

Chancellor backs North with £1.7bn for city-centre projects

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£1.7bn of new investment in city regions to give Mayors cash and tools to bulldoze through roadblocks holding up city-centre projects and regeneration schemes.

- The Chancellor is set to unveil up to £1.7bn of investment in the North today
- Money will support jobs and development in cities across the Northern Growth Corridor, including in Leeds South Bank, Liverpool Central, Manchester Victoria North, Newcastle and Gateshead Quays, and Sheffield City Centre and Innovation Spine.
- New career opportunities within a short commute of home for 9 million people

The Chancellor is backing the North with up to £1.7bn of new investment in our city regions, to give Mayors the cash and tools to bulldoze through roadblocks holding up big city-centre projects and large-scale regeneration schemes - from housing and offices to transport-linked developments that will create jobs and unlock growth in the heart of our cities.

It's expected to deliver housing and career opportunities within a short commute of home for 9 million people.

Based on a "just enough" public money model, the new funds will attract and unlock much larger sums from private investors, giving local leaders the tools and confidence they need to plan ahead. That will include kick-starting and speeding-up major regeneration and development projects.

It will mean new homes, focused on well-connected brownfield land, and will create more jobs for those living in the Northern Growth Corridor who will be able to build careers in Liverpool's burgeoning life science sector, or Leeds' Northern Square Mile, all within a short commute of home.

In West Yorkshire, the Mayor will have access to £145m new money to support jobs and development in places such as the Leeds South Bank.

In South Yorkshire, the Mayor will have access to £85m new money to support jobs and development, including in the Don Valley Corridor and Sheffield Innovation spine.

In the North East, the Mayor will have access to £120m of new money to accelerate job creation and development across places such as Newcastle and Gateshead Quays.

In Greater Manchester, the Mayor will have access to £175m new money to support jobs and development across places such as Victoria North.

In the Liverpool City Region, the Mayor will have access to £95m of new money to support jobs and development across places such as Liverpool Central.

The Northern Growth Corridor is part of a plan revealed by Reeves in which she identified investment in towns, cities and areas previously overlooked as one of her top priorities to build a stronger and more secure economy.

In her Mais lecture today, the Chancellor, also sets out her plans to harness the power of AI and build a closer relationship with the EU to grow the UK economy.

Chancellor of the Exchequer Rachel Reeves said:

I want every part of Britain to do well. That's why we're going for growth all across the country, not just in a few places, because I want everyone to be able to succeed no matter what their parents do, where they grow up, or where they choose to settle down.

Our economic plan is the right one. By bringing back stability in our public finances, boosting investment in our infrastructure and driving reform, we're building a stronger more secure economy.

The plans are the next step in government's Northern Growth strategy – following £45bn Northern Powerhouse Rail announcement on 14 January, the biggest travel upgrade in the North in a generation, which was accompanied by a diagnosis of how Government can support the north beyond transport, across housing, culture, skills, business support, and devolution.

The government's active approach will tackle Britain's geographic imbalances head on, making the most of emerging successes in places like Manchester and Leeds so more great towns like Stockport and Warrington feel real benefits.

Andy Burnham, Mayor of Greater Manchester said:

We have long made the case for the North as the UK's biggest growth opportunity and it is great to see the Chancellor giving it such strong backing.

Over the past decade, Greater Manchester has become the UK's fastest growing city-region and in the next we are ready to go even further and faster. We have a plan to re-industrialise the birthplace of the Industrial Revolution and now have the necessary investment to deliver it.

Greater Manchester is breaking with old discredited "trickle-down" models of economic growth and pioneering a new approach lifting all people and places. Our new Good Growth Fund is driving it and this welcome support from the Government is a vote of confidence in it. Later this week, we will set out a new round of investment in major projects across all ten boroughs, delivering the good homes, good jobs and better transport our residents deserve.

