

6 December 2007

The Chief Executive
County Councils in England
District Councils in England
London Borough Councils
Greater London Authority
The Town Clerk, City of London
The Clerk, Council for the Isles of Scilly
The Clerk, Police Authorities
The Clerk, Fire and Civil Defence Authorities

Our Ref:
Your Ref:

Dear Sir/Madam,

**LOCAL AUTHORITY FINANCE (ENGLAND)
REVENUE SUPPORT GRANT FOR 2008-09, 2009-10 AND 2010-11 AND
RELATED MATTERS**

General Information

1. An announcement has today been made to Parliament about the Local Authority Finance Settlement for 2008-09, 2009-10 and 2010-11. This letter and supporting documents provide:
 - (i) a consultation paper and supporting annexes;
 - (ii) detailed information on the Settlements for your Authority.

(i) Consultation Paper

2. Proposals have been made for the amount of Revenue Support, the amount of the grant to be paid to receiving authorities, the amount of the grant to be paid to each specified body and the distributable amount for 2008-09. The Secretary of State for Communities and Local Government intends to make a report setting out her determination of these amounts, and the bases on which she proposes to distribute Revenue Support Grant and the distributable amount among receiving authorities.
3. The Secretary of State is required by sections 78(5) and 78A(3) of, and paragraph 10(2) of Schedule 8 to, the Local Government Finance Act 1988, to consult the appropriate representatives of local government on her determinations relating to Revenue Support Grant; and to notify them of the proposed bases of distribution of Revenue Support Grant and the distributable

amount. In accordance with these requirements, I have today sent to the Local Government Association and London Councils - which appear to the Secretary of State to be the appropriate representatives of local government for the purposes of these requirements - a consultation paper with supporting information.

4. These proposals incorporate Government's decisions following the review of the formula grant distribution system and consultation carried out over the summer. An analysis of the outcome of the earlier consultation is also being published today.
5. The draft of the proposed Local Government Finance Reports, provide notification of the general nature of the bases of distribution which the Secretary of State has in mind. The method of distributing Formula Grant includes "floors", that is a guaranteed minimum increase in Government support. Tables are also provided which exemplify the effect of the proposals set out in the paper. I would draw your attention particularly to the paragraph of the consultation paper which points out that the figures in the exemplifications are in part based on provisional information and may therefore be subject to change.
6. It is again intended to provide support for local authority Private Finance Initiative projects in 2008-09, 2009-10 and 2010-11 by making payments of specific grant.
7. The draft Local Government Finance Report (England) 2008-09, the draft Local Government Finance Report (England) 2009-10, and the draft Local Government Finance Report (England) 2010-11, together with the relevant data that has been made available, will enable you to calculate your authority's proposed grant for 2008-09, 2009-10 and 2010-11.
8. As in previous years where we have made changes to the formulae, meetings with local authorities' delegations during consultation on our proposals will be welcomed. However, given the tight timetable for consultation and preparation of the final settlement in the new year, requests for meetings from individual authorities will be treated on a first come first served basis.
9. Local authorities wishing to arrange a meeting during consultation should ring the Minister's office on 020 7944 8774 as soon as possible.
10. I would also like to stress that written representations on the consultation are equally as effective as face to face meetings. All representations will be carefully considered before final decisions are made. The deadline for representations is given at the end of this letter.

(ii) Detailed information on the Settlement for your Authority.

Detailed information for all authorities can be found on the Communities and Local Government web site at <http://www.local.communities.gov.uk/finance/0809/grant.htm>

Relative Needs Formula (RNF) Data

11. For the most part the data that the Secretary of State proposes to use in the calculation of the RNFs, are unchanged from those described in my letter of 25 November 2007.
12. My letter of 26 November also explained that some data would be updated; but that, generally, the data to be used will be those which were available to the Secretary of State on 1 October 2007 (or in a few cases, by the different deadline listed).
13. We expect that we may need to update the data on Supported Capital Expenditure (Revenue) (SCE(R)) (formerly credit approvals) and taxbase in advance of the calculation of definitive RNFs.

DEADLINES

Consultation paper

14. **We would particularly welcome your responses to the consultation by e-mail.** If your authority wishes to make a representation about the proposals in the consultation paper, it should be sent via e-mail to settlement.consult@communities.gsi.gov.uk.
15. Alternatively, responses may be posted to **Ms Nikki Hinde at Zone 5/J2, Eland House, Bressenden Place, London SW1E 5DU**, or faxed to 020 7944 2963.
16. **Please use this e-mail or postal address for all consultation responses.** The representation will then get to the right place quickly and can be considered fully by Ministers and officials with an interest.
17. **Written representations must be sent in time to be received by Ms Hinde by 5pm on Tuesday 8 January 2008.** These should be faxed if there is any possibility that the letter will not be received in time by post, delivery by hand or by electronic mail. Written representations sent by electronic mail via the Internet must have been **received by 5pm on 8 January 2008 at settlement.consult@odpm.gsi.gov.uk**.
18. **Local authorities wishing to meet with Ministers during consultation to make representations on the settlement proposals, should ring 020 7944 8774 before 28 December 2007.**

Data Consultation

19. The deadline for representations on data is 3 January 2008 for data sent to you with my letter of 26 November. For representations on RNF calculations, the deadline is the same as that for general representations on the settlement, i.e. 8 January 2007.

