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14<sup>th</sup> January 2026

Local Government Finance Settlement Team  
Ministry of Housing, Communities and Local Government  
2nd floor, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

By Email: [lgfcorrespondence@communities.gov.uk](mailto:lgfcorrespondence@communities.gov.uk)

Dear Local Government Finance Settlement Team,

### **RBWM Cabinet Response to Provisional Local Government Settlement 2026-27 Consultation**

I am writing on behalf of the Cabinet of the Royal Borough of Windsor and Maidenhead (RBWM). We wish to register our disagreement with the Government's proposals for distributing core funding to local authorities under the 'Fair Funding Review 2.0' in the strongest terms.

In summary, our objections cover the following:

1. The funding assessment places almost total reliance on council tax to cover all services
2. Likely retention of only 1% of business rates from 2026/27
3. The overweighting of deprivation is not appropriate to determine spend requirements
4. Very limited opportunity for further savings or increased other revenue
5. No allowance for the fact that RBWM's council tax is substantially below average
6. A feasible plan to recover was created last year – this moving of the goalposts is wholly unfair to residents
7. An increasing burden in servicing the borrowing, with tougher prospect of repaying it down.

These points are explained in more detail below:

1. The proposals would result in RBWM having the lowest fair funding assessment of any Local Authority (LA) in England and leave the unitary authority (which has full social service responsibility along with all other usual services) being virtually reliant on just council tax alone to run all local services by 2028-29. RBWM would retain only £2.2m from all business rates and core government grants, a wholly unacceptable position.
2. Retaining less than 1% of business rates due to application of tariffs is almost an inconceivable scenario and one that has the potential to distort the local communities. It is highly irrational that ratepayers essentially fund other areas of the country and not the area they are operating in – this loss of a link between local business taxation and local business support service spend is highly undesirable and may lead to dysfunctional decisions being necessary.

**Royal Borough of Windsor & Maidenhead**  
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3. While RBWM is a relatively affluent borough by national measures, there are many people in the Borough living in deprivation and reliant on LA support. Additionally, many other local factors besides deprivation drive the need for council services from our residents, especially social care – including substance misuse & county lines, longevity leading to the care cost burden transferring to the borough after residents' funds are depleted and the high number of care beds compared to neighbouring authorities. These factors must be taken into account for the relative needs assessment. Other relevant factors besides deprivation need to be given more weight to result in a fairer relative needs assessment.

4. Due to the policies of previous administrations, RBWM has suffered extensive cost cutting such that annual savings opportunities are now modest, and indeed CIPFA, our auditors and MHCLG recognised the need to add back resource into critical statutory positions in the organisation, and to add back maintenance budgets so that critical public assets can simply be maintained at basic statutory functionality. Savings and transformation programmes have been implemented and continue but are limited in pace by the constraints within the organisation. Reserves were found to be negative as at March 2023, and reserves now have only been created with the assistance of EFS. The council therefore has very limited additional 'levers' it can use to help to balance the annual budget.

5. On the other side of the equation, the notional council tax is totally unrelated to the actual council tax that can be levied in RBWM, being substantially (circa 25%) below the national average or median. The income gap of £35m cannot be reasonably closed over the settlement period without placing unacceptable burdens on residents.

6. We are especially disappointed with the proposals as, prior to them, the council had a path away from requiring annual exceptional financial support, but the proposals move the goalposts considerably further away, which is not in any way fair on the borough's residents.

7. The interest and minimum revenue provision (MRP) cost of servicing the borrowing is forecasted to be £25m in 2026/27, and will grow annually by a further £2.9m solely because of the reduction in core funding as a result of the assessment. This additional burden makes it significantly tougher to pay down the debt over time.

### **Request for assistance**

As an administration, despite the external challenges, we are determined to find a solution for the borough and its residents in the long term, and, in terms of practical requests, would ask for the following to be considered:

1. A reversal of the decision to remove £29m of core funding from RBWM by the end of the three year period and a higher 'floor' rather than the 95% level currently set.
2. A longer timeline to close the gap to national average council tax – residents cannot withstand the increase necessary to achieve this in just years 2 and 3 of the settlement period. The gap developed over the best part of a decade under successive Conservative administrations, and who even initiated requests in 2019 themselves to flex the referendum principles, and it is not feasible to reverse this damaging policy in such a short timescale.
3. Some flexibility for the administration to set local council tax without referendum principles in 2026/27 so it can continue to progressively close the gap to national average and better manage the impact on residents over the short and long term. The administration acknowledges that council tax needs to be increased by more than the average, but this must be a gradual progression – a large increase in any one year is untenable.
4. A cessation of the charging of interest, and the need to provide for MRP on exceptional financial support (EFS) borrowing. RBWM will need to seek EFS in the short term to balance the annual budgets and it is a double penalty to then charge interest and require MRP on

the necessary loans, which in turn necessitate more EFS. We need these charges lifted to help break out of the cycle.

It is also noteworthy that MHCLG, CIPFA, the LGA peer review, our external auditors, Grant Thornton, and our independent Financial Improvement & Sustainability Board (including Government commissioners and LGA professionals) have all commended the current administration on the progress made since May 2023 to put the council on the path of financial stability with the establishment of strong governance and financial control.

We are determined to play our part in the council to fix the mess inherited from the Conservatives and to mitigate the potential impact of this Government's 'fair funding review 2.0' on the borough's residents, and ask for the points above to be seriously taken into account when determining the financial settlement and related terms for RBWM.

On behalf of the RBWM Cabinet,

Yours faithfully,



Mark Wilson  
Lead member for Corporate Services, RBWM