



Exciting times for Teesside

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Despite some fiscal tightening as expected, the 2021 Spring Budget has delivered a progressive package, with continued support for workers and business and some particularly encouraging news for Teesside. Lots of people will welcome the extension of many of the Covid-19 support packages alongside other announcements such as additional working tax credit payments and an increase in the minimum wage including tax reliefs. Business also has reasons to be happy following the announcements on injections such as restart grants, bounce-back loans and a new super-deduction aiming to increase capital investment, as well as new schemes to help SMEs with leadership and management and digital skills training.

The big winner of the day was arguably Teesside, which is seemingly at the heart of the government's levelling up plans. There were three big-ticket announcements for Teesside. The first, a new 'Economic campus' (including HM Treasury, Department for International Trade, Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government), situated in Darlington, attracting 750 civil service jobs. It will be fantastic to have such an influential government department in the Tees Valley and will not only bring jobs to the region but there will be a multiplier effect in the local economy due to extra income and increased footfall in the local area from visitors to the campus.

The second was the Towns Fund initiative that sees Thornaby and Middlesbrough share £46m of investment, which will be focussed on regeneration projects to attract people to live and work in the towns.

The third was the announcement of a freeport in Teesside, a special economic area where goods do not incur import tariffs and where value can be added before export overseas. The Teesside Freeport will be the first and biggest in the UK and will include Teesworks, Wilton International, Teesside Airport, the Port of Middlesbrough, the Port of Hartlepool, Liberty Steel and LV Shipping. The status will secure and increase the future viability of these sites and builds on the fantastic logistical connections already in Teesside including rail, road, air and port access. The heart of the Freeport proposal is Teesworks, the UK's largest industrial zone; redeveloped brownfield land, including the old steel works site, with fantastic infrastructure, utilities and connectivity that will create a low carbon, sustainable and thriving home for new globally facing industries.

Encouragingly, there is funding for new port infrastructure to build the next generation of offshore wind projects in Teesside, although it is slightly disappointing given the region's growing strength in net zero that there were not more announcements in this regard.

The Chancellor ended his Budget statement praising Tees Valley and painting a bright future for our region: “When I look to the future of Teesside... I see people putting down roots in places people are proud to call home. I see a people optimistic and ambitious for their future. That is the future economy of this country”. The statement echoed what many of us on Teesside have known for years; Teesside is a vibrant and innovative place populated by people with a willingness and desire and graduate talent that has potential to deliver growth and prosperity. On Teesside there is a sense of community and an amazing ethos of collaboration; we are rightly proud in our heritage and optimistic about our future.

After a difficult year, the budget will lift the spirits everyone and provide a further boost to the optimistic outlook already visible. The 2021 Budget will have an impact on the region not only for the next year but the foreseeable future. Here at PACE we can't wait to see what the Tees Valley can achieve.