200 jobs, supporting a wide variety of people who experience mental health, disability and learning barriers, as well as women and Armed Forces veterans returning to work, young offenders, young care givers and care leavers.

The Build Back Fund is a dedicated careers fund which offers secondary school career leads the opportunity to apply for a £2,000 grant to support the development of careers programmes. This includes making adaptations or running additional activity to tackle any negative impacts the pandemic has made to careers activity and previous well-established careers programmes.

The previous 2020 fund (Future Careers Fund) helped schools transfer to digital delivery, supporting many kinds of digital platforms and helping career leaders to make changes to the way they worked and delivered their programmes. This led to Warwickshire schools maintaining quality benchmarks and where other areas of the country paused such activity, Warwickshire continued to deliver high quality careers

activity, supporting high numbers of young people remain and progress into further education.

The Build Back Fund looks at delivery needs now that schools have returned to full classroom delivery. Whilst curriculum delivery remains the priority, careers leaders need to be creative, delivering after school careers sessions and camps which they hope will see students attend activities in school holidays. 26 of the 34 schools have made successful applications. The remaining schools are mostly special schools who, whilst having the same ambitions, are yet to establish which activities will support them in helping their students to achieve. Employability and Skills along with Education colleagues will work with these schools to develop activities and support where possible.

The Employability and Skills Team have created a series of **Sector Specific Skills Roundtable** events to support employers in tackling their skills and employment barriers specific to their sector. The online events provide a platform for employers to meet with skills and employment specialists to both voice their issues and explore solutions. The discussions also provide an opportunity for WCC to gather new or specialist needs and help shape local provision accordingly. The teams first event featured Early Years in October which saw 22 employers join the conversation. Health and Social Care, Hospitality and Logistics are some of the following roundtable events planned to take place.

The Warwickshire County Council Small Business Apprenticeship Levy Programme launched in 2019 and saw WCC become one of the first local authorities to share its Apprenticeship Levy funds with external businesses.

The programme was significantly hit during the pandemic in 2020 as new recruitment stopped and existing apprentices lost their placements. Thankfully, as the economy has reopened, businesses are turning to apprenticeships to rebuild their skilled workforces and wanting to explore all funding available to them.

Since January 2021, 32 employers have accessed the programme and WCC have funded 37 apprenticeships equating to over £220,000 of WCC Levy Funds and a record high year for the programme. The Apprenticeships supported have been a real mix from hairdressing, carpentry, manufacturing and customer service to accountancy and early years, a really positive sign that many sectors are relying on apprentices to develop new skills in their businesses.

At the beginning of October Screenskills held a video games sector skills event. The morning session was aimed at local school children whilst the afternoon was aimed at career-changers interested in breaking in to the video games industry. WCC supported the event by ensuring local industry engagement and support. Over 100 delegates attended the in-person event but the speakers and panels were also streamed online to engage a wider audience.

5. INWARD INVESTMENT

Property Enquiries for knowledge based key sectors remain strong, with automotive engineering R&D around propulsion systems particularly active, as well as video games as previously reported. With UKBIC coming online, and further publicity around the West Midlands Gigafactory at Coventry Airport, there is lots of interest in the location for new automotive technology. We continue to promote Coventry & Warwickshire as the go to location for automotive technology.

Light industrial space in all locations and office/hybrid space in some locations remains scarce. Prospero Ansty, the current extension of Ansty Technology Park is getting close to capacity. This is one of few local sites available for freehold purchase. New sites at Baytree Faultlands (Nuneaton), Symmetry Park (Rugby), MIRA Southern Manufacturing Site (North Warwickshire) and Coventry SEGRO Gateway (Warwick District) will provide new space over the coming years, but at the larger end of the market. There remains a very tight market for smaller light industrial units, with limited new sites coming on stream, at Tachbrook Park.

The **Invest in Coventry & Warwickshire website** revamp has been completed. The aim of the joint site is to ensure there is a clear front door for information and support for investors who are looking at the region. The site brings together WCC, Coventry City Council and the CWLEP Growth Hub.

