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Local Government Finance Settlement 2008/09-2010/11

The provisional Local Government Financial Settlement for local authorities in England for the three years 2008/09 to 2010/11 was announced by the Minister for Local Government John Healey MP on 6 December 2007.

After a period of consultation, which ended on January 8 2008, the settlement figures were confirmed on January 24 2008. The Local Government Financial Settlement will be debated in the House on February 4 2008.

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Summary

The provisional Local Government Financial Settlement for local authorities in England for the three years 2008/09 to 2010/11 was announced by the Minister for Local Government John Healey MP on 6 December 2007. This was the first ever three-year settlement to be announced.

After a period of consultation, which ended on January 8 2008, the settlement figures were confirmed on January 24 2008. The Local Government Financial Settlement will be debated in the House on February 4 2008.

Total Aggregate External Finance (AEF) will total £70.4bn in 2008/09, an increase of 4.0% on the previous year. In 2009/10 and 2010/11 the increases in AEF will be 4.3% in both years.

Formula grant will total £27.5bn in 2008/09, an increase of 3.6% on the previous year. In 2009/10 and 2010/11 the increases will be 2.8% and 2.6% respectively. The 2.6% cash increase in 2010/11 represents a fall of 0.1% in real terms.

Opposition parties and local government representatives have expressed concerns that the settlement does not take full account of the pressures facing local government in areas such as adult social care and waste services.

In each of the settlement's three years, for each class of authority, average formula grant per capita will be lower amongst Conservative County Councils and higher amongst Labour County Councils than those led by other political parties. This can be partly explained by the fact that Labour controlled authorities are generally in more deprived areas than Conservative authorities.

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I Introduction

The provisional Local Government Financial Settlement for the three years 2008/09 to 2010/11 was announced by the Minister for Local Government John Healey MP on 6 December 2007. This was the first ever three-year settlement to be announced.

After a period of consultation, which ended on January 8 2008, the settlement figures were confirmed on January 24 2008. The Local Government Financial Settlement will be debated in the House on February 4 2008.

Local government in England is structured in two contrasting ways. In parts of England, a single tier "all purpose council" is responsible for all local authority functions (Unitary, Metropolitan or London Borough). There are 116 single tier authorities in England. The remainder of England has a two-tier system, in which responsibilities are divided between district and county councils. There are 238 district councils in the 34 English county council areas.

In these two-tier systems the county councils are responsible for education, highways, social services, libraries and waste disposal. Fire services are provided by those counties not covered by a separate shire fire authority. The shire districts are responsible for housing, leisure & recreation facilities, waste collection, environmental health and revenue collection.

When comparing the amount of money allocated to authorities it is essential to only compare authorities that provide the same types of service. For example, you can compare the money going to different single tier councils, but not a single tier council with a district.

In addition to this paper readers may also find the following documents useful:

Draft Local Government Finance Report 2008/09

<http://www.local.communities.gov.uk/finance/0809/lgfr0809/index.htm>

A guide to the Local Government Financial Settlement

<http://www.local.communities.gov.uk/finance/0809/simpguid.pdf>

II Summary

The way in which central government distributes money to local government is recognised as complex. The main aspects of the system can be summarised as follows:

- Local authority revenue expenditure is financed from four main sources; government grants, business rates, council tax and fees/charges.
- Local authorities receive formula grant through the annual local government finance settlement. The formula grant forms only part of the central Government provision as local authorities also receive special grants, which may or may not be ring-fenced for specific purposes. Special grants and the formula grant are collectively known as Aggregate External Finance (AEF).
- The pot of money available for local authorities was announced in the Government's Comprehensive Spending Review.
- Specific grants are grants that will either be ring-fenced (restrictions on what they can be used for) or targeted (distributed outside the general formula, but without restrictions).
- In addition to the special grants that are included in the AEF, the Government makes other special grant payments to local authorities. These grants are usually referred to as specific grants outside AEF and include grants towards the cost of mandatory student awards and in respect of the mandatory rent allowance payments that local authorities make to housing associations and tenants living in private rented accommodation.
- AEF is expected to increase by 4% in 2008/09, the lowest increase since the rise of 2.7% in 1998/99.
- Formula grant is made up of Net Non-Domestic Rate (NNDR) income, revenue support grant (RSG) and police grant. The formula grant will increase by 3.6% in 2008/09, 2.8% in 2009/10 and 2.6% in 2010/11.

In the press release accompanying the settlement announcement the Local Government Minister said:¹

This is a tight settlement for central and local government alike, but it is fair and affordable. We are providing total annual average increases of 4.2 per cent - that is 1.5 per cent above inflation next year - combined with much greater financial flexibility.

As Table 1 shows the annual average increase that the Minister referred to is for AEF excluding specific and general grants. The Minister continued:

¹ *Fair and affordable funding to keep down council tax*, DCLG, 6 December 2007

Councils must balance their books just like business, but rather than simply depending on Government grants and local tax-payers, I want them to be more ambitious and innovative using revenue raising powers such as trading, new business rate supplements and the community infrastructure levy, as well as achieving efficiency savings of three per cent per year to deliver a better deal for the people they serve.

Keeping council tax under control remains a top priority for the Government. We expect the average council tax increase in England to be substantially below 5 per cent. Councils must be under no illusions. We will not hesitate to use our capping powers as necessary to protect tax-payers from excessive increases. Authorities would be unwise to assume previous capping principles will be repeated.

