

January 2021**Mayor's Update****Purpose of Report**

To provide LEP Board Members with an update on key Mayoral activity relating to the economic agenda.

1. The COVID pandemic

As we enter 2021 the light at the end of the COVID tunnel is growing brighter, particularly now two vaccines have been approved and are being rolled out across the country. Vaccination is the route out of the restrictions that have had and continue to have such huge impacts on all of our lives and livelihoods.

I know our NHS, Local Authorities and Public Health officials in South Yorkshire are working day and night to roll the vaccine out as quickly as possible. But as the largest vaccine drive in our history, this will take some time to deliver.

In the interim, we must do all we can to limit the spread of COVID. Infection rates and the number of people testing positive are rising in South Yorkshire. Whilst this is not at the alarming rate seen in London and the South East, the new variant of the virus is 50% to 70% more infectious and transmissible, so this picture can change extremely rapidly.

It's devastating for families and businesses to start the New Year with tighter restrictions, but this is the only way we will save lives and prevent our NHS and hospitals from being overwhelmed in the toughest winter we have faced. Our hospitals all remain under significant pressures and are currently treating 600 COVID patients, a figure 50% higher than in April and we need to make every effort to avoid a third peak.

Regrettably therefore, we are all facing a very tough few weeks ahead. I understand just how weary and frustrated many people will be, but the lockdown in March reduced the spread of the virus, and if we all follow the rules, this one will as well. For the sake of our families, our communities, and our businesses, everyone needs to play their part.

2. The Brexit Deal

Understandably, Brexit wasn't at the top of the political agenda in 2020. COVID has transformed our daily lives and battered our businesses. The OBR forecast 2.6 million jobs will be lost as a result of the pandemic and we are facing the deepest recession in Europe. Our communities in South Yorkshire are bearing the brunt of this disease and we will be living with the economic fallout for years to come.

Given the scale of these existing pressures, the last thing our already fragile economy needed was to crash out of the EU without a deal on our future relationship. However, the time taken to agree

this, meant that businesses had no time to plan with certainty on what would come next. The Deal done was a thin agreement that does not adequately protect our manufacturing, service and creative industries, financial sector or workplace rights.

Inevitably the devil is in the detail of the deal and at 1,246 pages there is a considerable amount of information to digest and dissect. The MCA team will continue to work with partners to understand this and its implications for South Yorkshire. It's vital that we seek to unlock the opportunities that this can provide and support businesses and other organisations as new rules and procedures are implemented.

3. Driving a stronger, greener and fairer South Yorkshire through our renewal effort

The seismic events of COVID and Brexit will have a lasting impact on people and businesses across South Yorkshire for decades to come. Beyond a return to life resembling something like normality; the choices we make will define our way of life for the next generation.

We have a herculean task of rebuilding our economy and society. Crucially, this must not be a slow and steady return to broken status quo. 2021 must be the year we fix the foundations and start the job of building back better.

That's why despite all the challenges we face, I believe 2021 is when people in our region will begin to see the difference devolution can make to their lives. My vision is for a stronger, greener, fairer South Yorkshire and that is the compass that will guide my plan for recovery and renewal.

Thanks to the hard and collaborative work of partners across South Yorkshire we are now in a much better position to respond to these challenges that lie before us. In 2020 the Mayoral Combined Authority secured almost a quarter of a billion pounds of investment for transport, active travel, infrastructure and housing – even before our Devolution Deal is considered. This means that next year the MCA Group (including SYPTE) will have a budget of £344m in 2021/22. An increase of £160m compared to this year, this will be the largest budget the Combined Authority has had since it was established in 2014.

Our collective challenge therefore becomes one of delivery ensuring that every pound spent yields the maximum possible benefits for South Yorkshire. As the economic consequences stemming from COVID continues it is vital that we deliver our Renewal Action Plan, creating much needed opportunities for our region's people, businesses and communities.

Continuing to prove that we can deliver better outcomes for our residents will also be the most powerful way to make the case for devolution. Given the limited additional funding made directly available to MCAs through the Spending Review, this is a case that we will need to continue to make, as the argument appears yet to be won.

By not allocating new sources of investment such as the Levelling Up Fund and the UK Shared Prosperity Fund to either LEPs or MCAs, as the predecessor funds were, Government is taking an increasingly centralised approach. In 2021/22 it is also making less money available through these funds than was previously the case, at a time when it is needed the most to support the renewal effort. In this context, questions remain regarding the levelling up agenda, particularly in the absence of a clear definition of what is meant by this term and therefore what we're seeking to achieve.

I will continue to do everything I can to secure more powers and resources for the Region, including through key publications such as the much-delayed Devolution White Paper. It's time to stop tinkering and start transforming.