

SMC responds to Budget 2021

News story

The Budget could have gone further to ensure funds will drive the right outcomes for the most disadvantaged, says Social Mobility Commission.



In response to the [Budget 2021](#), announced on Wednesday 3 March 2021 by the Chancellor of the Exchequer Rishi Sunak, a Social Mobility Commission spokesperson said:

“This week’s Budget rightly focused on COVID-19 relief to ensure that social mobility does not get worse. While this was welcome, it could have gone further to ensure funds will drive the right outcomes for those hardest hit.

“Bringing work to towns in the North of England could address regional inequalities and will hopefully bring opportunities to new areas. But we would be keen to see this better targeted at deprived communities and clear outcomes to ensure that people in these places benefit.

“Our work has shown that where you are from matters. Disadvantaged young people can earn up to two times more in some areas of the country, even with the same levels of education. For too long, social mobility has been about moving out to move on; we need regional funding policies that give people the choice to stay and contribute to their local towns and cities. National and local government leaders will need to ensure employers, schools and colleges are encouraged to work together so that young people, particularly from disadvantaged backgrounds, have the skills needed to enter and develop in the workforces in their local area.

“It is therefore positive that the Chancellor of the Exchequer’s introduction of an additional £126 million for traineeships to help people aged between 16–24 is a positive step to giving young people work placements that will give them the best start to their careers. We were also glad to see a continued focus on apprenticeships; however, it is unclear how this funding will ensure those who need access to apprenticeships the most will benefit.

“While we welcome the extension of the £20 uplift to Universal Credit and

other measures aimed at helping those who have been hardest hit by COVID, we hope to see more focus on socio-economic inequalities in the Autumn statement. The poor and the young will suffer most from an economic downturn – they need to be put at the heart of every policy and financial decision the government makes in the coronavirus recovery plan.”

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[PM call with Prime Minister Draghi of Italy: 4 March 2021](#)

Press release

Prime Minister Boris Johnson spoke to Italian Prime Minister Mario Draghi this afternoon.



The Prime Minister spoke to Italian Prime Minister Mario Draghi this afternoon.

The Prime Minister congratulated Prime Minister Draghi on his recent appointment and both leaders agreed there were big opportunities to enhance the UK-Italy bilateral relationship, particularly in a year where the UK is hosting the G7, Italy is hosting the G20 and our countries are partnering to host COP26.

The leaders discussed the important role the G7 and G20 will play in helping the international community build back better from the coronavirus pandemic. They agreed on the importance of a coordinated agenda between the two summits to learn lessons from the pandemic, roll out the coronavirus vaccine around the world and prepare for future pandemics.

The Prime Minister and Prime Minister Draghi also talked about the important role this year's COP26 Summit will play in preserving and delivering on the

Paris Agreement.

The Prime Minister highlighted the UK, Italy and Sweden's cooperation on our Future Combat Air System as an example how our relationship is working to make our people safer and our societies more prosperous.

On Libya, the leaders agreed they were closely aligned on the situation in the country and resolved to work together to support the new interim executive and build a more peaceful and stable future for Libya.

The Prime Minister and Minister Draghi looked forward to meeting in person soon.

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[Jenrick welcomes Budget package to level up communities and support the nation's recovery from the pandemic](#)

The measures were unveiled by the Chancellor as part of yesterday's [Budget](#) which set out how the nation will build back better from the pandemic, level up opportunity and prosperity in communities across the UK, as well as help more families on to the housing ladder.

The Budget underlines the government's immediate priority of helping communities prosper again by supporting jobs and business as we emerge from the pandemic, in line with the Prime Minister's Roadmap.

Crucially it sets out how we will go further and faster levelling up communities through three major new funding programmes as the government makes the biggest changes to the way we support local economic growth for a decade.

The Levelling up Fund, the UK Community Renewal Fund and the Community Ownership Fund will target over £5 billion of investment across the UK to regenerate our town centres and high streets, improve local transport links, invest in local culture, and give communities the power to take over cherished local places that might otherwise be lost.

These investment programmes will also see the UK government driving investment to where it's needed most across England, Wales, Scotland and Northern Ireland.

A further 45 Town Deals have also been announced totalling over £1 billion, and eight new Freeport areas will also create trade, jobs,

investment and innovation across the country as part of the levelling up agenda.

Businesses are the backbone of our economy and supporting them is central to the nation's bounce back from the pandemic. As part of the announced £5 billion Restart Grants – the government will also be providing all English councils with an additional £425 million of discretionary grant funding, on top of the £1.6 billion already allocated. This will be available to all local authorities across England to bid into who can demonstrate they have local businesses in need.

