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25 November 2021

The Rt. Hon Rishi Sunak
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Chancellor

Local Government Grant Funding Fragmentation

I am writing on behalf of the Future Oxfordshire Partnership (formerly the Oxfordshire Growth Board). The Partnership is a joint committee of the six Oxfordshire councils with key strategic partners including both of Oxford's universities, the Oxfordshire Local Enterprise Partnership, Oxfordshire Skills Board, Homes England, the Environment Agency and the Oxfordshire Clinical Commissioning Group.

As set out earlier this year by the House of Commons Committee of Public Accounts, uncertainties and difficulties are being experienced by local councils and businesses in their attempt to respond to a growing number of small fragmented funding pots which are overly complex and challenging to administer.¹ We are concerned that the intensification of these funding pots is consuming resources unnecessarily, creating disintegrated and siloed working, and hindering the strong local energy we have to collaborate and bid for larger grants that address a range of economic, social and environmental initiatives.

We share the view of our representative organisations² that this disparate approach has been counterproductive, and that the proliferation of short-term grants needs to be rationalised. We note that there have been no active policy decisions to encourage this approach and recognise that Covid-19 has necessitated quick action and funding to be made available.

However, recent research by the Local Government Association has found a high turnover of grants, where more than a third were discontinued from one year to the

¹ House of Commons Committee of Public Accounts, 2021. COVID-19 -Local government finance. p.17

² For example, the Society of Local Authority Chief Executives (SOLACE) and the Local Government Association.

next, creating negative impacts on staff retention, long-term strategic planning, and joint commissioning.³ Currently, councils on average received around 250 grants, compared to around 61 main grants paid to local authorities in 2013/14. This has created considerable inefficiencies for councils in preparing budgets, delivering services and achieving value for money.⁴ As a recent policy insight paper explains, “*This situation that has evolved of dozens of teams issuing hundreds of grants each year, with many of them small in scale and limited in duration, necessarily has an impact on how services are delivered.*”⁴

In Oxfordshire, we are driving forward a range of strategic partnership led programmes between our local councils and partners, in line with our [Strategic Vision](#). The frequency and short-term nature of pots and bidding processes is having an adverse impact on our ability to operate in a long-term strategic way. We would ask for your support in taking a concerted effort to reduce the complexity of our funding environment, providing greater notice between announcements and the start of the budget setting processes, whilst also reducing the overall number of niche pots in favour of more substantial, coordinated, and multi-year pots that support positive social, economic and environmental outcomes for our communities.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Michele Mead'.

Councillor Michele Mead, Chair of the Future Oxfordshire Partnership

³ LGA, 2020. Fragmented Funding: Short Term Government Grants Poor Value for Money.

⁴ TRL Insights, 2020. Fragmented Funding