

The Rt Hon Angela Rayner MP  
Secretary of State for Housing, Communities and Local Government  
Ministry of Housing, Communities and Local Government  
Fry Building  
2 Marsham Street  
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25 June 2025

Dear Angela,

I hope you are well. I am writing to you following my question on the government's plans for funding of local authorities in London during Prime Minister's Questions on Wednesday 25 June.

As I am sure you will be aware, many councils in London are already experiencing significant shortfalls in funding, thanks to increases in the costs of funding the three major statutory services – Adult Social Care, Children's Social Care and temporary accommodation – of up to 25%.

London Councils had been hoping for a real terms rise of 4% to help meet these challenges, but the Spending Review only made provision for an increase of 2.6% in Council's Core Spending Power. The majority of this uplift will be funded by an increase in council tax, with the assumption being that all Londoners will pay an additional 5% council tax each year for the next three financial years.

Concerns have been expressed to me by the leadership of the two local councils in my area – the London Borough of Richmond upon Thames and the Royal Borough of Kingston upon Thames – that the new Fair Funding formula does not accurately reflect the pattern of needs in our boroughs and that this will result in money being allocated away from our local area.

In your response to me during PMQs, you said that this government had "*put record funding into local government*". Could you reassure me that the net result of the government's changes to local government finance will not result in a real terms cut for my constituents?

I look forward to hearing from you.

Yours sincerely



Sarah Olney  
Member of Parliament for Richmond Park