

3rd June 2015

The Rt Hon George Osborne MP
Chancellor of the Exchequer and First Secretary of State
House of Commons
London
SW1A 0AA

Dear Mr Osborne

Business community's support for rapid progress on HS2 Eastern Leg – supporting a true rebalancing of the economy

As representatives of more than 11,000 businesses, and because of a strong message from them, we would like to reiterate the business community's strong support for the speedy confirmation and delivery of the Eastern Leg of HS2, linking Birmingham with Leeds via the East Midlands and Sheffield, and then further north on to Newcastle and Edinburgh through a direct connection to the East Coast Main Line.

There are compelling economic reasons for improving connectivity between businesses in these key cities and regions. Moreover, a history of poor investment in many parts of the region that the Eastern Leg will serve means that current infrastructure will be reaching capacity in the coming years. A step change is required now to meet the increased passenger and freight levels that business growth demands for the future.

Research undertaken by KPMG in 2013 suggested that HS2 would deliver an additional £4.1bn of GDP output for the East Midlands, South Yorkshire and West Yorkshire. The areas along the route are already home to some of the UK's most dynamic and innovative manufacturing and engineering firms, with traditional strengths in automotive, rail and aviation manufacturing, and new reputations being developed in low-carbon, hi-tech manufacturing and biosciences.

This area of the county also boasts a strong professional services sector in its cities, a thriving construction sector – from raw material production through to cutting edge new technologies – and a burgeoning creative industries sector, among others. These businesses operate successfully in regional, national and international markets.

Improving links between these businesses will allow them to exploit the benefits of agglomeration, boosting success in these key sectors and helping forge an economy that is truly rebalanced, both geographically and sectorally. HS2's Eastern Leg will free-up capacity on classic rail and road and allow these businesses to move goods and people in the increasing quantities that their growth demands, future-proofing the network for their continued success.

The main competition to these businesses – particularly manufacturers and engineers – originates overseas, where many equivalent companies already benefit from high speed rail. The increased productivity and competitiveness that the HS2 Eastern Leg could facilitate will not just bolster growth locally, but will also support long-term international success.

The business community, working with colleagues in the public sector, is fully committed to grasping the opportunities that HS2's Eastern Leg will bring. Plans are already being developed to increase connectivity within the regions in order to maximise the economic benefit of HS2 and to ensure it can be felt beyond the urban centres.

However, uncertainty kills confidence.

It is imperative that the Government confirms the route as soon as possible and that delivery plans are accelerated to maximise the business benefits. This is an investment that will benefit the whole nation. In committing to this, you will help secure a national rail network that can compete with the best in the world and create the opportunities needed for long term economic growth.

The business community looks forward to working with you in making this a reality.

Yours sincerely,



Daniel Fell, CEO, Doncaster Chamber of Commerce



Elizabeth Fothergill, President,
East Midlands Chamber (Derbyshire,
Nottinghamshire, Leicestershire)



James Ramsbotham, CEO,
North East Chamber of Commerce



Richard Wright, Executive Director,
Sheffield Chamber of Commerce



Paul Mackie, President,
Bradford Chamber of Commerce

Gerard Jennings, Vice-President,
Leeds Chamber of Commerce

Suzanne Burnett, President,
York & North Yorkshire Chamber of Commerce

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Rt Hon Patrick McLoughlin MP, Secretary of State for Transport