Responding to the Oral Statement in the House the Shadow Minister for Communities & Local Government, Alistair Burt MP said:²

Conservative Members welcome the move to three-year funding, which this statement represents. Making this change must be helpful in planning budgets, but it also makes crystal clear the precipice that the Government are pushing local authorities over. The good news about councils having some certainty in their budgets is balanced by the bad news that they now know what it is they have to be certain about: a front-loaded increase of 1.5 per cent. this year, with rises of only 0.7 per cent. and 0.6 per cent. for the following two years at best, or just 1 per cent., 0.1 per cent. and a cut of 0.1 per cent. if private finance initiative commitments are removed. This statement is a cunningly worded invitation for reduced services from councils and higher bills for taxpayers.

While Tom Brake MP, Liberal Democrat Shadow Minister for Local Government told the House:³

There were no surprises in the statement, just bad news. Social care, teachers' salaries and equal pay remain underfunded, while capping and the dreaded council tax remain in place. There was an opportunity to reform the council tax completely and replace it with a tax based on people's ability to pay, but that opportunity was squandered, and the most unfair tax of all continues to exist. Council tax, which in the past 11 years has increased by 86 per cent. in the Minister's constituency and by nearly 60 per cent. in that of the Secretary of State, will continue to hit the most vulnerable hardest, and to rise at a rate above the rate of inflation.

² HC Deb 6 December 2007 c983

³ HC Deb 6 December 2007 c987

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Table 1: Settlement Key Statistics: 2008/09 - 2010/11, £m

	2008/09				Provisional 2009/10				Provisional 2010/11 consultation			
	2007/08		2008/09	Change	2008/09		2009/10		2009/10		2010/11	Change
	Actual	Adjusted			Adjusted	Actual	Change	Adjusted	Actual			
TOTAL AEF	66,608	67,725	70,416	4.0%	70,434	73,490	4.3%	73,512	76,671	4.3%		
of which												
Specific and General Grants (excluding PFI) ¹	44,382	44,562	46,330		46,363	48,585		48,613	50,928			
NET AEF (CSR07)	22,226	23,120	24,081	4.2%	24,086	24,920	3.5%	24,905	25,763	3.4%		
plus Total post-CSR transfers	0	43	5		-16	-15		6	21			
equals NET AEF (incl PFI)	22,226	23,163	24,086	4.2%	24,071	24,905	3.5%	24,899	25,742	3.4%		
minus PFI	563 ²	563	677		677	853		853	1,069			
equals NET AEF (excl PFI)	21,663	22,600	23,409	3.7%	23,394	24,052	2.8%	24,046	24,673	2.6%		
minus NNDR Distributable Amount	18,500	18,500	20,500									
equals TOTAL RSG	3,163	4,100	2,909									
minus RSG for specified bodies	58	58	56		56	52		52	51			
equals TOTAL RSG FOR RECEIVING AUTHORITIES	3,105	4,042	2,854									
add back NNDR Distributable Amount	18,500	18,500	20,500									
equals TOTAL RSG & NNDR FOR RECEIVING AUTHORITIES	21,605	22,542	23,354	3.6%	23,338	24,001	2.8%	23,995	24,622	2.6%		
plus Police Grant (incl. Met. Special Payment)	4,028	4,025	4,136	2.8%	4,136	4,253	2.8%	4,253	4,374	2.8%		
equals FORMULA GRANT	25,633	26,566	27,490	3.6%	27,474	28,254	2.8%	28,248	28,996	2.6%		

¹ Specific and general grants exclude PFI, as these were included in the CSR07 Net AEF figure.

² As used in CSR07 baseline - not the PFI figure published at the time of the 2007/08 Settlement.

Source: DCLG

Table 2 shows the amount of money provided by Government to local authorities since 1993/94. The proportion of local authorities revenue expenditure financed by the Government has fallen from 80% in the mid-90s to 76% in 2007/08.

Table 2: Estimated central government provision for Local Authorities: England and Wales, 1993/94 - 2007/08, £bn

	Special grants		Revenue Support Grant	Business rates	Police Grant	Other Grants	Total Government provision		Gross Revenue Expenditure
	outside AEF	within AEF					£bn	% of GRE	
1993/94	8.0	4.8	18.7	12.1	n/a	n/a	43.6	82%	53.3
1994/95	8.9	5.1	20.2	11.1	n/a	0.5	45.8	81%	56.2
1995/96	9.4	1.8	20.0	11.9	3.3	0.4	46.7	81%	57.9
1996/97	9.6	1.6	19.8	13.2	3.3	0.5	47.9	80%	59.9
1997/98	9.9	1.8	20.4	12.6	3.4	0.3	48.4	79%	61.2
1998/99	9.7	2.1	21.3	13.1	3.5	0.4	50.1	79%	63.9
1999/00	9.1	2.5	21.8	14.3	3.7	0.3	51.6	78%	66.3
2000/01	8.9	3.7	21.5	16.0	3.8	0.2	54.1	78%	69.6
2001/02	8.6	5.5	23.2	15.8	4.0	0.2	57.4	78%	73.8
2002/03	9.1	7.7	22.2	17.3	4.0	0.2	60.5	77%	78.4
2003/04	11.6	9.4	26.7	16.3	4.3	0.2	68.4	77%	88.5
2004/05	16.5	12.8	29.6	15.7	4.4	0.1	79.0	78%	100.9
2005/06	18.1	13.2	29.4	18.7	4.6	0.1	84.1	78%	107.7
2006/07	18.2	41.3	6.3	18.2	4.2	0.1	88.4	76%	116.2
2007/08	19.4	44.5	6.2	19.3	4.3	0.2	93.8	76%	123.6

Source:

CIPFA, *Finance and General Statistics*, various years

III How is the settlement derived?

The Chancellor announced the introduction of three-year financial settlements for local authorities in the 2004 Spending Review. This is the first full three-year settlement, as the first multi-year settlement only contained two years' data to enable alignment with the current 2007 Spending Review round.