TELEPHONE ENQUIRIES

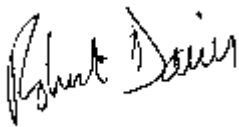
20. Telephone enquiries about the proposals in the consultation paper should be directed to local authority finance officials, as indicated in the Annex. If you have any questions regarding data, please contact the following people, all of whom are at this address:

- on data generally: Jo Joslin (020 7944 4048), or Tom Joss (020 7944 4047) in zone 5/J1;
- on the Capital Financing RNF, including Capital Finance data: Sarah Ponsford (020 7944 4067) or Adrian Shepherd (020 7944 4058) in zone 5/J1;
- on electronic information: Karen Sussex (020 7944 4053) in zone 5/J2.

PUBLISHING CONSULTATION RESPONSES

21. The Department may publish responses to this consultation document in due course or deposit them in the Libraries of the Houses of Parliament or the Communities and Local Government, unless specifically requested to treat a response as confidential. Confidential responses may nevertheless be included in any statistical summary of the number of representations received.

Yours faithfully



ROBERT DAVIES
Local Government Finance - Formula Grant Distribution Division

ANNEX A

LOCAL AUTHORITY FINANCE ENQUIRY POINTS

All enquiries: 020 7944 plus 4 digit extension

For 5 digit extensions, use 020 7944 4400 and ask for extension.

The following list provides the contact details, by region and county, for enquires on the provisional settlement announcement.

London

Inner London Boroughs	Chuka Iwobi	4014
Greater London Authority	Chuka Iwobi	4014
Outer London Boroughs	Paul S Andrews	4013
City of London	Chuka Iwobi	4014
Metropolitan Police	Relwyn Reffell	3810

Metropolitan Districts

Greater Manchester

Bolton	John Wallis	4075
Bury	John Wallis	4075
Tameside	Sarah Blackman	4234
Trafford	Sarah Blackman	4234
Wigan	Chuka Iwobi	4014
Stockport	Chuka Iwobi	4014
Rochdale	Mansukh Makwana	4151
Salford	Mark Clarke	4175
Merseyside	Runna Chatterjee	4475
South Yorkshire	Sharmila Meadows	8720
Tyne & Wear	Sal Ratnayake	4237
West Midlands	Brian Entwistle	4206
West Yorkshire	Clare Kirby	19328

Counties and Non-Metropolitan Districts

All Police Authorities	Chuka Iwobi	4013
All Fire Authorities	Chuka Iwobi	4013

North East Region

Redcar and Cleveland	Cliff Lambert	4247
Durham	Hitesh Darjee	3328
Northumberland	Nick Foulger	3393

Yorkshire Region

East Riding of Yorkshire	Colin Davis	4006
North Yorkshire	Matthew Sharp	4037

North West Region

Cheshire	Marie Hazzard	4197
Cumbria	Chuka Iwobi	4014
Lancashire	John Farrar	4158

West Midlands Region

Herefordshire	Akua Aidoo	4018
Worcestershire	Nick Foulger	3393
Shropshire	Yousuf Rafique	4165
Staffordshire	Suzanne Gamble	4005
Warwickshire	David Kelly	4163

East Midlands Region

Derbyshire	Paul Andrews	3140
Leicestershire	Jasna Begum	4227
Lincolnshire	Peter Archer	4007
Northamptonshire	Nick Foulger	3393
Nottinghamshire	Paul S Andrews	4013

Eastern Region

Bedfordshire	Robert Flynn	6804
Buckinghamshire	Mumuna Mumuni	4208
Cambridgeshire	James Tucker	19329
Essex	Chuka Iwobi	4014
Hertfordshire	Colin Davis	4006
Norfolk	Relwyn Reffell	3810
Suffolk	Michael Oliver	4016

South West Region

Cornwall	Selina Singh	4074
Devon	Brian Entwistle	4206
Dorset	Nageen Haroon	6937
Gloucestershire	Jonathan McMullan	5514
Somerset	Mumuna Mumuni	4208
Wiltshire	Rob John	4223
Isle of Scilly	Nick Foulger	3393

South East Region

West Berkshire	Chuka Iwobi	4014
East Sussex	Robert Flynn	6804
Hampshire	Nigel Harrison	15269
Isle of Wight	Shola Delip	4044
Oxfordshire	Ravi Mulchandani	4164
Surrey	Kam Uppal	5553
West Sussex	Peter Reilly	4012
Kent	Edward Stansilas	4351