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The Rt Hon James Brokenshire MP
Secretary of State
MHCLG
Fry Building
2 Marsham Street
London
SW1P 4DF

Our Ref: ZA23739

14 December 2018

Dear Secretary of State

Re: 2019/20 Local Government Funding Settlement

I write following your announcement of next year's funding settlement for local authorities. I was disappointed to see that despite an overall real-terms increase in local government spending power; my own local authority, Huntingdonshire District Council (HDC), is to suffer a reduction in core spending power of four per cent. This amounts to a further £600,000 net reduction in its spending power. What is most concerning though is that of 391 local authorities HDC is the fourth worst affected in the country, with just Ashfield, Mansfield and Gloucester seeing greater reductions.

Your PPS's email update included the following statements:

*'The settlement includes extra funding for local services, with a strong focus on supporting some of our most vulnerable groups, **whilst supporting and rewarding local economic growth** and setting out a path to future funding reforms.'*

*'We intend to: provide continuity and stability by committing a further £20 million to **maintain the New Homes Bonus baseline at 0.4 per cent in 2019-20 – to ensure we continue to reward councils for delivering the homes we need.***

'Local authorities have a key role to play in supporting local economic growth.'

However, this significant funding reduction for HDC does not seem to support those statements. HDC is a pro-growth authority that has actively embraced the Government's ambition to deliver homes above and beyond its Objectively Assessed Need. HDC has also made significant efficiency savings, shares services and back-office functions with other authorities and has supported the Government's position on council tax rises.

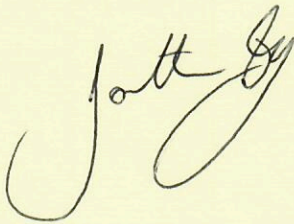
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It seems perverse that where we have a model example of a local authority doing what Government has asked of it - becoming a lean authority whilst protecting frontline services - that it should see its spending power so severely affected.

I know from the reactions I have already received from senior local councillors that this funding settlement will serve as a disincentive to deliver additional housing and growth when the benefits of doing so are taken and redistributed to other areas that are less successful. The phrase 'punishing success and rewarding failure' is one that has been used locally in reaction to your announcement.

I would therefore be grateful for your urgent explanation of why Huntingdonshire District Council has been so severely penalised and why it is the fourth worst affected authority in the country. As you are aware, Cambridgeshire authorities are already some of the worst funded in the country and this funding settlement only exacerbates the existing challenges.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jonathan Gifford'. The signature is written in a cursive style with a large, sweeping initial 'J'.