As in the Spending Review round, the third year of the cycle becomes the first year of the next round. However the amount of grant received in that year will not be altered, but notionally recalculated to provide a more accurate starting point for the calculation of following settlements.

If new funding is introduced, for example, to allow for new responsibilities for local government, it should be distributed as specific grant until it can be incorporated into the formula grant. The Government intends to adopt the general rule that no retrospective amendments will be made to the formula grant settlement.

In *Three-Year Revenue and Capital Settlements Summary of Consultation Responses*⁴, the Government said:

Three-year funding settlements for local, police, and fire & rescue authorities aim to provide greater certainty and stability in funding local services by removing the obstacles to more effective longer-term financial planning. This certainty should lead to strengthened financial management, increases in planning timescales and more efficient use of resources locally. The longer financial horizon will improve strategic decision making about local priorities.

There has been full support for this move to a multi-year settlement with the Local Government Association agreeing that this 'is a significant help towards allowing better medium term planning',⁵ while the opposition parties have also welcomed the move.⁶

A. The formula grant distribution system

Since the introduction of the Grant Related Expenditure Assessment (GREA) scheme in the early 1980s, successive Governments have used a system based on notional figures for spending and local taxation.

The GREA was replaced by the Standard Spending Assessment (SSA) in 1990/91, with the Formula Spending Shares (FSS) replacing the SSA in 2003/04. Each of these distribution systems calculated a cash amount that was "intended to represent the amount which it would be appropriate for the receiving authority to calculate as its budget requirement".⁷

⁴ <http://www.local.odpm.gov.uk/finance/threeyear/summary.pdf>

⁵ *LGA statement on the implications of the Local Government Financial Settlement*, LGA Press Release 169/05, 7 December 2005

⁶ HC Deb 6th December 2007 c984 & c987

⁷ HC Deb 5th December 2005 c627w

The Local Government Minister announced that the Government no longer agreed with that view as the figures continued “to be misunderstood and misused for a variety of purposes such as spending or tax targets, for which they were neither intended nor suitable.”⁸

The current formula grant distribution system has been referred to as the ‘four block’ model. The Government noted that many responses to the formula grant consultation document stated that the new system would be more complex or use more judgment than the existing system, although it denied this would be the case.⁹

The Local Government Association (LGA), amongst others, has argued that the four block system is less transparent than the previous FSS system and harder to explain to key stakeholders. They said it would no longer be possible to see the total the Government is prepared to support through grant and how much of this is assumed to be financed by councils’ own resources including council tax.¹⁰

The actual amount of grant which an authority receives through RSG and NNDR is calculated using the four elements detailed below:

1. Relative Needs Block

This is based on the Relative Needs Formulae (RNF) which are similar to the previous FSS. The RNF are designed to reflect the relative needs of individual authorities in providing services.

As with the previous system the RNF are split into seven different blocks, covering the seven main service areas provided by local authorities.

Separate RNF have been developed, in consultation with local government, to cover each of these service areas as there are different factors influencing each service area. The RNF calculation for each specific service area is built on a basic amount per client, plus additional top ups to reflect local circumstances. The biggest factors that affect the top ups are area costs - which partly explain why London receives a higher per capita allocation than other regions - and deprivation.

Full details on each of the formulae and definitions of the indicators included are available in the Local Government Finance Report.

Because the RNFs reflect the relative differences in the cost of providing services in different areas, they are expressed as a proportion of the total RNF. Unlike the previous FSS system RNF do not relate to the actual monetary amount of grant that a council needs to provide services.

⁸ *ibid*

⁹ HC Deb 5th December 2005 c627w

¹⁰ Local Government Finance Settlement 2006/07 and 2007/08, LGA Briefing, 5th December 2005

2. Relative Resource Amount

The RRA is a negative figure which acknowledges the fact that areas that can raise more income locally require less Government support. This is calculated using local authorities' council tax taxbase data (a measure of the number of band D equivalent properties in the area).

3. Central Allocation

Once the Relative Needs and Relative Resources of local authorities have been taken into account, there remains an amount of money in the overall grant pot for distribution. This is shared out between the local authorities on a per capita basis.

4. Floor Damping Block

In order to protect authorities the government sets a guaranteed minimum increase in grant compared to the previous year, adjusted to allow a like-for-like comparison. This grant 'floor' is calculated separately for different groups of authorities, depending on the services they provide.

The mechanism for damping grant changes remains the same as in the previous grant distribution system. The cost of providing the guaranteed floor is met by scaling back grant increases of those authorities above the floor.

Advocates of the floor damping system argue that authorities need the stability of a guaranteed increase in grant. As the system is self-financing this does mean that non-floor authorities will not receive the increase in grant that the formula suggests is needed to provide services. The LGA has called on the Government to fund the floor from central funds rather than scaling back the awards of non-floor authorities.¹¹

The table below compares the floor levels for the current settlement period with 2007/08.

Table 3: Formula grant floors

	2007/08	2008/09	2009/10	2010/11
Education/Personal Social Services authorities	2.7%	2.0%	1.75%	1.5%
Shire Districts	2.7%	1.0%	0.5%	0.5%
Police Authorities	3.6%	2.5%	2.5%	2.5%
Fire and Rescue Authorities	2.7%	1.0%	0.5%	0.5%

Source: DCLG

In his Oral Statement to the House the Minister said that by setting these floor levels he had 'struck a balance between providing an increase for all authorities and allowing formula grant changes to come through'.¹²

¹¹ *Provisional Local Government Finance Settlement for 2008/09 to 2010/11*, Response by the Local Government Association, 8 January 2008

¹² HC Deb 6 December 2007 c982

B. National Non-Domestic Rates (NNDR)

Once the amount of formula grant that an individual authority will receive has been calculated, the amount which will be financed through National Non-Domestic Rates (NNDR) can be determined.

