



Spring Budget 2020 - North East

Today's announcements for the North East include:

- In the North East, the increase to the National Living Wage (NLW) this April is expected to benefit around 99,000 people.
- In the North East, the increase to National Insurance thresholds to £9,500 in 2020-21 will result in a tax cut for around 1.1 million people and will lift around 34,000 people out of paying Class 1 and Class 4 National Insurance Contributions.
- A five-year, intra-city transport settlement for Tees Valley Combined Authority and Tyne and Wear from a **£4.2 billion** envelope, starting in 2022-23. This will build on their existing devolved Transforming Cities Fund allocations and is subject to the formation of a Mayoral Combined Authority across Tyne and Wear.
- **£700 million** spending on strategic road schemes between 2020 and 2025. This includes building the A1 Morpeth to Ellingham. We will also develop the A1/A19 junctions north of Newcastle.
- **£198 million** for the North East through the Transforming Cities Fund, including **£95 million** to unlock frequency and reliability improvements across the Tyne and Wear Metro system through dualling the remaining sections of track.
- **£29 million** additional funding for local road maintenance through the Potholes Fund in 2020-21.
- Accessibility improvements at Eaglescliffe railway station, as part of a wider **c. £50 million** investment in station accessibility.
- A share of the next **£5.2 billion** flood and coastal defence investment programme starting in 2021. These locations will benefit from at least the following levels of funding as a result of this programme: **£2.5 million** for Wallsend, **£1.5 million** for Chester-Le-Street, and **£5 million** for Hartlepool to better protect over 1,400 properties.
- North of Tyne has successfully bid for **£12 million** of funding from the third wave of the Local Full Fibre Networks challenge fund.
- The Government will provide up to **£22 million**, subject to business case, to support research and innovation in the steel and metals sector through the Materials Processing Institute.
- **£25.4 million** from the Housing Infrastructure Fund for the 'South Sunderland Growth Area Cluster' bid to deliver road and junction improvements to unlock up to 4,066 homes.

- The North East will benefit from a share of the **£640 million** Nature for Climate Fund, including **£7 million** to plant 1 million trees in Great Northumberland Forest and further funding for the Northern Forest.
- Areas across the North East will be eligible for a fund to decarbonise industrial clusters through Carbon Capture and Storage - in leading areas such as Humberside, Teesside, Merseyside and Peterhead.
- The Northern Powerhouse will benefit from a share of **£5 million** for increased DIT face-to-face support for exporters.
- The Northern Powerhouse will benefit from a share of **£2 million** for regional champions at key overseas posts.

The North East will also benefit from its share of:

- **£5 billion** to support the rollout of gigabit-capable broadband in the most difficult to reach 20% of the country, particularly benefiting rural areas.
- **£510 million** to support the Shared Rural Network to extend 4G mobile coverage across the UK, particularly in rural areas.
- **£1.5 billion** over five years to return the entire Further Education college (FEC) estate to a good condition.
- **£400 million** Brownfield Housing Fund, as part of the wider housing package.
- **£1 billion** Building Safety Fund for non-ACM cladding on residential buildings above 18 metres. High rise buildings tend to be concentrated in Newcastle, as well as London, Birmingham and Manchester.
- **Up to £400 million** immediate boost for world-leading research, infrastructure and equipment in 2020-21.
- At least **£800 million** in a new blue skies research and innovation agency. This ground-breaking institution will provide new funding for high-risk, high-reward science across the UK.
- **£80 million** will be made available over the next five years to support the UK's foremost specialist institutions build on their global influence.
- **Over £500 million** to cement our world-leading position in cutting edge technologies including space, electric vehicles and life sciences. This will support innovation and benefit supply chains and sectors across the whole country, including the North East where the automotive sector accounts for 15% of all manufacturing.
- **£13 million** to expand the British Library's network of Business and Intellectual Property Centres to 21 cities and 18 surrounding local library networks across the UK, including Newcastle.
- **£90 million** Cultural Development Fund for cultural and creative-led regeneration outside of London, to be allocated by competition.
- **£10 million** additional funding for Growth Hubs to increase the number of business advisors by over a third and ensure that high quality advice and guidance is available across all regions.

- **£387 million** in 21-22 to continue priority Local Growth Fund projects before decision on the Local Growth Fund are made at the Spending Review. MHCLG will provide further guidance on how the department will work with places to identify relevant projects.