

# Department for **Communities and Local Government**

The Chief Executive  
County Councils in England  
District Councils in England  
London Borough Councils  
Greater London Authority  
Council of the Isles of Scilly  
The Town Clerk, City of London  
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Police Authorities in England  
Fire and Civil Defence Authorities  
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## **REVENUE SUPPORT GRANT 2007/08 AND STATUTORY NOTICE DATA COLLECTION** *Local Government Finance Act 1988, section 139A* **Data required from local authorities**

- 1. Following the move to multi-year settlements, the provisional Revenue Support Grant (RSG) for 2007/08 was calculated earlier this year, on the basis of data available to central government on 3 October 2005, with a few listed exceptions. These data were the same as those that were used in the calculation of the RSG for 2006/07, apart from population projections and projected taxbase. This letter gives further detail of the indicators used in calculating the provisional RSG for 2007/08 (Annex A). It is our intention to not update these data ahead of final approval of the 2007/08 Settlement.**
- 2. This letter also gives statutory notice of data required from the authority by 2 October 2006, to assist with any future calculations or analysis for settlements after 2007/08 (Annex B).**

### **Background**

3. The basis on which the Secretary of State proposes to distribute the RSG for each year is specified in a local government finance report, which is laid before the House of Commons for its approval. Before making that report, the Secretary of State notifies the local authority associations of the general nature of the proposed basis of distribution of RSG.
4. In July 2005, the Government announced the introduction of a multi-year settlement process in order to give more stability and certainty to local authorities. The first multi-year settlement covered 2006/07 and 2007/08. The first full three-year settlement will come in with the next Spending Review round and will be announced in late 2007.
5. In general, the data used in the indicators will remain the same ("frozen") in each year of the multi-year settlement period. The one exception to this is population projections and taxbase projections ("the projections"), which will reflect the year to which the settlement relates.
6. For all the indicators, including these projections, the data used will be those available at the beginning of each settlement cycle. Thus, in general, the data used in the 2007/08 settlement will be the same as that used in the 2006/07 settlement. However, population projections will be the 2003-based sub-national projections of population for 2007, and taxbase projections will be the projection for 2007 as calculated prior to the 2006/07 settlement.

7. Data used in the formula for 2007/08 are set out in Annex A. As these data are frozen from the 2006/07 Settlement (with the exception of population and taxbase projections) the closing date for the data was 3 October 2005, with a few listed exceptions.
8. As in previous years, a consultation on the proposed 2007/08 Settlement will take place later in the year, following the Secretary of State's announcement of the settlement.

### **Statutory Notice**

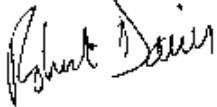
9. Although in general, data for 2007/08 will not be updated this year, indicators for future financial years (particularly those using three-year averages) and analyses of indicators used in the formula may be based on data supplied by local authorities.
10. Consequently, in accordance with section 139A of the Local Government Finance Act 1988 (as inserted by paragraph 68 of Schedule 5 to the Local Government and Housing Act 1989 and amended by paragraph 77 of Schedule 13 to the Local Government Finance Act 1992), the authority is hereby required, **if it has not already done so**, to supply in writing to the relevant departments the information listed in Annex B to this letter for authorities in its class. The information is to be supplied on or before 2 October 2006.
11. You should be aware that, if an authority cannot supply the required information on or before 2 October 2006, the Secretary of State may, pursuant to section 139A(3) of the Local Government Finance Act 1988, assume the information required to be such as she sees fit.

### **Practical implications**

12. The authority may already have submitted the forms specified in Annex B. **There is no need to provide the same information a second time.** But you may wish to have those data re-checked. If any amendments are required, they must reach the relevant government department by 2 October 2006 if they are to be taken into account for the purposes mentioned in paragraph 9 above. Amendments will not be taken into account for 2007/08, since (as explained above) the data for that financial year will not be updated and the closing date for the relevant data was 3 October 2005.
13. Forms should be returned to the address specified for them; there **is no need to send further copies to this part of the Department for Communities and Local Government.** Where a Government department has set a date for the return of a form, that date remains relevant for purposes other than in relation to RSG.
14. In accordance with previous practice, if the Secretary of State considers it appropriate to do so, she may rely on estimates based on information supplied to the relevant department at a date earlier than 2 October 2006.
15. Details of the indicators and data values used in calculating the provisional RSG for 2007/08 are available on our website. The website address is:  
<http://www.local.communities.gov.uk/finance/0708/grant.htm>
16. If you have any enquiries **relating to particular forms or data** please contact the person who deals with those data. A list of these contacts is at Annex C. If you have any **general enquiries** arising from this letter, please contact Paul Gaught, Martin Dale, Tom Joss or Jo Joslin, at the above address or by telephone on 020 7944 4052, 4063, 4047 or 4048 respectively.

**Electronic dissemination of Consultation documentation**

17. We are intending to provide the documentation to the Local Government Finance Settlement through our website. In order to inform authorities when the documentation is available we need contact addresses. For the hard copy posted version of this letter only, I am enclosing a form providing the contact details we hold for your authority. A blank version of the form (i.e. without each authority's details as we currently have them) is on our website. I would be grateful to receive amendments or alterations to our records of your contact details, either using e-mail to [karen.sussex@communities.gsi.gov.uk](mailto:karen.sussex@communities.gsi.gov.uk) or hard copy to her at the above address.



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