WCC participated in a panel at the regional launch of the **Investor Tool Kit** developed as part of the National Creative Scale Up pilot programme funded by DCMS. Invest in Creative has been developed by [ScaleUp Institute](#) and [UK Business Angels Association](#) to create an investor journey to encourage more investment into the Creative Industries. Equipped with an extensive library of videos featuring leading investors, renowned experts and inspiring entrepreneurs, this unique toolkit offers the opportunity to engage in remote peer-to-peer learning. The launch event took place at 1 Mill Street in Leamington Spa and was also streamed online. <https://www.investincreative.co.uk/>

Warwickshire (and Coventry) received an excellent profile in the new [UK Government Investment Atlas](#), launched on the eve of COP26 to highlight dozens of nationwide strategic investment opportunities with a strong sustainability element. Our HPO on [CAM Simulation and Modelling](#) and a new [Net Zero Transport Technologies in Coventry & Warwickshire](#) profile developed for COP26 were both featured in the Atlas.

To coincide with the Global Investment Summit, [the Prime Minister also announced that at least 30,000 new jobs would be created around the UK](#) thanks to £9.7 billion of new foreign investment from 18 projects. Again, three of those were linked to Warwickshire, an excellent performance, and evidence both that this is a strong

location for FDI (Foreign Direct Investment) and that we continue to leverage the opportunities provided from working with the Department for International Trade.

Invest Warwickshire and Warwickshire Skills Hub together with CWLEP and CCC continue to make final preparations to host a joint **Automotive Electrification Skills Summit at** MIRA Technology Institute on November 18th 2021, to discuss the challenges and opportunities around skills supply as the industry moves away from petrol and diesel powertrain and over to lower carbon solutions from battery, EV and fuel cell.

A satellite **Automotive Skills Panel** took place at the **Engineering Design Show** on October 19th at the Coventry Building Society Arena, in association with The Engineer/ Eureka magazines. The panel comprised Marion Plant OBE, CWLEP Board member for Skills and CEO of NWSLC, Mark Basten of auto tech company Futuremotiv RLE, Steve Doyle of EV recruitment company EVera and Prof Carl Perrin of Coventry University.

Invest Coventry & Warwickshire exhibited at EDS, and again a week later at the **Battery Technology Show**, where Cllr Jim O'Boyle of Coventry City Council made a keynote speech on West Midlands Gigfactory and WMG Executive Chair Margot James spoke about the strengths of University of Warwick in battery technologies.

APPENDIX 1: BUSINESS NEWS

Major business headlines from around Warwickshire

Digital Creative sector

Listed video game business **Sumo Group** has almost doubled turnover in its interim results ahead of its £919m acquisition by Chinese technology giant Tencent, which is set to complete later this year. The company reported revenue of £50.4m in its results for the six months ended 30 June 2021, up 91.7 per cent from £26.3m in the same period of 2020. Like-for-like revenue grew by 484 per cent to £38.6m. Sumo Group currently have **2 studios based in Leamington Spa**, Sumo Leamington and Lab 42.

A new student-led professional standard video production company has been launched by Royal Leamington Spa College. **RLS Productions**, which will be run by college group WCG, will be working with SMEs and larger businesses to support their video production requirements, with students set to benefit from real-world experience and getting paid. Around 20 degree and post degree-level students will be involved in the company and Royal Leamington Spa College will also be opening up its production suite for clients and local filmmakers to hire out.

Automotive/ Future Mobility

Tata Motors' **Jaguar Land Rover** retail sales for the three-month period to 30 September 2021 continued to be constrained by the impact of the global semiconductor shortage on production. Retail sales were 92,710 vehicles, 18.4% lower than the 113,569 sold in the fiscal Q2 last year. Underlying demand remains strong though, with order books at record levels, with global retail orders at record levels in excess of 125,000 vehicles.

West Midlands Gigafactory, a public private joint venture between Coventry City Council and Coventry Airport, recently unveiled new imagery for the UK's largest battery Gigafactory. The Gigafactory could begin supplying high-tech batteries for electric vehicles from 2025 and will be the result of a £2.5bn investment, creating up to 6,000 new highly skilled jobs directly and thousands more in the wider supply chain.

A Warwick-based software supplier and developer has more than quadrupled its workforce in the last eight months following an increase in demand. **Eatron Technologies**, based at the University of Warwick Science Park's Warwick Innovation Centre, has grown its UK workforce from six before Christmas 2020 to 25. Eatron was able to expand its business after securing contracts worth **£5m** to supply software, such as battery management systems and active suspension, to major car manufacturers in China and other Asian countries.

Other business news

A new destination management organisation (**DMO**) has been launched for business and leisure tourism across **Coventry and Warwickshire** as it seeks to capitalise on the legacy of its 2021 UK City of Culture title.

