

Rt Hon Rishi Sunak MP

Chancellor of the Exchequer
HM Treasury
Horse Guards Road
London SW1A 2HQ

Date: 3 March 2020

Dear Rishi,

Congratulations on your new role. We look forward to working with you.

We want to draw your attention to an overdue matter of increasing urgency ahead of the forthcoming Budget: the UK replacement for nationally-managed European Structural and Investment Funds (ESIF) and any successor to the national Local Growth Fund.

Across the UK, these domestic and European funds are the key means of supporting local schemes for promoting economic development, access to the labour market, skilling the workforce and tackling inequality and poverty. The current £1.35 billion London ESIF programmes support 444,000 Londoners and 8,000 businesses. London's £440 million Local Growth Fund programmes support the creation or safeguarding of over 10,000 jobs and over 200,000 new learners. These programmes make strategic interventions which also bring direct and indirect benefit to local and regional economies outside of London, and the wider UK economy; as per the Government's Industrial Strategy aims of boosting UK productivity and supporting business.

We wrote to Government on this same subject (to your predecessor, in his earlier role as Secretary of State for Housing, Communities and Local Government) in December 2017. Since that time, there has been no visible progress in Government thinking on replacement funding. We understand a further announcement is imminent. But replacement funding is needed now in London. These very large programmes are now nearly entirely committed to existing projects.

Over the last few months, City Hall and London Councils have drawn together business, public and voluntary sector stakeholders to discuss how a future fund might operate, and we highlight the following points:

- The introduction of the proposed UK Shared Prosperity Fund (UKSPF) provides an opportunity to create a less bureaucratic, fully-devolved and flexible single pot of long-term funding that builds on successes of the existing programmes.
- We join other cities, towns, regions and the Devolved Administrations in calling for an increase in the overall national level of funding to meet local economic and social challenges and move to a low carbon economy.
- London should receive at least as much funding as currently via ESIF and Local Growth Fund programmes. Any further allocation of the UKSPF beyond that should be based on a fair measure of need.

- Any final settlement with London should recognise the diversity of the city's economy, as well as the need to continue to reduce its environmental impact. London also has higher rates of relative poverty and child poverty than any other part of the UK; in part due to housing costs. In particular, national targets for reducing poverty will only work if London is part of the focus, given the scale of the challenge here. London's unemployment rate remains above the UK average. Regional economic indicators mask significant variations across London, with outer London boroughs experiencing recent decreases in productivity and overall job numbers.

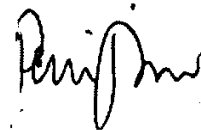
We would welcome the opportunity for our officers to meet with officers in the relevant Whitehall teams to discuss our proposals in more detail.

This letter is copied to the Secretaries of State for Housing, Communities and Local Government; Work and Pensions; Business, Energy and Industrial Strategy; and the Minister for London.

Yours sincerely,



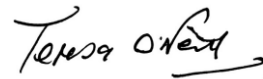
Sadiq Khan
Mayor of London
Chair of the London Economic Action Partnership
(LEAP, London's Local Enterprise Partnership)



Cllr Peter John OBE
Chair of London Councils
Co-Deputy Chair LEAP



Cllr Ruth Dombey OBE
Vice Chair of London Councils
Leader LB Sutton



Cllr Teresa O'Neill OBE
Vice Chair of London Councils
Leader LB Bexley



Angus Knowles-Cutler
Co-Deputy Chair LEAP



Simon Pitkeathley
LEAP Member, LEAP Champion
for Small Business & Chair of
London ESIF Committee



Sam Gurney
LEAP Member
TUC Regional Secretary – London, East & South East



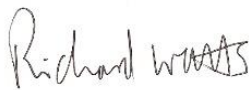
Dr Celia Caulcott
LEAP Member
Vice-Provost (Enterprise), University
College London



Jasmine Whitbread
CEO London First



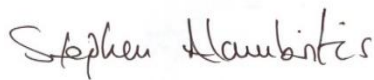
Mary Vine-Morris
London ESIF Committee Member
Director, London Region Association
of Colleges



Cllr Richard Watts
Chair, Central London Forward
Leader LB Islington



Cllr Darren Rodwell
Chair, Local London
Leader LB Barking and Dagenham



Cllr Stephen Alambritis
Chair, South London Partnership
Leader LB Merton



Cllr Steve Curran
Chair, West London Alliance
Leader LB Hounslow

Cc: Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and
Local Government
Rt Hon Thérèse Coffey MP, Secretary of State for Work and Pensions
Rt Hon Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy
Paul Scully MP, Minister for London