

Sheffield City Region Mayoral Combined Authority  
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12<sup>th</sup> November 2020

The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Rishi

**A Spending Review to deliver a New Deal for the North and a stronger, greener and fairer South Yorkshire**

With the country's finances facing unprecedented peacetime pressures, your decision to undertake a one-year Spending Review was understandable. The Review's focus on the response to COVID and supporting jobs is the right one, particularly as we enter a second national lockdown. In South Yorkshire we stand ready to deliver on these shared ambitions, both in the here and now, but also critically in the wider renewal effort.

As fellow Yorkshire MPs we must, like never before, work across national, regional and local government to respond to the economic and social crisis. The North has been hit hard by COVID. With more cases than other parts of the country, a hospitalisation rate around four times that of London and nearly two thirds of its population subject to or due to enter Tier 3 restrictions prior to the national lockdown. New analysis shows that in South Yorkshire, the level of people claiming unemployment-related benefits is now higher than at any time since the mid 1990s, when we were still in the aftermath of the closures in the mining and steel industries.

The case for levelling up is undeniable. Unlocking the potential of areas such as South Yorkshire is vital for our people, communities, businesses and places, but it is also in the national interest to reduce the country's growing inequalities, now at their widest level since 1901. The brutal reality is that the North is now on course for levelling down, not levelling up.

As you have rightly said previously, unprecedented measures are needed for unprecedented times. Whilst in South Yorkshire we are investing our own funds, including our recent commitment of £5.5m to kickstart nine flood prevention projects, we cannot do this alone. The need for exceptional

public funding to keep our economy afloat is clear, pressing, and widely accepted. The Spending Review will be the litmus test for the levelling up agenda. Not just for infrastructure, but for education, skills, health, environment, flood prevention – all the different areas where action is needed.

In short, we need a New Deal for the entirety of the North. Recent decisions not to progress with either the East Coast Main Line Station or new hospital in Doncaster, and a lack of clarity on either the Northern Powerhouse Strategy or Growth Body are concerning evidence that the Government is not making good on its levelling up promises. As are the growing fears that critical parts of the Northern Powerhouse Rail network will be delayed, along with the north-east leg of HS2. We cannot have a prosperous United Kingdom, without a strong North; where all cities, towns and rural areas achieve their potential.

My ambition for South Yorkshire is not just for recovery but a renewal that makes us stronger, greener, and fairer. Critically, we have an ambitious, but deliverable, Renewal Action Plan specifically developed for this very purpose, following Government commissioning mayors to lead this agenda. In our Comprehensive Spending Review submission last month, I provided further details on the key initiatives that comprise this Plan and the scale of the employment and training opportunities that could be unlocked. This includes working with a pipeline of businesses that we have developed who want to grow and invest in South Yorkshire, building on recent successes such as Boeing and McLaren.

For these reasons, the delivery of the Renewal Action Plan remains my number one priority for the Spending Review.

But we will only be able to deliver our Plan if our local authorities have an enhanced and fair funding settlement to enable them to continue their vital role in supporting people, communities and businesses on the front line of the pandemic. Alongside this we require the continuation of capacity funding for the Mayoral Combined Authority and Local Enterprise Partnership. This also necessitates investment in our transport network to keep the region moving through sustained support for our bus and tram networks, the extension of the consolidated transport budget, sustainable transport access funding and rail administration grant.

There is no better time to invest in infrastructure and I welcome your confirmation that the Spending Review will include such commitments, and these must be at a transformational scale. This means investing to strengthen our connectivity – both physical and digital – between city regions, through our Integrated Rail Plan, and within South Yorkshire, by renewing Supertram, extending tram train, enabling active travel and strengthening road, rail and bus networks. Having reached the one-year anniversary of the devastating floods last November, it is also vitally important that we secure additional investment to make our region more resilient to future flood risk, accelerating the delivery of our priority programme to protect over 10,300 homes and 2,800 businesses.

Finally, it's not only about the money that we are allocated through this process, but also having greater flexibility to target all our resources where they are needed the most. The ability to convert our capital gainshare funds to revenue for the next 18 months would enable our Authority to deliver on more of our ambitions to create more jobs and training opportunities without the need for further Government resources, as would widening our borrowing powers. Meanwhile, certainty on

UKSPF allocations or interim measures to bridge the gap between the start of this and the end of the Local Growth Fund and European Funds must be a core component of the toolkit for places to recover from COVID.

Your focus in the Spending Review is the right one. We must collectively work together across national, regional and local Government to respond to and Build Back Better from COVID. This means supporting lives and livelihoods and levelling up. I have plan to deliver in South Yorkshire and the partnerships to make it happen. But the step change in funding to make this a reality lies in the balance of the Spending Review.

I hope the people, communities and businesses of South Yorkshire will receive the investment needed and deserved, as part a wider vision for a more prosperous, more equitable, more democratic United Kingdom. In the process, perhaps we can make this a transformative moment not just for one region, but for the whole country.

With my best wishes,

A handwritten signature in black ink, appearing to read 'Dan', with a long horizontal stroke underneath.

**Dan Jarvis MBE MP**

Mayor, Sheffield City Region Mayoral Combined Authority

Copied to: Rt Hon Robert Jenrick MP, Secretary of State Housing, Communities and Local Government  
Rt Hon Grant Shapps MP, Secretary of State for Transport  
Kemi Badenoch MP, Exchequer Secretary to the Treasury