

Chancellor's summer statement – Green Recovery policy announcements

Introduction

Whilst the impacts of Covid-19 continue to be devastating for those affected, for the economy and for public sector finances, there are opportunities presented by the investment and interventions that are being put in place in response. Sheffield has already been awarded 100% of its bid for emergency active travel funding in recognition of its ambitious plans and there is potential for the city to put forward ambitious plans for additional funding. This paper outlines the funding provided in the recent Summer Statement from the Chancellor of the Exchequer and potential response.

The summer statement

In the Summer Statement delivered on 8th July, the Chancellor of the Exchequer outlined that the Government's approach to investment in response to the Covid-19 crisis is in three stages:

- Support
- A Plan for Jobs (the current phase)
- Rebuild (funding to be announced in the Autumn budget: this gives us time to identify our priorities and plans for rebuilding and strengthening the economy)

This briefing outlines the main interventions announced by the Chancellor which have the potential to support Sheffield to achieve our goal of reaching net zero by 2030.

The measures and value of the programmes are in no way sufficient to meet the challenge or the opportunity presented, and further detail has yet to be delivered for many of the proposals, but there is funding available and there is an opportunity for Sheffield to put forward ambitious bids, and potentially to collaborate, to maximise the investment opportunity and the potential cultural and political momentum.

Announcement	<i>Potential Sheffield response</i>
<p>Green Homes Grant</p> <p>The government will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. In total this could support over 100,000 green jobs and help strengthen a supply chain that will be vital for meeting our target of net zero greenhouse gas emissions by 2050. The scheme aims to upgrade over 600,000 homes across England, saving households hundreds of pounds per year on their energy bills.</p>	<p>This is positive and while further details are awaited and it is unlikely that Sheffield City Council or public sector partners will have a direct role to play, there is potential to encourage take-up (and so impact on carbon reduction, jobs and cash availability in the city, as well as on fuel poverty) through communications campaigns/behavioural insights/social interventions work to address issues leading to poor take up of Green Deal/working with private sector landlords & construction sector. Work with skills to ensure that the construction sector has the necessary skills may also be useful. Organisations represented by many Board members could potentially contribute to increasing take up.</p>
<p>Public Sector Decarbonisation Scheme</p> <p>The Clean Growth Strategy set out the government’s ambition to halve greenhouse gas emissions from the public sector by 2032. To help achieve this and support economic recovery, the government will invest £1 billion over the next year in a Public Sector Decarbonisation Scheme that will offer grants to public sector bodies, including schools and hospitals, to fund both energy efficiency and low carbon heat upgrades.</p>	<p>Further details are awaited, but there is potential here for all public sector organisations in Sheffield to apply for grants (if there is a competitive process). Depending on the detail, a coordinated Sheffield bid may demonstrate ambition, this could potentially be raised with the Sheffield Partnership Board or with wider partners directly.</p>
<p><u>Green Recovery Challenge Fund (announced 30th June)</u></p> <p>The government will invest up to £40 million in a Green Jobs Challenge Fund for environmental charities and public authorities to create and protect 5,000 jobs in England. The jobs will involve improving the natural environment, including planting trees, restoring habitats, clearing waterways, and creating green space for people and wildlife.</p>	<p>Potential for SCC, other public sector landowners and charities to submit individual or collective bids.</p>

<p>Social Housing Decarbonisation Fund</p> <p>The government will establish a new Social Housing Decarbonisation Fund to help social landlords improve the least energy-efficient social rented homes, starting with a £50 million demonstrator project in 2020-21 to decarbonise social housing. This will mean warmer homes and lower annual energy bills for some of the lowest income households.</p>	<p>This is a fraction of the £3.8bn costed in the Conservative Manifesto and details have yet to be announced. Potential for Sheffield to demonstrate ambition and apply for demonstrator project this year; coordinate ambitious bid if appropriate (the demonstrator is likely to fund retrofit for up to 2500 houses).</p>
<p>Courts sustainability (announced 30th June)</p> <p>The government will invest £40 million to improve the environmental sustainability of the courts and tribunals estate in England and Wales, investing in initiatives to reduce energy and water usage.</p>	<p>Minimal impact for Sheffield but could potentially explore opportunities for engaging with local courts or Ministry of Justice to support encourage Sheffield to engage early on.</p>

Additional policy announcements which are not directly connected to a green recovery, but could potentially be instrumental (or damaging) to achieving our aims for a just and sustainable recovery depending on how they are taken up are attached in the Appendix.

