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Date: 15 January 2018

My ref:

Your ref:

File ref:



**WOKINGHAM
BOROUGH COUNCIL**

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Mr Roger Palmer
Ministry of Housing, Communities & Local Government
(Formerly Department for Communities & Local Government)
2nd Floor, Fry Building
2 Marsham Street
LONDON
SW1P 4DF

Dear Mr Palmer,

LOCAL GOVERNMENT FINANCE SETTLEMENT 2018/19 – CONSULTATION RESPONSE

Thank you for the opportunity to contribute to the above consultation. Please see below the comments from Wokingham Borough Council.

We remain extremely concerned that Negative RSG is at present unchanged, which means we will be able to retain only £6.7m of our c£60m collected business rates in 2019/20. The cessation of transition funding in 2018/19 adds to these concerns. We are, however, encouraged by the commitment to “looking at fair and affordable options for dealing with Negative RSG”. We hope this work both recognises the base cost of service delivery, and does not penalise Council Tax payers who have been forced to pick up the funding burden of services over the years. We do not believe our Council Tax payers should effectively face double taxation by taking their income into account when making grant determinations. The high percentage of the Council’s income currently provided through by Council Tax means that, under the formula, our Council Tax payers will have to bear an even greater share of the burden. In essence, our Council Tax payers are being punished for having a Council that has been efficient and effective in the face of grant reductions.

We welcome the New Homes Bonus rewarding local authorities for their work in “fixing our broken housing market”, however we urge the Government to introduce measures to prevent housing developers sitting on significant LA granted planning permissions and thereby frustrating housing delivery. Wokingham currently has 9,573 planning permissions unimplemented.

The Housing Revenue Account (HRA) levy introduced through the Housing and Planning Act 2016, if enacted, will cost this Council approximately £3m per annum. We would strongly advise against this. It will immediately create an unviable HRA for Wokingham, impeding our ability to make our contribution towards the national and local housing supply shortfall.

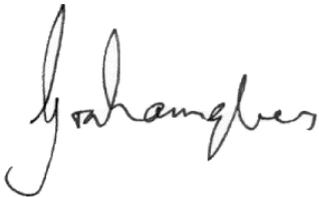
In addition to the development of “fair and affordable options” in respect of Negative RSG, we note the “review of relative needs and resources” and welcome the opportunity to inform both



these programmes of work. In this response we would like to take the opportunity to reiterate our objection to the double taxation effect on our Council Taxpayers, already referenced, when arriving at both potential options in respect of Negative RSG and the new funding methodology for 2020/21. As the lowest funded Unitary Authority we will receive just over £40 per head of population by 2019/20 compared to the average of almost £300. As a result, a staggering 84% of the cost of running local services fall on the Council Taxpayers of Wokingham, whilst a number of Unitary Authorities enjoy almost 50% grant funding. We strongly believe that this inequity must be addressed within any future funding review.

I hope the above response clearly conveys the Council's key concerns in respect of the proposed Local Government Finance Settlement. If you would like to discuss any of the points raised then please do not hesitate to contact me.

Yours sincerely

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

Graham Ebers
Deputy Chief Executive
& Director of Corporate Services

Cc: Cllr Charlotte Haitham Taylor, Leader of Wokingham Borough Council
Cllr Oliver Whittle, Executive Member for Finance, Wokingham Borough Council