This Budget is also outlining measures to support the most vulnerable in our society with £4 million funding for a pilot to provide specialist support to give vulnerable homeless women access to safe spaces. This funding comes on top of the £125 million for local authorities delivering the Domestic Abuse Bill's new statutory duty to provide support to victims and their children within safe accommodation

Further measures to help turn 'Generation Rent' into 'Generation Buy' have also been outlined with a new mortgage guarantee scheme and extension to the Stamp Duty cut going towards helping people realise the dream of owning their own home.

Secretary of State for Communities Robert Jenrick said:

Our priority is to support communities as they recover from the pandemic and to help the nation Build Back Better.

This is a Budget that delivers for communities with multi-billion investment to help level up all areas of the UK by supporting businesses, creating new jobs, helping increase home ownership and spreading opportunity.

We are putting communities in control by making town centres and high streets ready for the future, investing in local public transport and giving a helping hand to local people to save much loved places from disappearing.

Further support for homeownership

The Chancellor has announced a new policy to support homeownership and change 'Generation Rent' into 'Generation Buy' with a government-backed mortgage guarantee scheme. First-time buyers and existing homeowners across the UK will have the chance to secure a 95% mortgage on homes of up to £600, 000 with just a 5% deposit. [Read more details](#).

The government is also extending the Stamp Duty cut by another three months, helping more people to realise their dream of home ownership.

Levelling Up Fund

As part of his [Budget speech](#), the Chancellor set out more details of the Levelling Up Fund which was announced during the [Spending Review in November 2020](#).

The fund will be available to communities in all UK nations, with up to £4.8 billion available for local infrastructure across the UK.

It will be allocated competitively to be used to invest in local infrastructure that has a visible impact on people and their communities – including regenerating town centres and high streets, investing in local transport schemes, and upgrading local culture and heritage assets.

See more [details on the bidding process](#).

The government has also launched the prospectus for the £220 million UK Community Renewal Fund. This is a transition fund to the UK Shared Prosperity Fund and replaces the European Regional Development Funding.

The fund is an open competition and is UK wide so that people in every region and nation of the UK can benefit. It will run from 2021-22 and will accept applications from local authorities who want to pilot programmes that meet local challenges and local need in urban, rural and coastal areas across the UK.

To ensure that funding reaches places that need it most, 100 places have been identified based on an index of economic resilience to receive capacity funding to help them co-ordinate their applications.

Find more [information on how to bid](#).

Further details on the UK Shared Prosperity Fund will be announced later this year.

The government has launched a new £150 million [Community Ownership Fund](#) to help ensure that communities across England, Scotland, Wales and Northern Ireland can support and continue benefiting from the local facilities, community assets and amenities most important to them.

From Summer 2021 community groups will be able to bid for up to £250,000 matched-funding to help them buy or take over local community assets at risk of being lost, to run as community-owned businesses. In exceptional cases, up to £1 million matched-funding will be available to help establish a community-owned sports club or help buy a sports grounds at risk of being lost without community intervention.

The Community Ownership Fund will help ensure that important parts of the social fabric, such as pubs, sports clubs, theatres and post office buildings, can continue to play a central role in towns and villages across the UK.

More on how to bid for funding will be announced shortly.

Towns Fund

The Towns Fund was set up to ensure local areas can grow their economies, create and sustain local jobs whilst also carving out new opportunities to reshape the look and feel of their area.

It has been announced that 45 towns will receive up to a £25 million share of over £1 billion as part of the Towns Fund. This means that over half of the 101 chosen areas have had their funding confirmed which will help them to build back better after the pandemic.

This funding round sees large urban areas such as Rochdale, Bolton, Milton Keynes and Preston receive offers, investments have also been made in rural and coastal areas such as Southport, Lowestoft, Skegness and Margate.

See [further details on all the towns which will receive funding](#).

Freeports

The Chancellor has announced 8 Freeports from 8 regions in England. The successful bids are: East Midlands Airport, Felixstowe and Harwich, Humber, Liverpool City Region, Plymouth and South Devon, Solent, Thames and Teesside.

Freeports will be national hubs for international trade, innovation and commerce, regenerating communities across the UK; attracting new businesses, spreading jobs, investment and opportunity to towns and cities across the country.

Subject to agreeing their governance arrangements and successfully completing their business cases, these 8 Freeports will begin operations from late 2021.

Respite Rooms

The Budget has announced £4.2 million funding alongside £15 million to tackle violence against women and girls.

This funding comes on top of the £125 million for local authorities delivering the Domestic Abuse Bill's new statutory duty to provide support to victims and their children within safe accommodation.

