



LATE REPORTS, URGENT BUSINESS and SUPPLEMENTARY INFORMATION

Cabinet

Tuesday, 11 December 2007

The following report was received too late to be included on the main agenda for this meeting. It is now enclosed, as follows:

Agenda Item Number	Page	Title	Reason for Late Report	Officer Responsible For Late Report
10	1 - 2	BUDGET AND POLICY FRAMEWORK 2008/09 CORPORATE PLAN AND BUDGET UPDATE	Information received after publication of the Agenda.	Corporate Director (Finance and Performance) Head of Financial Services

CABINET

Budget and Policy Framework Corporate Plan and Budget Update

**(Supplementary Information)
11 December 2007**

1 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 1.1 The provisional Local Government Finance Settlement was announced on 06 December. Detailed briefings should be available on the DCLG and LGA websites (www.local.communities.gov.uk or www.lga.gov.uk). The following points are highlighted to set the national context:
- For the first time, the settlement covers a three-year period to 2010/11.
 - In total through the settlement, Government will allocate £70.4BN in 2008/09, £73.5BN in 2009/10, and £76.7BN in 2010/11.
 - The above national totals represent increases of 4%, 4.4% and 4.3% respectively (quoted as 1.5% above inflation).
 - A number of grants have been incorporated into the settlement, e.g. Waste Performance and Efficiency Grant (WPEG).
 - A number of other specific grant announcements were made (such as for concessionary travel), but many others are to be incorporated into the new Area Based Grant (ABG). Details of this have not yet been released.
- 1.2 From the City Council's perspective, the provisional figures are significantly better than forecast within the Medium Term Financial Strategy. The figures are summarised in the table overleaf.
- 1.3 For the three year period as a whole (from 2008/09 to 2010/11), government support is some £1.28M more than previously forecast - this is the cumulative total for the period, not the annual increase.
- 1.4 It is thought that the increase in the district's population (used in the settlement) accounts for a proportion of the increase in Government support. The data that feeds in to the settlement is still being checked and has yet to be analysed fully, however.
- 1.5 In addition to the Government support awarded through the settlement itself, the City Council has received notification of specific grants such as Benefits Administration Grant, and the new Concessionary Travel Grant. The former has reduced slightly, as was expected, but for the latter, £487K will be receivable in 2008/09, with similar amounts in future years. This is at the higher end of what the Council expected, based on consultation undertaken during the autumn.

- 1.6 The provisional settlement is now out to formal consultation until 08 January. Various data elements that feed into the settlement might still need to be updated so it is possible that the figures could change to some degree when the final settlement is announced, hopefully by the end of January.

Summary of Lancaster City Council's Provisional Settlement

	2007/08	2008/09	2009/10	2010/11
	<i>Final £'000</i>	<i>Provisional £'000</i>	<i>Provisional £'000</i>	<i>Provisional £'000</i>
Distribution Blocks:				
Relative Needs Amount	7,599	7,157	7,186	7,223
Relative Resource Amount	-1,741	-1,040	-1,028	-1,017
Central Allocation	9,298	10,380	10,489	10,586
Floor Damping	-224	-974	-654	-416
Total Government Support (known as Formula Grant)	14,932	15,523	15,993	16,376
Made up of:				
Redistributed NNDR	12,786	13,626	No split available	No split available
Revenue Support Grant (RSG)	2,146	1,897		
Year on Year Increase in Formula Grant:				
£'000	460	591	470	383
%	3.2%	4.0%	3.0%	2.4%
Comparison with MTFS Projections:				
Projected Government Support: £'000		15,231	15,535	
%		2%	2%	
Increase above Projections: £'000		292	458	
%		2%	1%	