

Sheffield City Region Mayoral Combined Authority
11 Broad Street West
Sheffield, S1 2BQ

4 March 2021

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

Dear Rishi,

I am writing to express my deep concern over the allocation of several key funds announced in yesterday's budget, and ask you to reconsider your approach as a matter of urgency.

The government has talked about supporting the areas most affected by COVID and those in the greatest economic distress. Yet the Levelling Up Fund places your own constituency of Richmondshire (ranked 251 in the England deprivation index) in a higher category of need than Barnsley (38), Salford (20), Halton (39) and Sheffield (93). Richmondshire has had 141 COVID deaths per 100,000 people: Barnsley has had 311, Salford 214, Halton 200, and Sheffield 188.

The UK Community Renewal Fund (UKCRF) includes two areas in affluent North Yorkshire, and just one in relatively deprived Liverpool City Region. Meanwhile, 40 of the 45 places to receive a share of the first £1bn in Towns Fund spending are represented by Conservative MPs, an imbalance so marked it is impossible to believe it coincidental.

Your department has yet to release the full basis for these allocations, contrary to your statement yesterday. But whatever the exact formula, the practical reality is that you have allocated support in a way that favours places that are affluent over those that are deprived; places that are resilient over those that are vulnerable; places that have suffered less from COVID over those that have suffered more. Poorer communities across the North have been treated especially unfairly, making a mockery of the government's commitment to levelling up.

This is part of a wider pattern. The pandemic has disproportionately targeted the most disadvantaged communities: government support has not. Allocations of COVID relief based on a simple per capita formula gave a spurious sense of fairness while ignoring the much higher damage caused by the pandemic to poorer households, and the sharply varying density across the country of businesses needing support. The inclusion of population density among the

criteria for UKCRF awards similarly introduces a factor largely unrelated to need but which sharply favours rural areas.

Every part of this country has felt the effects of COVID, but it is vital for public confidence that people feel they can trust the government to allocate support on the basis of need, not political considerations. I hope this government would want to avoid repeating the experience of the Towns Fund, over which the Public Accounts Committee raised serious concerns of politicisation and lack of transparency. As a first step, will you urgently publish the full methodology and criteria for deciding these priorities, the decision-making process by which Ministers agreed them, and any related documents?

At such a critical moment for our divided country, when families and businesses across the country need investment and support, we cannot afford to get this wrong. I hope you will look again at these decisions.

With my best wishes,

A handwritten signature in black ink, appearing to read 'Dan', followed by a long, slightly curved horizontal line underneath it.

Dan Jarvis MBE MP

Mayor, Sheffield City Region Mayoral Combined Authority