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Royal Borough of Windsor & Maidenhead

The Rt Hon Angela Rayner MP
Secretary of State for Housing, Communities & Local Government
Ministry of Housing, Communities & Local Government
2 Marsham Street
London
SW1P 4DF

[via post and email]

21 July 2026

Fair Funding Review – reconsidering the impact on the Royal Borough of Windsor & Maidenhead

Dear Ms Rayner,

Firstly, may I congratulate you on your re-appointment as Secretary of State and welcome you back to your role.

As the new cabinet considers its priorities for local government, I am writing to bring to your attention the unique financial circumstances facing the Royal Borough of Windsor & Maidenhead (RBWM) and ask that you look again at our funding situation.

Under the leadership of the current administration – which took over in May 2023 following 16 years of Conservative control – significant and independently recognised progress has been made to address historic financial challenges and improve services. However, recent funding reforms imposed by government present a serious risk to the sustainability of that recovery and our ability to protect residents from disproportionate financial impacts.

We recognise and support the principle of a fair funding system for local government. However, we are very concerned that the combined impact of historic local decisions and the outcome of the Fair Funding Review will place unreasonable burdens on our residents and undermine the substantial progress we have made.

Only last week, the previous Secretary of State for Housing, Communities and Local Government acknowledged that the "dramatic shifts" resulting from the Fair Funding Review should have been avoided and that changes should have been introduced incrementally over many years. He recognised that years of delay had necessitated significant adjustments being implemented over a much shorter period, which severely impacts the residents of those councils who lose out.

Those observations are highly relevant to RBWM's circumstances, where the pace and scale of funding reductions threaten to undermine our financial recovery.

Progress since 2023

In 2023, the current administration inherited a council facing profound financial and organisational challenges. Effectively on the brink of a Section 114 notice, the council's financial controls were weak, organisational capacity had been stripped out, governance arrangements required strengthening, and many difficult decisions had been deferred. Over the past three years, we have worked relentlessly to rebuild the council's foundations, engaging proactively with your officials and the LGA throughout.

We commissioned CIPFA to undertake an independent review of our financial resilience and took decisive action on the recommendations through a comprehensive Financial Improvement and Sustainability Plan which has been adopted by Full Council and shared with your officials.

We also proactively established an independent Financial Improvement and Sustainability Board (FISB) of sector experts and the LGA to provide challenge, support and external scrutiny, while strengthening governance and financial management across the organisation. The independent board has reported publicly on the positive progress being made, with these reports shared with your department.

These efforts are delivering tangible results. Our provisional 2025/26 outturn reports a £3 million underspend against our budget, reflecting improved financial discipline and delivery. We have also exceeded our savings targets, delivering £6.4 million of savings against a £6 million target last year. Independent scrutiny from auditors – also shared with your officials - sector specialists and our FISB has recognised the significant progress we are making.

We have taken an open and transparent approach to our recovery, working closely with government and sector partners. We have welcomed senior officials from your Local Government Stewardship and Interventions team to the borough and maintained regular engagement with your finance officials, also participating in quarterly discussions on our progress.

The feedback we have received from these engagements has been consistently positive, with recognition of the significant strides the council has made in strengthening governance, improving financial management and delivering our transformation programme.

We have proactively shared data, evidence and improvement plans to build confidence in the council's recovery programme, whilst continuing senior-level engagement with CIPFA and maintaining a constructive and transparent relationship with our external auditors.

Importantly, this progress has been achieved while maintaining good quality services – and improving them in many areas - and continuing to operate as a comparatively low-cost council. The table at Appendix A shows our revenue spending per head of population continues to be significantly lower than other unitary authorities.

Historic council tax decisions

One of the most significant challenges inherited by this administration is the legacy of six consecutive years of council tax reductions made by the previous Conservative administration between 2010 and 2016. No other council in the country has ever cut council tax for such a prolonged period, which created a substantial and enduring £30 million structural deficit in the council's finances.

