

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
11 Downing Street
London
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Dear Chancellor,

Green Book Reform: Unlocking the investment to enhance long-term productivity

The ambition of rebalancing the British economy between North and South has been government policy for more than five years. As Metro Mayors, leading civic and business leaders in the North, we write with one voice to highlight the opportunity that exists in the budget to take clear and specific action around the Green Book – ensuring that your commitment as Chancellor to level up communities is hardwired into the investment decisions of Whitehall.

The Cities Growth Commission over half a decade ago called for appraisal methodology and its application by government departments to take account of the importance of place. It is clear that a static accounting-based approach only benefits schemes which deal with growth that will already happen, as opposed to making growth happen where it otherwise might not.

A focus on the benefits of economic rebalancing, and better recognising the benefits in the place of a scheme, is the right approach. The decision making of government appraisal is based on a business as usual scenario, not on a transformational economic model, and for the Northern Powerhouse to be achieved Whitehall needs to make sure we pull all the levers to get the overall prize - an extra trillion added to UK PLC by 2050.

Taking a rounded view will value the effect of investing in a number of projects alongside one another, such as around transport hubs, rather than looking at a specific piece of infrastructure or intervention in isolation or over too short a time period to see its value.

We must take fundamental action on rebalancing our economy, and without urgent reform to Green Book methodology we will be unable to take the steps we need to make the promise of the Northern Powerhouse and the wider benefits of economic rebalancing as outlined in last week's 2070 Commission report a reality.

Yours sincerely