The new funding will pilot a programme to provide up to 132 new bed spaces for around 1100 homeless and extremely vulnerable women a year, across London and 9 other areas and will build on the success of 'The Green Room' in London.

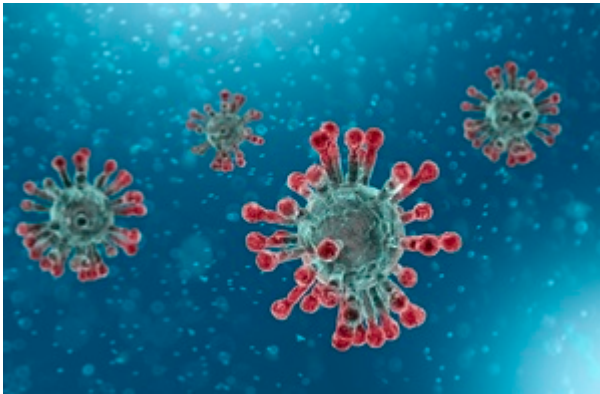
These Respite Rooms will provide support for women who are affected by violence and abuse suffering multiple disadvantage in areas where the prevalence of rough sleeping is high. They will provide a safe, single gender space for a short period of time with intensive, trauma informed support to make choices and decisions around next steps for recovery. The funding will address a gap for a particularly vulnerable group of women who have

experienced violence and abuse and provide them with a safe space and access to specialist support.

[Surge testing to be deployed in targeted areas in Stockton and Brent](#)

Press release

Further targeted areas will have additional testing made available to control and suppress the potential spread of the COVID-19 variant first identified in South Africa.



Working in partnership with the local authorities, additional testing and genomic sequencing is being deployed to targeted areas within Stockton-on-Tees (TS19) and Brent (North Wembley), where the COVID-19 variant first identified in South Africa has been found.

The increased testing is being introduced in addition to existing extensive testing. In combination with the public following current lockdown rules and [‘Hands. Face. Space’](#) advice, it will help to monitor and suppress the spread of the virus. Positive cases will be sequenced for genomic data to help increase our understanding of COVID-19 variants and their spread within these areas.

Enhanced contact tracing will be used for individuals testing positive with a ‘variant of concern’. This is where contact tracers look back over an extended period in order to determine the route of transmission.

People living within the targeted areas are strongly encouraged to take a COVID-19 test when offered, whether they are showing symptoms or not.

People with symptoms should [book a free test online](#) or by phone so they can get tested at a testing site or have a testing kit sent to them at home.

Those without symptoms should [visit their local authority website](#) for more information.

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Stephen Gibson confirmed as preferred candidate for Chair of Regulatory Policy Committee

Following an open competition, Stephen Gibson has been named as the government's preferred candidate to the post of Chair of the Regulatory Policy Committee.

The Secretary of State has invited the Commons Business, Energy and Industrial Strategy Committee to hold a pre-appointment hearing and to report on Mr Gibson's suitability for the post. This is in line with the government's commitment to strengthen the role of Parliament in scrutinising major public appointments.

Pre-appointment hearings enable select committees to take evidence from preferred candidates for major public appointments before they are appointed. Hearings are in public and involve the select committee publishing a report setting out their views on the candidate's suitability for the post. Pre-appointment hearings are non-binding but ministers will consider the committee's views before deciding whether to proceed with an appointment.

The Regulatory Policy Committee is an independent body, sponsored by the Department for Business, Energy and Industrial Strategy. The Regulatory Policy Committee assesses the quality of evidence and analysis used to inform regulatory proposals affecting the economy, businesses, civil society, charities and other non-government organisations. Its independent advice and scrutiny helps ensure that ministerial policy decisions are based on accurate evidence, and helps to produce better regulation.

Mr Gibson has over 25 years' experience as a professional economist across a range of regulated sectors including post, water, ports, rail, aviation, energy, broadcasting, advertising and telecoms, working as a consultant and from both sides of the regulatory fence. In 2011 he set up SLG Economics, a consultancy providing expert regulatory and competition economics advice to regulators, regulated companies and consumer bodies.

Mr Gibson is a Member and current Interim Chair of the Regulatory Policy Committee and Director of SLG Economics. He is also a Member of the CAA (Civil Aviation Authority) Senior Advisory Board advising on the regulatory

framework for Heathrow and NATS and is on the expert panel for ICCAN (the Independent Committee on Civil Aviation Noise). He also lectures in economics at Birkbeck University. Stephen's previous roles include: Chief Economist at Postcomm, Interim Chief Economist at Ofwat, Principal Economist at Ofcom and Deputy Chair of Bowel Cancer UK.