Recommendations

Members of the Green City Partnership Board are asked to consider how their organisation plans to seize the opportunities provided by the statement, and where we might collaborate together and with other city partners.

Appendix: Additional policy announcements

Kickstart Scheme – The government will introduce a new Kickstart Scheme in Great Britain, a £2 billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

High value courses for school and college leavers – The government will provide £101 million for the 2020-21 academic year to give all 18-19 year olds in England the opportunity to study targeted high value Level 2 and 3 courses when there are not employment opportunities available to them.

New funding for sector-based work academies – The government will provide an additional £17 million this year to triple the number of sector-based work academy placements in England in order to provide vocational training and guaranteed interviews for more people, helping them gain the skills needed for the jobs available in their local area.

Construction Talent Retention Scheme – The government is funding a Construction Talent Retention Scheme to support the redeployment of workers at risk of redundancy. This will help retain construction skills and match talented workers to opportunities across the UK.

Direct Air Capture (announced 30th June) – The government will provide £100 million of new funding for researching and developing Direct Air Capture, a new clean technology which captures CO₂ from the air.

Automotive Transformation Fund (announced 30th June) – Building on the announcement last year of up to £1 billion of additional funding to develop and embed the next generation of cutting-edge automotive technologies, the government is making £10 million of funding available immediately for the first wave of innovative R&D projects to scale up manufacturing of the latest technology in batteries, motors, electronics and fuel cells. The government is also calling upon industry to put forward investment proposals for the UK's first 'gigafactory' and supporting supply chains to mass manufacture cutting-edge batteries for the next generation of electric vehicles, as well as for other strategic electric vehicle technologies. **Potential for AMRC response**

Affordable Homes Programme (announced 30th June) – The government has confirmed that the £12.2 billion Affordable Homes Programme announced at Budget will support up to 180,000 new affordable homes for ownership and rent in England. The £12.2 billion will be spent over five years, with the majority of homes built by 2025-26 and the rest by 2028-29. The Affordable Homes Programme will also include a 1,500 unit pilot of First Homes.

Short-Term Home Building Fund extension (announced 30th June) – The government will support small- and medium-sized housebuilders that are unable to access private finance by boosting the Short-Term Home Building Fund, providing an additional £450 million in development finance to smaller firms. This is expected to support around 7,200 new homes in England, boosting housing supply and adding resilience to the market. A proportion of this fund will be reserved for firms using innovative approaches to housebuilding such as ‘Modern Methods of Construction’.

Brownfield Housing Fund (announced 30th June) – The government will allocate a £400 million Brownfield Housing Fund to seven Mayoral Combined Authorities to bring forward land for development and unlock 24,000 homes in England. To allow authorities to begin delivering projects quickly, 90% of the fund will be allocated immediately on a per capita basis, with 10% to be allocated through a competitive process.

Planning reform – The government will introduce new legislation in summer 2020 to make it easier to build better homes in the places people want to live. New regulations will make it easier to convert buildings for different uses, including housing, without the need for planning permission. In July 2020, the government will launch a policy paper setting out its plan for comprehensive reforms of England’s planning system to better support the economy and release more land for housing in areas that need it most.

Local infrastructure projects (announced 30th June) – The government will provide £900 million for shovel-ready projects in England in 2020-21 and 2021-22 to drive local growth and jobs. This could include the development and regeneration of key local sites, investment to improve transport and digital connectivity, and innovation and technology centres. Funding will be provided to Mayoral Combined Authorities and Local Enterprise Partnerships.

Local road maintenance (announced 30th June) – The government will invest £100 million to deliver 29 local road maintenance upgrades across England in 2020-21, including eight bridge and viaduct repairs and improving local roads. This is in addition to the government’s plans to spend £1.5 billion in 2020-21 on filling potholes, resurfacing roads and improving local highway infrastructure.