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Rishi Sunak MP
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7 February 2019

Dear Minister

Once again in the past few days we have noticed media coverage about the effects of reductions in council budgets falling disproportionately on metropolitan areas. Unfortunately, the coverage has created misleading headlines following a report from the Centre for Cities. As South East local authority leaders we take issue with some of the report's conclusions and challenge the skewed picture it presents.

The reality is that regardless of cuts, many city areas still receive and spend more than neighbouring councils in more rural areas. The highest cuts do not equal the lowest spending.

All councils have faced significant cuts over the past 8 years but metropolitan areas are still ahead in the funding race, with considerably greater spending power per person than many authorities in the wider South East.

For example, in Hampshire with its two-tier councils, combined county and district spending power ranges from £1,522 per household in Basingstoke to £1,620 in Hart. In contrast, Liverpool's £2,010 per household and Blackburn's £1,994 are more than 20% higher.

Analysis of cuts, and understanding their implications, needs to compare the outcomes, not the scale of the cuts. Some authorities may have faced higher percentage cuts in spending but that is only because they spent more initially.

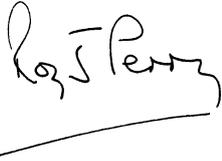
The fairest approach for everyone is to allocate local authority funding in a more open and transparent way that bases decisions on scale of population. As the Leaders of councils in the wider South East we are pleased to see the Government working towards a more transparent formula and worry that it may now be undermined by misleading claims from authorities who want to protect their much higher allocations.

Whilst some authorities argue that they need higher spending to address deprivation, the South East too has its own challenges, with 909,000 residents living in income deprivation. All areas face their own service delivery challenges, whether in highly populated urban areas or sparsely populated rural locations, but we see scale of population as the key driver for funding what we need to deliver.

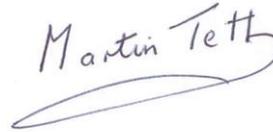
If deprivation is to be included in a future formula we would strongly urge that this must remain fully accountable and evidence-based so that any extra amounts allocated are clear to all.

Finances are challenging throughout local government and all local authorities would welcome additional funds. Our plea is that we should all work together to agree a fair, accountable approach to a new funding system that can secure the resources that all areas need.

Yours sincerely



Cllr Roy Perry
Chairman, South East England Councils



Cllr Martin Tett
Chairman, South East Strategic Leaders



Cllr Ralph Bagge
Deputy Chairman,
South East England Councils



Cllr David Renard
Vice Chairman,
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