

Rt. Hon. Michael Gove MP

*Secretary of State for Levelling Up
Housing and Communities
Minister for Intergovernmental Relations*

Department for Levelling Up, Housing and Communities

*4th Floor, Fry Building
2 Marsham Street
London, SW1P 4DF*

9 November 2021

Dear Secretary of State,

As you know, we have been at the forefront of campaigning for a better deal and fairer funding for councils for many years now.

The Government's Fair Funding Review acknowledges that local government funding is broken and must change. The impact of the Covid pandemic has meant that major reform is difficult at this time, but that is why a cross party grouping of the very lowest funded councils, from Hampshire to York, are teaming up to move the issue out of the political long grass.

We are united in the belief that change is needed in the short term otherwise those authorities at the bottom end of the funding tables will be hit the hardest.

The think-tank *UK Onward*, working with Leicestershire County Council, has carried out detailed research which sets out a proposed short-term solution. Pumping £300m into the system, and placing a floor on Combined Spending Power, would benefit the 20 councils which have the unenviable double whammy of higher levels of council tax and lower levels of core spending power.

Clearly a temporary solution is not ideal. But it would be a great step forward towards the end goal of delivering a future fair funding system for local government, whilst in the short term, enable the government to achieve a quick and relatively cheap solution to put our low funded councils on a more sustainable footing. It would also enable the system to carry on for a little longer whilst we work towards the bigger prize.

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Allocations today still linked back to historic spending levels – rewarding those who spent the most on services decades ago – and significantly out of date data (including council tax bandings still based on 1991 values), I hope you agree a pragmatic approach is required.

We're joining forces to make the case for levelling up local government finances, and we are also in the process of lobbying our MPs to seek their support.

Without additional financial support, those authorities with low core spending power increasingly will struggle to provide essential and valued services to their local communities.

We'll be in touch as the campaign gathers momentum but will very much appreciate your initial reaction.

With best regards,



Mr N J Rushton
Leader of Leicestershire County Council
On behalf of:

Bath and North Somerset Council
Cambridgeshire County Council
Hampshire County Council
Kirklees Council
Medway Council
Nottinghamshire County Council
Staffordshire County Council
Trafford Council
West Northamptonshire Council

Bury Council
Coventry City Council
Hertfordshire County Council
Luton Borough Council
North Northamptonshire Council
South Gloucestershire Council
Stockport Metropolitan Borough Council
Warrington Borough Council
City of York Council