NNDR are the means by which local businesses contribute to the cost of providing local authority services. Business rates are paid in to a central pool by revenue collecting authorities (single tier and shire districts). The pool is then distributed between all types of authority.

Prior to 2006/07 allocations were made on a per capita basis, but in the current system it is a proportion of the total formula grant allocated, excluding any police grant. In 2008/09 NNDR accounts for 88% of the total formula grant available, so each LA will have that proportion of its formula grant (excluding police grant) financed through the NNDR pool.

The LGA has expressed concern that the amount of formula grant (excluding police grant) funded by the RSG has fallen from £4bn in 2007/08 to £2.9bn in 2008/09.¹³

The overwhelming proportion of the settlement is funded by Business Rates raised by local authorities. The methodology of the four-block model obscures rather than clarifies the key decisions taken about grant changes. We therefore believe that the time is now right for a review of the whole system for determining Formula Grant after 2010-11, with the aim of delivering improved transparency and the greater flexibility for Councils promised in the Central-Local Concordat.

The calculation of the distributable amount for the period 2003/04 to 2008/09 is set out in Appendix B. As the NNDR multiplier is linked in legislation to the RPI it will only be possible to finalise the distributable amount for 2009/10 after the publication of the September 2008 RPI data.

C. Police Grant

In addition to RSG and NNDR police forces receive a targeted Police Grant which is calculated by a different formula to the four-block model. Full details can be found in the Police Grant Report available via the following link.¹⁴

Commenting on the settlement Tim Brain, Chief Constable of Gloucestershire Police and Association of Chief Police Officers (ACPO) lead on finance said:¹⁵

I am pleased that the Home Secretary has recognised many of the arguments that ACPO and the APA have presented over the last few months in the settlement announced today. While this is not a generous settlement, there

¹³ *Provisional Local Government Finance Settlement for 2008/09 to 2010/11*, Response by the Local Government Association, 8 January 2008

¹⁴ <http://www.local.communities.gov.uk/finance/0809/lqfr0809s/polgrant.pdf>

¹⁵ *Police Funding Allocations for 2008/9 to 2010/11*, ACPO Ref:133/07 6 December 2007

appears to have been a genuine attempt at finding a balance between competing priorities.

The overall settlement is broadly in line with anticipated rises in core costs, and this will help preserve many of the key gains in police officer and police staff numbers made in recent years. But it will not be enough to fund some aspects of key developments, particularly for forces which need to make investments in buildings and technology.

We are pleased to see that there is a minimum grant of 2.5 percent for all forces. This recognises that all forces across England and Wales face a range of similar challenges, but other forces with specific needs to receive higher levels of grant up to the highest level of 4 percent.

[.....]

However, it is important to note that the overall settlement will still leave individual forces with specific funding problems. We don't all start on a level playing field, and some, possibly many forces will have to continue to introduce planned cuts at a local level. Furthermore, the grant settlement will help maintain most aspects of 'business as usual' but is likely to restrict key development.

The Association of Police Authorities welcomed an increase in the counter-terrorism grant and greater flexibility in spending police funds, but warned that the general settlement was a tight one, which would place additional pressure on policing services.¹⁶

The increase in the counter-terrorism grant is very welcome as are some limited flexibilities in how police authorities can spend all policing funds. The 2.7% average settlement, however, will represent a considerable challenge for police authorities and forces over the next 3 years. In the face of continuing funding pressures many areas will find themselves with very difficult choices.

The difficulties will be compounded by the doubling of the cashable efficiencies target from 1.5% to 3%. Local police services have been at the forefront of making some of the most impressive efficiency gains across the public and private sector, but additional cash savings will require considerable effort given that many of the straightforward efficiencies have already been achieved. With over 80% of all police costs being officer and police staff related, any expenditure cuts will inevitably create pressure on levels of officers and staff.

Whilst the Government has indicated that it expects average council tax increases below 5%, it is important to recognise that this crude 5% national target is unable to support specific local policing needs and aspirations. The APA is calling for more flexibility to enable local communities to invest in local policing.

D. Specific Grants

Specific grants are grants that will either be ring-fenced (restrictions on what they can be used for) or targeted (distributed outside the general formula, but without restrictions).

¹⁶ *APA Comments on Police Grant Settlement*, APA Press Release, 6 December 2007

In 2006/07 the proportion of aggregate external finance (the total amount of money that local authorities receive from Government) made up of ring-fenced grant increased from 8% to 53%. This was mainly due to the introduction in that year of the Dedicated Schools Grant (DSG).

The Five Year Strategy for Children and Learners, published in July 2004, announced that school funding would in future be funded through a ring-fenced grant from DfES to local authorities (the DSG), rather than through the local government finance settlement.

The DSG provides for the same items that had been resourced through the Schools FSS within the local government finance system, and covered by the Schools Budgets set by local councils. The Schools Budget consists of delegated budgets allocated to individual schools, and a budget for other provision for pupils which local authorities fund centrally, such as some Special Educational Needs provision and Pupil Referral Units. The DSG will therefore provide the funding for the Schools Budget and all of the DSG will need to be spent on the Schools Budget.

The LGA believe that ring-fencing makes it harder for the government to deliver its wider agendas for education and children's services.¹⁷ The Liberal Democrats have agreed with this view point:¹⁸

"This is yet another instance of Labour's obsession with controlling everything from Whitehall.

By ring fencing money for schools the Government is creating obstacles for local authorities who want to use more personalised solutions when meeting children's educational and welfare needs.

