



**Southwark Liberal Democrat Group**

Southwark Council  
Liberal Democrat Group Room  
160 Tooley Street  
London SE1P 5LX

Email: [Victor.Chamberlain@southwark.gov.uk](mailto:Victor.Chamberlain@southwark.gov.uk)

**17 July 2024**

Dear Cllr King

**Proposed new funding formula for local authorities: impact on Southwark and London**

As you will be aware from the report and officer presentation to Cabinet last week, the proposed arrangements set out by MHCLG recently are not good news for London, and certainly present serious challenges to the health of Southwark's finances.

Whilst it's absolutely right to give a much needed funding boost to local authorities across the country – indeed something Liberal Democrats have been campaigning on for years – it seems grossly unfair to punish London in a misguided attempt at redistribution. We should be bringing other areas up, not pushing London down.

There are features of the new arrangements – deprivation measures that don't take housing costs into account, changes to funding based on demographics, the business rates reset, and remoteness measures – that seem to specifically penalise inner London areas like Southwark.

I'm sure you will agree that this does not represent progress for fairly funding councils, will actively prevent growth in the national economy, and will of course put vital local services at risk.

We are therefore urging you to set out how you, as Leader of the council, intend on meeting these challenges. Specifically, please demonstrate the representations you and the council will be making to your government asking them to think again, and explain how you will protect the vital services and jobs that residents rely upon should these funding arrangements as set out come to pass.

As a constructive opposition, we are very happy to support you in making any representations it would be useful to make on a cross-party basis.

Yours sincerely,

**Councillor Victor Chamberlain**

Liberal Democrat Leader of the Opposition  
Borough and Bankside Ward