

The Rt. Hon Michael Gove, M.P.  
Secretary of State for Levelling  
Up, Housing and Communities  
Department of Levelling Up,  
Housing and Communities  
2 Marsham Street  
Westminster  
London  
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**Councillor Emily Smith**  
**Leader of the Council**

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13 January 2022

Dear Mr Gove,

I am writing on behalf of Vale of White Horse District Council in response to the Provisional Local Government Finance Settlement 2022 to 2023. We wish to express our disappointment at these proposals which once again fail to provide a long-term plan for financing local government.

The Vale wishes to make clear its dismay at the fact that for the fourth year in a row HM Government has brought forward a one-year financial settlement. The current approach undermines our ability to create stable medium-term financial plans and is, in our opinion, unsustainable.

In relation to the specifics of the finance settlement, the Vale is disappointed by the proposals for the distribution of grant funding from HM Government. As it is currently structured, the provisional settlement will see a significant reduction (6.1 per cent) in the monies that we receive. This is unacceptable, especially at a time of increased cost pressures, and will place another significant strain on our finances.

The Vale also regrets HM Government's continued failure to listen to reason regarding council tax referenda. The existing system simply does not work. It is neither fair nor equitable and does not give the capacity to allow councils to respond to changing demands and circumstances. We would, therefore, like to see its abolition, with the power and flexibility to set council tax rates in their entirety returned to local government. If HM Government, however, continues to insist on council tax referenda, the Vale would recommend that instead of the 2 per cent/£5 limit, the principle for shire district councils should be, as a minimum, the ability to increase by 2 per cent or £10, whichever is the greater.

In addition, while the Council welcomes the continuation of New Homes Bonus for another year, we remain concerned about the lack of detail regarding its proposed replacement. New Homes Bonus forms a significant part of our core spending power

and, therefore, the continued lack of clarity about its future makes it increasingly difficult to plan ahead. Further, the continual erosion of the funding that it provides has also increased the financial pressures facing the council.

The Provisional Local Government Finance Settlement 2022 to 2023 does not address the main issues affecting the financial sustainability of local authorities. It singularly fails to provide clarity beyond the next financial year and does not provide an adequate level of funding for councils. The Vale, therefore, hopes that HM Government reconsiders its approach to local government finance going forwards.

As a bare minimum, we would ask that HM Government commits to at least ensuring that the core spending power of councils does not fall below their current core spending power in future years

I look forward to receiving your response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Emily Smith', written in a cursive style.

Councillor Emily Smith  
Leader of the Council