Greater co-operation between schools and children's services is the best way to provide quality care for children."

Information on DSG allocations to individual authorities and technical information can be found via the following link:

http://www.teachernet.gov.uk/management/schoolfunding/2006-07_funding_arrangements/DSG200608/

The table below shows that over one-half of AEF is financed through ring-fenced grants. Excluding the DSG, the proportion of AEF financed through ring-fenced grants is higher in 2008/09 than it was in 2005/06.

¹⁷ *Don't fence us in*, Local Government Association, March 2005

¹⁸ *School funding settlement damages Social Services* – Liberal Democrat Press Release 7th December 2005

Table 4: Aggregate External Finance and Special Grant allocations, £m

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
TOTAL AEF	60,144	62,127	65,794	70,416	73,490	76,671
of which						
Special Grants	15,418	41,184	44,131	46,330	48,585	50,928
of which						
Ring Fenced	5,080	33,162	34,531	36,041	36,212	38,469
As % of AEF	8.4%	53.4%	52.5%	51.2%	49.3%	50.2%
of which						
Dedicated Schools Grant (l	n/a	26,576	28,119	29,138	30,111	31,356
Ring Fenced (excl. DSG)	5,080	6,585	6,412	6,904	6,101	7,113
As % of AEF	8.4%	10.6%	9.7%	9.8%	8.3%	9.3%

Note: Grants are those as announced at the time of the Local Government Finance Settlement in that year

Source: DCLG

IV Changes to the formula

In July 2007 the Government published a consultation document looking at proposals for reviewing the formulae used to distribute Formula Grant to local authorities.¹⁹ The aim of this consultation was to assist in the updating and modifying of the existing system so that it would be fit for use in the context of this first full three-year settlement.

The Formula Grant Distribution System had last been reviewed for the first of the multi-year settlements, which covered 2006-07 and 2007-08.

The consultation period ran for 12 weeks and closed in October. A summary of the responses was published by the Department.²⁰ Following this the Department proposed a number of changes to the formula grant distribution system which were published at the time of the provisional Local Government Financial Settlement announcement in December.²¹

The following changes have been proposed:

A. Taking Account of Relative Needs and Resources

There would be an increase of 2 percentage points in the size of the Relative Needs and Relative Resource blocks. From 2008/09 the shares would therefore be Relative Needs Amount, 73.0%; Relative Resource Amount, -26.6%; Central Allocation, 53.6%. This is compared to an RNF share of 71.0% and RRA share of -24.6% in 2006/07 and 2007/08.

This has the effect of redistributing funds from authorities with property in the higher council tax bands to those with higher relative needs as a higher proportion of the available funds is distributed through the formula.

B. Removal of 'double damping'

From 2006-07 new formulae were introduced for all three PSS blocks. Two of these, those for Children and Younger Adults, introduced considerable distributional change. Following consultation, the Government decided to phase in the introduction of these two formulae by introducing a specific RNF damping. This damping was in addition to the general damping that ensured all authorities received a minimum grant increase and became known as 'double damping'.

This 'double damping' worked so that all authorities had a minimum 2.7% increase in their children's and younger adults social care RNFs for 2006/07 and 2007/08. Similar to the general damping system a scaling back mechanism operated for the RNFs of other authorities so that increases above this floor level were scaled back.

¹⁹ <http://www.local.communities.gov.uk/finance/0809/sumcon/index.htm>

²⁰ <http://www.local.communities.gov.uk/finance/0809/sumcon/analrep.pdf>

²¹ <http://www.local.communities.gov.uk/finance/0809/conpap.pdf>

The Government have proposed the removal of this extra damping and the full implementation of the social services RNF within the current distribution system.

London Councils produced two reports in which they claimed that the new PSS formulae had serious technical flaws and regional unfairness, with authorities in London and the South East particularly hard hit. Removing the damping, it suggested, would mean that some vulnerable adults and children not in these 'favoured' regions face reductions in vital social services.

Copies of the separate reports on children and adults are available on the London Councils website:

Floors not flaws – protecting vulnerable adults from the local government finance system, October 2007

<http://www.londoncouncils.gov.uk/upload/public/attachments/1248/Floorsnotflaws.pdf>

Caring for vulnerable children, July 2007

http://www.londoncouncils.gov.uk/upload/public/attachments/1139/3_VulnChildren.pdf

C. Other changes

- Revision of low income adjustment for PSS for older people

The low income adjustment in the formula for social services for older people would be revised in line with Option SSE2 in the consultation document. This was the option favoured overall by respondents to the consultation mainly as it was thought that this could be updated more easily than Option SSE1.

- Updating resource bases

Police - The resource base used to derive the formula would be updated as suggested in Option POL1.

Highway Maintenance - The regression expenditure base for this formula would be updated as suggested in Option HM1.

Fire – Not updated

- Area Cost Adjustment

The weight given to the rates cost adjustment would be updated to 2% for EPCS and 1% for all other services except social services, where it would be zero in line with consultation option ACA1.

V Analysis

A. Trends

When formula grant figures are compared from one year to the next, the previous year's grant is adjusted to take into account changes to the functions and responsibilities of the authority. When comparing the amount of formula grant received over time it is essential to use the adjusted figures.

Amending reports

The Government can amend a previous year's local government finance settlement if errors in the original settlement come to light after it has been approved. This has occurred in recent years due to problems encountered with the population estimate for 2002. This led to some LAs receiving more and some less than they should have done in the previous two settlements. When such data corrections are needed, an Amending Report for the settlement year in question is issued.