Destination Coventry has been launched to manage the city's tourism offer and further develop its reputation as a compelling visitor destination. Conference Coventry and Warwickshire sits with the newly former DMO and is working to further establish the region as a major destination for business events and will be showcasing the region's strengths and its portfolio of venues.

The region has received a major boost in recent months with the ongoing programme of UK City of Culture events and is gearing up to play host to the Commonwealth Games in 2022. On any one day, the region can hold meetings, conferences and trade shows for up to 35,000 delegates across its range of diverse and unique venues, which include NAEC at Stoneleigh Park, Warwick Conferences, Coventry Building Society Arena and British Motor Museum.

Supermarket retailer **Aldi** (HQ'd in Atherstone) has pledged to invest £1.3bn in the UK over the next two years in a bid to grow its share of the grocery market. The plans are expected to create more than 2,000 jobs next year, adding to the 7,000 permanent roles already created over the past two years.

BDR Group an ICT business based in Stratford-upon-Avon has secured multimillion-pound funding to support its acquisition strategy. The eight-figure funding package is designed to support BDR Group's plan to acquire several more companies over the next two years, and follows the company's acquisitions of ACR, Boffins and Integratech earlier this year. BDR Group works with the private and public sectors, supporting digital transformation with the provision of infrastructure, connectivity, unified communications and IT managed services.

Delays and project cancellations combined to lower sales at the UK arm of an Italian manufacturer that provides robots to car makers for their assembly lines. **Comau UK**, which also works across other sectors such as heavy industrial and rail, has reported a revenue of £15.1m for the year to 31 December 2020, down from £51.8m in 2019. The business also fell to a pre-tax loss of £2.8m, falling from a profit of £2.1m in the prior year. Comau UK is **headquartered in Rugby** and also has a base in Gateshead while its parent company is located in Turin, Italy. The company recently downsized its Rugby facility.

The Competition and Markets Authority has cleared **National Grid's** multibillion-pound acquisition of PPL WPD Investments, the holding company of Western Power Distribution. The completed transaction was announced in March 2021 for an equity value of £7.8bn. Western Power Distribution is an electricity distribution business which serves approximately 7.9 million customers and employs more than 6,500 staff. It serves South West England, South Wales and the Midlands.

Stoli Catalysts, the University of Warwick spinout, has changed its name to **Stoli Chem** ahead of the launch of its ground-breaking SABRe system, a scalable continuous flow reactor providing high-efficiency, precision and control for a wide range of fine chemical production. Based in Wellsbourne, Stoli Chem – designs and manufactures continuous flow process equipment that aim to dramatically cut the manufacturing cost of fine and speciality chemicals such as fragrances, food supplements, cosmetics and intermediates for pharmaceuticals.

Urban Logistics REIT has committed to deploy £88m on 771,748 sqft of logistics units in six off-market transactions. This follows an equity raise of £109m in July.

Purchase of income producing assets financed through equity raised in July comprise three units in Farnham totalling 43,958 sq ft, a 25,990 sq ft unit near Ipswich, a 50,672 sq ft unit in Wellingborough, along with a **128,460 sq ft property in Rugby** and a 124,134 sq ft property in Huntingdon as part of a single transaction.

Drinks giant **Britvic** is creating **20 new jobs** with the expansion of its manufacturing plant in Rugby. The company has announced a **£26.9 million investment in Rugby** factory, which is its largest production site. The investment will see the installation of a fourth drinks canning line, growing the site's total capacity by a 18%.

APPENDIX 2: BUDGET & COMPREHENSIVE SPENDING REVIEW SUMMARY

Summary

The Budget and the Spending Review are significant documents in understanding the broad direction of travel around Government policy. The Budget updated on the country's finances for the new financial year 2022 with the Spending Review providing the overall spending commitments of the government for the next three-years.

Central to understanding the details of the budget allocations and giveaways (most of which were released to the press in the run up to the budget) is how this relates to the updates provided by the Office for Budget Responsibility regarding the economy and its recovery, and how the government allocates the spending either as permanent increases in resources or time-limited allocations. The other element is how much of these resources have been previously announced for example the £6.9bn announced for city region transport contains £4.2bn previously announced by the Government.