Steve Rotherham, Mayor of the Liverpool City Region, said:

Where you grow up shouldn't determine how far you can go in life. For too long, brilliant young people across the North have felt they had to leave home to find the opportunities they deserve. That's never been about a lack of talent – but a lack of opportunity and investment.

In the Liverpool City Region we're proving what happens when you back our places and our people. From our fast-growing life sciences sector to the world-class research in our universities, we're creating the kind of opportunities that mean the next generation can build a great career without leaving the communities that shaped them. We're already seeing the difference too – with more and more graduates now choosing to stay and

build their futures here as new high-skilled jobs are created across our economy.

The Chancellor's support for the Northern Growth Corridor recognises what many of us have known for a long time – the North already has the talent, the ideas and the drive to succeed. With the right backing, we're ready to turn that potential into jobs, growth and opportunity for millions of people.

Tracy Brabin, Mayor of West Yorkshire said:

People want to see more jobs and opportunities created on their doorstep, so I share the Chancellor's ambition to build on the emerging successes being driven by devolution in places like Leeds and Manchester.

This funding to help drive growth in the city centres of Leeds and Bradford, linked to the ongoing investment in Northern Powerhouse rail and TransPennine Rail Upgrade, is a vote of confidence in our ambitious plans for the region.

Together with the government, we are working hard to ensure people living across the north, in places like West Yorkshire, have the opportunities they need to succeed and get on in life, without having to move away from their family and hometown.

Oliver Coppard, Mayor of South Yorkshire said:

We're building a bigger and better economy across all of South Yorkshire, creating the opportunities that allow people to stay near and go far. Today's announcement from the Chancellor shows that this Government is right behind us in that mission.

For too long, South Yorkshire and the wider North have been failed, not only by a lack of investment in our people, our businesses, our ideas and our infrastructure, but by a lack of ambition itself.

But slowly, surely we're beginning to see the South Yorkshire of the future taking shape - with world leading companies in industries of the future investing here, real income growth, and huge plans for the future, we're starting to see the full potential of every part of Barnsley, Rotherham, Doncaster and Sheffield.

The UK cannot realise its own economic renewal without places like South Yorkshire playing our full part, but together with this Government we are now making that happen.

Kim McGuinness, Mayor of the North East said:

We're investing record amounts in our cities to create new jobs, build neighbourhoods where people will want to live and work and re-ignite local pride. In the North East this includes building a new film studios in Sunderland, a new arena in Gateshead and thousands of new homes in Newcastle.

Today's news of £120m more from the Government for the North East's cities is a huge boost to our ambition as we deliver some of the country's most exciting urban

development projects.

Notes to editors

The City Investment Funds provide in total £2.3bn of new grant, loan and patient capital funding, going directly into hands of mayors to deliver city densification at a local level. Of this £2.3bn, up to £1.7bn will go to mayors in major Northern city regions.

The recipient places of the City Investment Funds in the North are: Greater Manchester, West Yorkshire, the North East, Liverpool City Region and South Yorkshire. West Midlands will also receive a share of the City Densification Fund. The Housing Accelerator Fund will be available to all eligible MSAs.

The breakdown of new funding through City Investment Funds in total is:

- £1.5bn through the Housing Acceleration Fund – All seven established MSAs will be able to access the £1.5 billion Housing Accelerator Fund. Final allocations will be determined based on a number of factors including the readiness of their development pipelines and alternative options for the EMSAs. The Housing Acceleration Fund will be operated through financial transactions.
- £800m through the City Densification Fund – available to five established MSAs in the North, and West Midlands. £620m of this will be allocated to the five established MSAs in the North.
- City Investment Funds build on the £500 million Mayoral Revolving Growth Fund announced last year. Further details can be found in the published policy statement here: Mayoral Revolving Growth Fund: policy statement - GOV.UK.

<https://www.gov.uk/government/news/chancellor-backs-north-with-17bn-for-city-centre-projects>