The Government decided to issue an Amending Report for the 2004/05 and 2005/06 settlements to incorporate changes to the population data used in the original 2004/05 settlement. Population estimates for 2002, which were used in the 2004/05 settlement, were revised by the Office for National Statistics on 9 September 2004. The Amending Reports for 2004/05 and 2005/06 were implemented at the same time as the 2006/07 settlement.

The Amending Report should not alter the overall amount of grant allocated in the relevant settlements, but it will change its distribution. Differences in a council's grant for 2004/05 and 2005/06 after the amendments have been made, were paid out with the 2006/07 settlement, or taken off the amount the council received in 2006/07. The amended and amended adjusted figures should be used for comparison where appropriate.

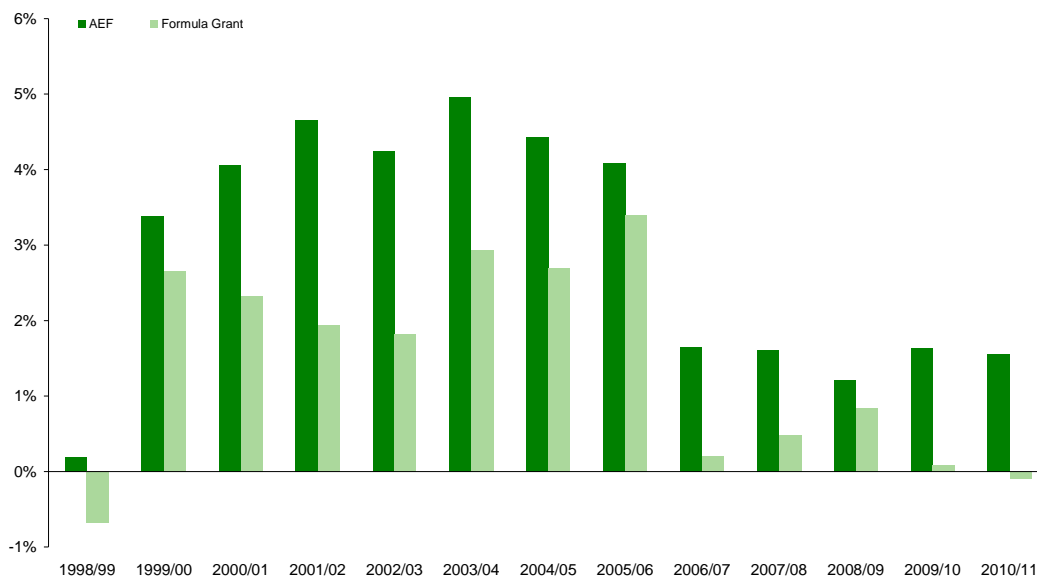
When announcing the latest settlement to the House the Local Government Minister said:

Ten successive years of above-inflation grant increases from this Government - continued throughout this spending review period – plus tough capping action have helped bring down council tax increases.²²

It is AEF that has seen consecutive real terms increases rather than formula grant, as shown in the chart overleaf.

²² HC Deb 6 December 2007 c983

Chart 1: Annual % change* in formula grant & AEF
Real terms



* From adjusted and amended where

In common with other Government Departments, Communities and Local Government uses the HM Treasury Gross Domestic Product (GDP) Deflator to measure money changes in real terms. However it has long been argued that the GDP deflator is not the most appropriate measure for local government inflation.

In its response to the consultation settlement issued in December, the Local Government Association stated:²³

In order to make real terms changes in funding more transparent, the Government should commit to the development of a National Statistics index of local government pay and prices that would provide a fair measure of inflation relevant to locally delivered services.

The Government has yet to comment on this suggestion.

B. Government Office Regions

Table 5 provides headline information over the three-year period for each different class of authority as well as a regional breakdown. The tables in Appendix A supply similar information for each English local authority.

- Formula grant received per head of population in 2008/09 was highest in London (£818).

²³ *Provisional Local Government Finance Settlement for 2008/09 to 2010/11*, Response by the Local Government Association, 8 January 2008

- Excluding London, northern regions received more grant per head than their southern counterparts. The South East, South West and Eastern regions received the lowest levels of grant per capita.
- The annual % change in formula grant in 2008/09 was highest in the East Midlands (5.5%), with the lowest increases in London (2.4%) and the South East (2.5%).

