



HOUSE OF COMMONS

LONDON SW1A 0AA

Jim McMahon OBE MP
Minister for Local Government and English Devolution
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

Our Ref: SO69014

18 July 2025

Dear Jim,

We write to express our concerns regarding the impact of the changes to local government funding in London, particularly in outer London boroughs such as Richmond upon Thames, as proposed in the Fair Funding 2.0 consultation.

Firstly, we welcome the Government's consultation on this extremely complex issue – it is important that local communities and local leaders are heard. We would also like to take this opportunity to thank you for your constructive response to Munira Wilson's oral question in the House of Commons on 14 July.

While we understand and are supportive of the notion that funding should reflect genuine need, it is important the wider background to these reforms is considered. After a decade of Conservative cuts, local councils across the country have been forced to make not insignificant savings, while at the same time, demand for services has only risen.

Despite Richmond being one of the wealthier parts of London, and indeed the country, the council has still needed to deliver £50 million in efficiencies to manage its finances effectively. As part of this broader picture, it is also worth noting that Richmond has not received any general Revenue Support Grant for many years.

To argue that 'wealthier' councils should lose funding at such a difficult financial moment for all local councils is causing huge concern amongst local representatives who are simply trying to effectively deliver the services for which they are responsible. These services need to be delivered regardless of where in the country you live, or how much money you have. A bin is a bin, no matter whom it belongs to.

These changes, rather than levelling-up, would only succeed in levelling down our capital city, and we would urge caution as the Government seeks evidence. These aren't simply numbers on a spreadsheet, but vital local services that residents rely on.

While it is welcome that temporary housing costs are factored into the proposed funding formula, we are concerned that wider housing costs are not. This distinctly distorts the picture because areas like London can appear wealthy from the outside, but when factoring in housing costs, London actually has the highest rate of poverty in the country, with 1-in-4 Londoners in poverty according to the DWP's own data. Housing costs are a big driver of that poverty.

The Government's intention to amalgamate targeted grants for high pressure areas such as homelessness into a single, general funding pot will also potentially have unintended consequences. Such a change would strip out the visibility of those pressures and undermine the targeted support that has helped Richmond Council manage some of its most vital service areas.

We would be happy to meet you to discuss these issues further, especially in light of your helpful response in the chamber that you were "willing and ready to hear representations". We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink that reads "Sarah Olney". The script is cursive and fluid, with the first name "Sarah" and the last name "Olney" clearly distinguishable.

Sarah Olney, MP for Richmond Park
Munira Wilson, MP for Twickenham
Ruth Cadbury, MP for Brentford and Isleworth