

Annex J

Calculation of Adjusted Formula Grant for 2008/09

The adjusted formula grant is created to enable like-for-like comparisons between the amount of formula grant an authority would have received in 2008/09, had formula grant in that year covered the same functions for each authority as it does for 2009/10. The adjusted formula grant is used in calculating the floor damping amount for each authority. These calculations do not affect an authority's grant entitlement in 2008/09.

Adjustment (b) is to take account of changes in the functions exercised by local authorities.

The Secretary of State has estimated the amount of adjusted formula grant for each authority as (p) in the table below, as follows:

- (a) the sum of the following items:
- the share of the Distributable Amount calculated in accordance with section 7 of the Local Government Finance Report 2008/2009, *plus*
 - the share of Revenue Support Grant calculated in accordance with section 6 of the Local Government Finance Report 2008/2009, *plus*
 - the amount of Police Grant calculated in accordance with section 5 of the Police Grant Report (England and Wales) 2008/2009 plus the amount specified in paragraph 4.4 of that Report, where appropriate.
- (b) An adjustment for Student Finances, being the result of:
- the 2008/09 Local Authority Central Education Functions Relative Needs Formulae for each authority calculated in accordance with paragraph 4.10 of section 4 of the Local Government Finance Report 2008/2009, *divided by*
 - the control total for the Local Authority Central Education Functions given in Annex E of the Local Government Finance Report 2008/2009, *multiplied by*
 - £16,300,000 deflated by the GDP deflator (2.75%) i.e. £15,863,747
- (c) the sum of the following items as appropriate:
- (a) as defined above *minus*
 - (b) as defined above