Table 5: Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
England	27,490	536.70	3.5%	28,254	548.98	2.8%	28,996	560.68	2.6%
London area	6,222	818.89	2.3%	6,350	831.35	2.1%	6,475	843.10	2.0%
Metropolitan areas	7,773	702.11	3.7%	7,993	720.31	2.9%	8,197	736.85	2.6%
Shire areas	13,493	414.53	3.9%	13,908	424.96	3.2%	14,321	435.18	3.0%
Isles of Scilly	2	961.13	12.5%	2	983.16	3.1%	2	1,007.51	2.8%
Inner London boroughs incl. City	2,161	774.99	2.0%	2,199	781.15	1.8%	2,235	786.38	1.6%
Outer London boroughs	1,873	389.57	2.8%	1,915	396.95	2.3%	1,953	403.71	2.1%
London boroughs	4,035	531.04	2.4%	4,114	538.55	2.0%	4,188	545.29	1.8%
GLA - all functions	2,187		2.3%	2,237		2.3%	2,287		2.3%
Metropolitan districts	5,504	497.14	3.9%	5,659	510.00	2.9%	5,797	521.16	2.5%
Metropolitan fire authorities	324	29.25	2.3%	328	29.56	1.3%	332	29.87	1.3%
Metropolitan police authorities	1,945	170.91	3.2%	2,006	175.81	3.1%	2,067	180.74	3.1%
Shire unitaries with fire	57	399.91	5.9%	59	412.98	4.3%	61	425.01	3.9%
Shire unitaries without fire	3,143	376.23	4.8%	3,249	387.26	3.4%	3,345	397.07	3.0%
Shire counties with fire	1,745	194.14	5.4%	1,814	200.51	4.1%	1,881	206.66	3.8%
Shire counties without fire	2,656	176.27	5.2%	2,763	182.33	4.2%	2,874	188.58	4.1%
Shire districts	1,875	77.94	1.7%	1,900	78.52	1.4%	1,926	79.11	1.3%
Combined fire authorities	446	19.50	3.2%	455	19.79	2.0%	465	20.09	2.0%
Shire police authorities	3,571	110.77	2.7%	3,669	113.17	2.7%	3,770	115.65	2.8%
GO REGIONAL SUMMARY									
South West GOR	2,064	397.28	4.1%	2,132	407.50	3.4%	2,200	417.78	3.3%
South East GOR	2,989	359.49	2.5%	3,053	365.39	2.2%	3,119	371.38	2.2%
London GOR	6,222	818.89	2.3%	6,350	831.35	2.1%	6,475	843.10	2.0%
Eastern GOR	2,257	396.92	3.5%	2,323	405.61	3.0%	2,391	414.50	2.9%
East Midlands GOR	2,029	459.89	5.2%	2,107	474.58	3.9%	2,181	488.24	3.6%
West Midlands GOR	3,046	564.93	4.2%	3,145	581.65	3.3%	3,239	597.33	3.0%
Yorkshire and Humber GOR	2,919	563.67	4.2%	3,012	578.65	3.2%	3,100	592.54	2.9%
North East GOR	1,729	679.96	3.2%	1,773	697.10	2.6%	1,813	713.04	2.3%
North West GOR	4,235	613.65	3.8%	4,359	630.02	3.0%	4,477	645.23	2.7%
FLOOR DAMPING GROUPS									
Education Authorities	17,139	334.63	4.1%	17,657	343.09	3.1%	18,146	350.91	2.8%
Police Authorities	7,447	145.41	2.8%	7,653	148.72	2.8%	7,865	152.10	2.8%
Fire Authorities	1,027	24.41	2.4%	1,042	24.64	1.4%	1,057	24.88	1.4%
Shire Districts	1,875	77.94	1.7%	1,900	78.52	1.4%	1,926	79.11	1.3%

C. Political Control

Table 6 shows the average amount of formula grant per capita allocated by political control of the authority. It also provides the average annual increase by political control. Political control is defined as the party having majority of councillors after the local elections on 3 May 2007.

Table 6: Formula Grant allocations by political control of LAs

County Council	Number of authorities	2008/09		2009/10		2010/11	
		£ per capita	% change	£ per capita	% change		
Conservative	23	166.10	4.1%	170.44	3.4%	175.01	3.4%
Labour	6	227.93	7.8%	239.08	5.4%	249.60	4.9%
Liberal Democrat	3	215.75	7.7%	225.76	5.7%	235.79	5.4%
NOC	2	210.27	6.2%	218.94	4.8%	227.59	4.5%
Shire Districts							
Conservative	146	71.82	1.7%	72.40	1.4%	73.00	1.4%
Labour	13	101.89	1.2%	102.35	0.6%	102.75	0.6%
Liberal Democrat	18	82.50	1.4%	82.93	1.0%	83.37	1.1%
NOC	55	87.56	1.8%	88.26	1.5%	88.91	1.4%
Others	6	93.07	1.8%	93.75	1.3%	94.36	1.3%
Single Tier (excluding City of London & Isle of Scilly)							
Conservative	36	359.54	3.4%	367.02	2.7%	373.86	2.4%
Labour	29	585.88	3.8%	600.63	2.8%	613.37	2.4%
Liberal Democrat	8	465.31	3.1%	475.63	2.4%	484.75	2.1%
NOC	41	469.37	3.7%	480.35	2.8%	490.02	2.5%

Note: Political control after elections on 3 May. Control is defined as party having majority of councillors

Source:

Local Government Finance Settlement, DCLG

Local Authority Control, LGA factsheet

In each of the three years shown, for each class of authority, average formula grant per capita will be lower amongst Conservative County Councils and higher amongst Labour County Councils than those led by other political parties.

According to the Index of Multiple Deprivation (IMD) 2007, Labour controlled authorities are generally in more deprived areas than Conservative authorities, which may explain all or part of the differences in per capita grant allocations. This is explained in more detail in the following section.

D. Deprivation

The relative needs formula calculation for each specific service area is built on a basic amount per client, plus additional top ups to reflect local circumstances. The biggest factors that affect the top ups are area costs - which partly explain why London receives a higher per capita allocation than other regions - and deprivation.

Although the IMD is not an indicator used in the calculation of the RNF it is a useful way of comparing formula grant allocations and LA level deprivation.

Further information on the IMD 2007 is available on the DCLG website.²⁴

Using the IMD 2007 rank of average rank measure of deprivation²⁵ shows that:

- 11 of the 50 most deprived shire district areas in England are Labour controlled authorities after the May 2007 local elections; this represents 61% of all Labour controlled shire districts. Although more Conservative controlled shire districts are amongst the 50 most deprived (13) this represents only 11% of the Conservative controlled shire districts.
- 36 of the 50 least deprived shire district areas in England are Conservative controlled, 31% of all Conservative controlled shire districts. There are no Labour controlled shire districts in the 50 least deprived shire district areas.
- 24 of the 50 most deprived single-tier authorities in England are Labour controlled authorities after the May 2007 local elections; this represents 77% of all Labour controlled single-tier authorities. Five Conservative controlled shire districts are amongst the 50 most deprived representing 16% of the Conservative controlled single-tier authorities.
- 20 of the 50 least deprived single-tier authorities in England are Conservative controlled, 65% of all Conservative controlled single-tier authorities. There are three Labour controlled shire districts in the 50 least deprived shire district areas.

