



Ministry of Housing,  
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**Rishi Sunak MP**  
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*Dear Mr Bungard,*

Thank you for your letter of 3 December to the Rt Hon Philip Hammond MP, concerning local funding in Gloucestershire and the review of local authorities' relative needs and resources. I am replying as this matter falls within my ministerial responsibilities.

I appreciate the hard work that is carried out by councils such as Gloucestershire on a day to day basis and it is my ambition to champion support for councils in a world in which local government has delivered so much in addressing our nation's fiscal deficit.

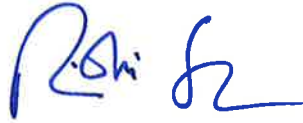
As you rightly mention, councils are at the frontline and it is essential that they have the right tools to support the vulnerable in our communities, and this is why we announced an additional £650 million for social care in 2019-20 at Autumn Budget. This additional funding, alongside the adult social care precept and the Improved Better Care Fund, means councils will have been given access to £10 billion dedicated funding that can be used for adult social care over the three years 2017-18 to 2019-20. We also confirmed £84 million available, over 5 years, to drive improvements in social work practice and decision-making in children's social care.

However, I acknowledge that the system needs updating. Since my appointment as Minister for Local Government I have been clear about the importance of revisiting the methodology which underpins the distribution of funding at local government finance settlements. The actual level of funding is a question for the planned Spending Review in 2019.

I have listened to calls for a simpler and up-to-date funding formula which draws a more transparent and understandable link between local circumstances and resource allocations based on a robust, evidence-based approach. I am pleased to say that we are making good progress on this review and will continue to test our approach by working in close collaboration with the sector.

We have recently published a consultation which sets out our proposals for the measurement of local authority needs, options for a resources adjustment and principles for transition to the new system. This is a key step in the review. I would encourage Gloucestershire to submit a response and can assure you that all responses received will feed into further policy development.

Thank you for writing in on this important matter.

A handwritten signature in blue ink, appearing to read 'Rishi Sunak', with a stylized flourish at the end.

**RISHI SUNAK MP**