As a result of those cuts, RBWM's council tax remains approximately £500 per Band D property below the national average and because annual percentage increases are applied to a substantially lower base, the gap continues to widen each year, leaving the borough increasingly disadvantaged compared with other authorities.

From the start, we have taken difficult but necessary decisions to address this legacy, seeking and using the flexibility granted to us to increase council tax above the referendum threshold in each of the last three years, recognising that rebuilding a sustainable tax base is essential to the council's long-term financial resilience.

We remain committed to restoring council tax levels towards the national average. However, the speed at which we are expected to do so risks placing an unreasonable burden on today's residents, who are being asked to bear the consequences of bad decisions taken more than a decade ago.

Impact of Fair Funding

The challenge created by historic council tax decisions has been compounded by the outcome of the Fair Funding Review, which is expected to reduce RBWM's funding by approximately £30 million a year.

A significant part of this reduction is due to the funding methodology which assumes that RBWM raises council tax at around the national average level. In reality, our council tax income remains substantially below that level as a direct consequence of the historic cuts. This creates a particularly difficult position for the borough. We face a substantial reduction in government funding based on an assumption that we are generating income that, in practice, we do not receive. At the same time, we are expected to increase council tax rapidly to close a gap that has been decades in the making.

The cumulative effect is that RBWM and the borough’s residents are being required to absorb the consequences of historic local decisions while simultaneously adjusting to a significant reduction in national funding. Without additional flexibility, this places disproportionate pressure on residents and risks undermining the considerable progress that has already been made towards restoring the council's financial stability.

Protecting residents while restoring sustainability

While we welcome the flexibility provided by government to increase council tax towards the national average over 2027/28 and 2028/29, achieving parity within that timeframe would require an increase of around 45%, adding approximately £691 per year to a Band D household bill. We do not believe it is fair or reasonable for residents to bear the consequences of historic decisions at such pace, particularly during a period of continued cost-of-living pressures and high housing costs.

We are therefore seeking flexibility to phase these increases over four years, to 2030/31, rather than two. This would not remove our responsibility to address the historic position but simply allow us to do so in a way that is more affordable for residents, protects vulnerable households and supports sustainable financial recovery.

Our request reflects two exceptional circumstances:

- The long-term impact of six years of council tax reductions, which continue to suppress the borough's tax base

- The £30 million reduction in funding from the Fair Funding Review over a short period, which places significant additional pressure on the council's finances

Over the past three years, we have shown that we are prepared to take difficult decisions. We have strengthened governance, restored financial controls, exceeded savings targets, increased council tax, transformed and improved services and proactively sought significant independent challenge and scrutiny. We are not seeking to avoid our responsibilities; we are seeking a fair and proportionate route to recovery that recognises both the scale of the challenges inherited and the progress made.

We therefore ask that you:

- allow RBWM to phase increases to the national average council tax level over four years, to 2030/31
- consider additional transitional support or mitigation in respect of the estimated £30 million funding reduction arising from the Fair Funding Review
- meet to discuss our position and the significant progress made in restoring financial stability

This would enable RBWM to continue its recovery while protecting residents from the impact of sudden and substantial financial pressures which stem from bad decisions taken many years ago and changes to the local government funding system outside of the council's control.

We remain committed to improving services, rebuilding financial resilience and delivering value for residents. We hope the new government will recognise both the progress we have made and the exceptional challenges we continue to face and would welcome the opportunity to discuss this further.