The following provide a summary view of the key announcements:

General points

- Inflation in September was 3.1% and is likely to rise further - to average 4% over next year, according to estimates
- UK economy forecast to return to pre-Covid levels by 2022
- Annual growth set to rebound by 6.5% this year, followed by 6% in 2022
- Unemployment expected to peak at 5.2% next year, lower than 11.9% previously predicted
- Wages have grown in real terms by 3.4% since February 2020
- Borrowing as a percentage of GDP is forecast to fall from 7.9% this year to 3.3% next year
- Borrowing as a percentage of GDP will then fall in the following four years to 1.5%
- The government is scheduled to reinstate its commitment to spend 0.7% of GDP on foreign aid by 2024-25
- The Chancellor announced a new set of 'Fiscal Rules' which will be used to guide the public finances. These will replace previous rules which had been utilised.
- All of the budget and spending review proposals have been linked to specific outcomes. This represents further development of the outcome based budgeting and public-value approaches which have been in development for a number of years.

Key proposals

- Universal Credit taper rate will be cut by 8% no later than 1 December, bringing it down from 63% to 55%
- Increase in National Living Wage to £9.50 per hour
- Business rates will be retained and reformed
- £24bn is being earmarked for housing: £11.5bn for up to 180,000 affordable homes, with brownfield sites targeted for development

- Every Whitehall department will receive a real-term rise in overall spending, totalling £150bn over the course of this Parliament
- Reform of Alcohol Duties
- Tax relief for museums and galleries will be extended for two years, to March 2024

Education & Skills

- Schools to get an extra £4.7bn by 2024-25
- There will be nearly £2bn of new funding to help schools and colleges to recover from the pandemic
- Schools funding to return to 2010 levels in real terms - an equivalent per pupil cash increase of more than £1,500
- £300m will be spent on a "Start for Life" parenting programmes, with an additional £170m by 2024-25 promised for childcare
- A UK-wide numeracy programme will be set-up to help improve basic maths skills among adults
- £200 million a year for the continuation of the holiday activities and food programme,

Total spending on skills will increase by £3.8 billion by 2024-25, equivalent to a cash increase of 42% (26% in real terms) compared to 2019-20. This includes:

- an additional £1.6 billion by 2024-25 for 16-19 year olds' education in England, maintaining funding rates in real terms per student. The Government hope that this will provide additional hours in the classroom for up to 100,000 T Levels students by 2024-25, this includes funding 40 additional hours learning per student per year for 16-19 year olds
- £2.8 billion capital investment across the spending review period for high-quality facilities, this includes previously announced Institutes of Technology across England.
- A new, whole of the UK, programme to develop Adult numeracy skills through £560 million spending review period for the 'Multiply' programme, funded through the UK Shared Prosperity Fund.
- a total investment of £554 million by 2024-25 to substantially increase retraining and upskilling opportunities for adults. This is a 29% real terms uplift in adult skills funding compared to 2019-20 and meets the government's commitment to a National Skills Fund. This includes giving more adults access to courses at Level 3 in in-demand areas such as engineering and digital skills, scales up Skills Bootcamps, supports reforms to the adult skills funding system.
- increasing apprenticeships funding to £2.7 billion by 2024-25. Building on the measures announced at SR20 and Budget 2021, SR21 will also make further improvements to the apprenticeship system for employers.

Local Government

- Core Spending Power of Local Authorities to increase by around 3% per year from £50.4 bn to £58.9bn by 2024-25. It is likely that most of that increase will come from Council increasing their council tax income.

- The Department of Levelling Up, Housing and Communities is seeing its core funding increase.
- £5.4bn has been announced for social care of which £3.6 billion will go directly to local government over the spending review to implement the cap on personal care costs and changes to the means test. This funding is expected to “help local authorities better sustain their local care markets by moving towards a fairer cost of care”.
- At least £500 million of this will be allocated to improve qualifications, skills and wellbeing across the adult social care workforce
- In total, Government Grants to Local Authorities will be £4.8bn which in addition to the £3.6bn for Social Care includes £200m for Supporting Families programme. There is also £37.8m for cyber security and £34m for transparency & accountability including the Audit Report and Governance Authority.
- Local Government will be compensated for the measures and changes made around Business Rates
- £24bn is being earmarked for housing: £11.5bn for up to 180,000 affordable homes, with brownfield sites targeted for development
- The Public Health Grant is to be maintained in real terms over the spending review, with the intention that this is “enabling local authorities to invest in prevention and frontline services like child health visits”

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