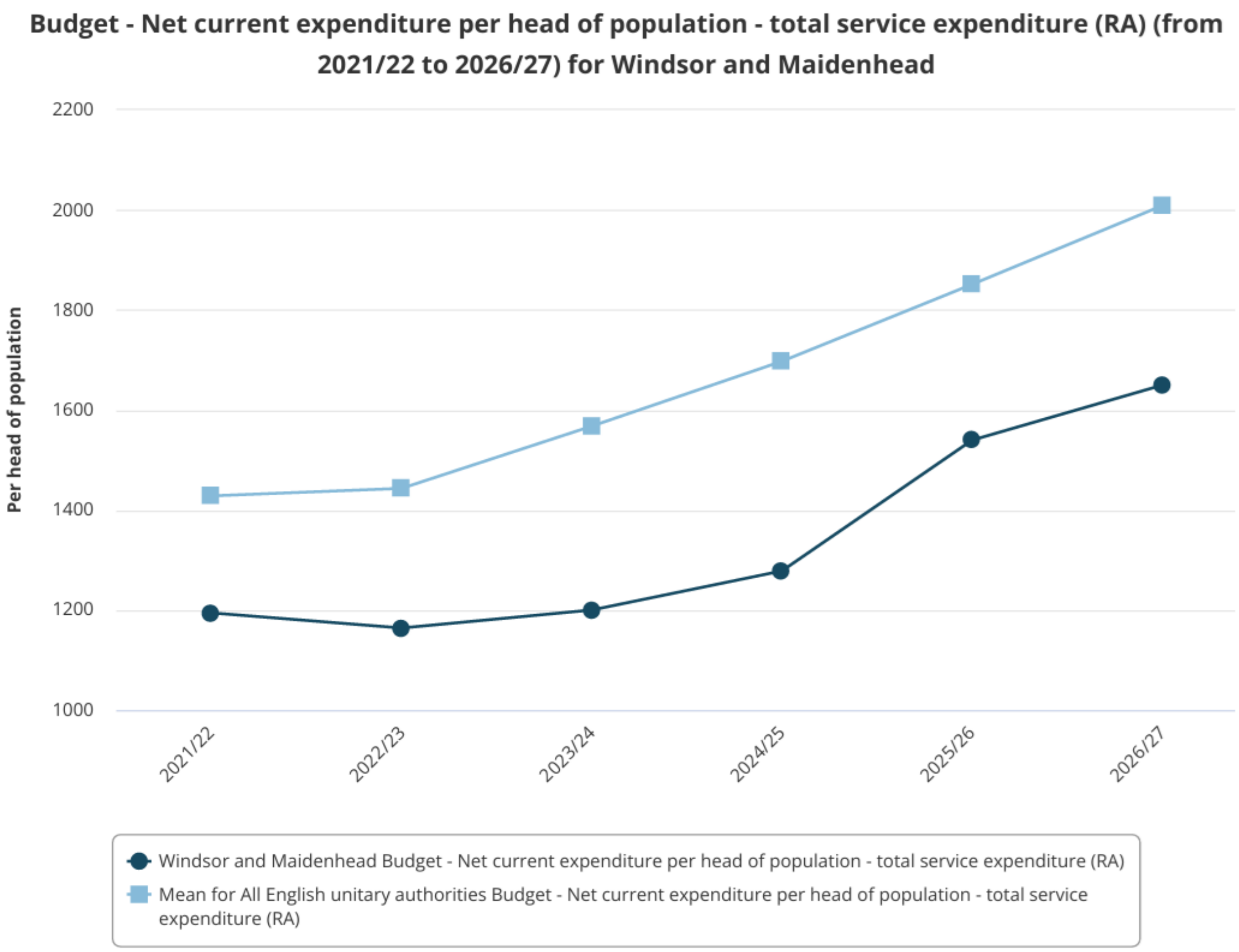
I am copying this letter to senior officials at your department and at RBWM.

Yours sincerely,

Lynne Jones.

Cllr Lynne Jones
Cabinet Member for Finance and Deputy Leader

Appendix A



Budget - Net current expenditure per head of population - total service expenditure (RA) (from 2021/22 to 2026/27) for Windsor and Maidenhead
2200
2000
1800
1600
1400
1200
1000
Per head of population
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
Windsor and Maidenhead Budget - Net current expenditure per head of population - total service expenditure (RA)
Mean for All English unitary authorities Budget - Net current expenditure per head of population - total service expenditure (RA)