The following charts confirm that generally, for both shire district and single tier authorities, more deprived LAs were allocated higher levels of formula grant per capita in 2008/09.

²⁴ <http://www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07/>

²⁵ This is a population weighted average of the combined ranks for the Super Output Areas (SOAs) in a district. All the SOAs in a district need to be included to obtain such an average, as each SOA contributes to the character of that district. This measure is calculated by averaging all of the SOA ranks in each district. For the purpose of calculating this score the SOAs are ranked such that the most deprived SOA is given the rank of 32,482. The SOA ranks are population weighted within a district to take account of the fact that SOA size can vary.

Chart 2: Formula Grant per capita and deprivation, Shire Districts 2008/09

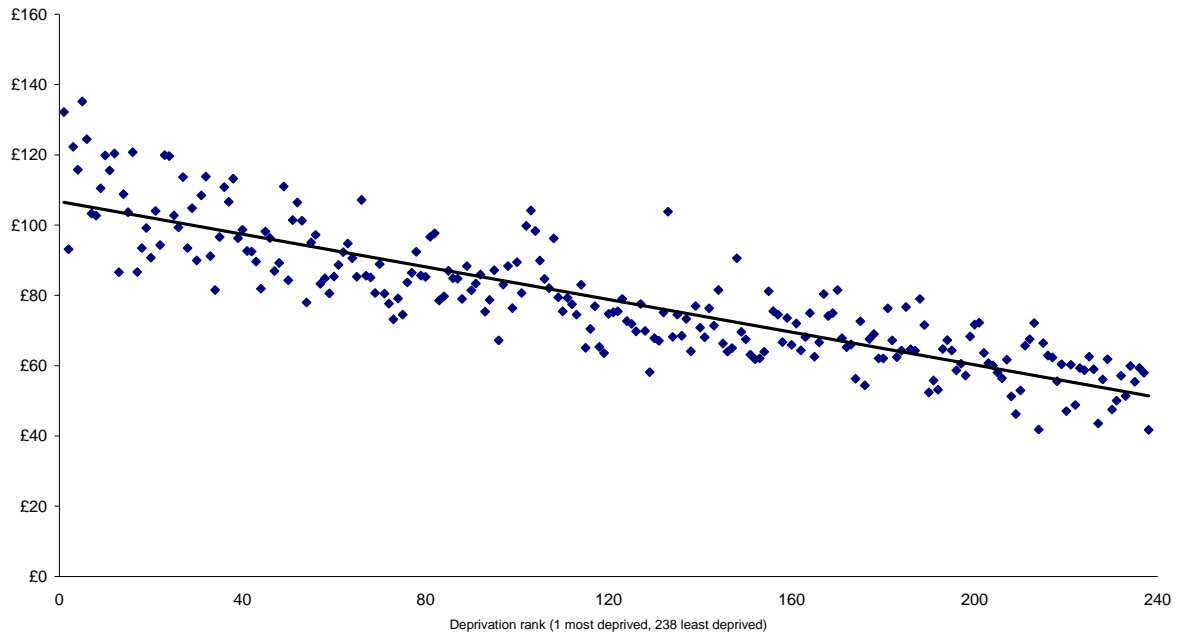
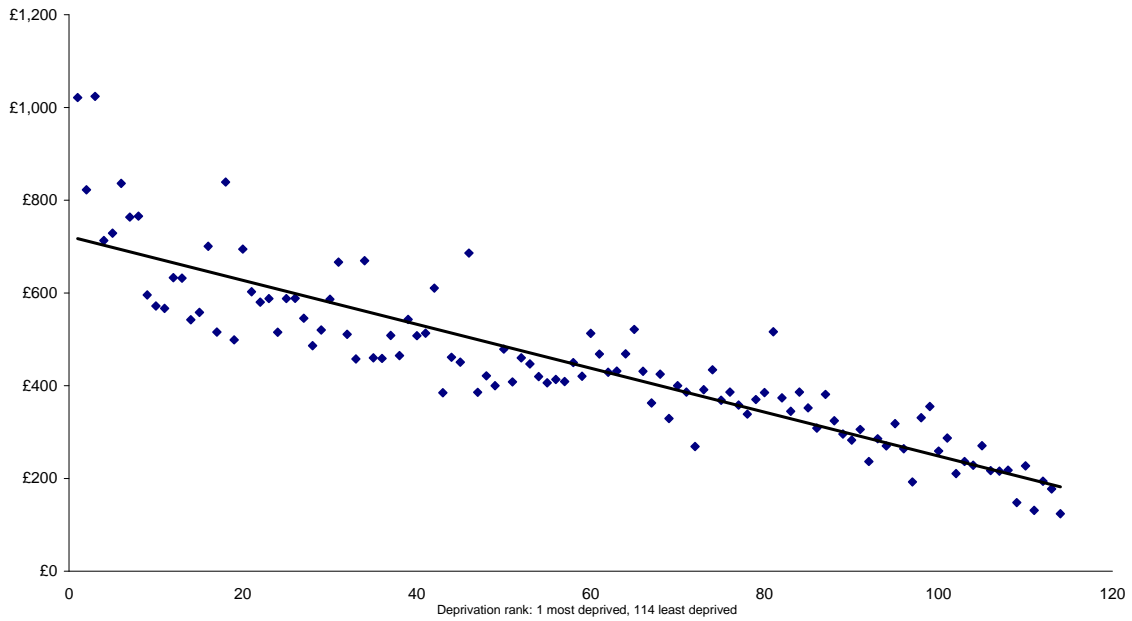
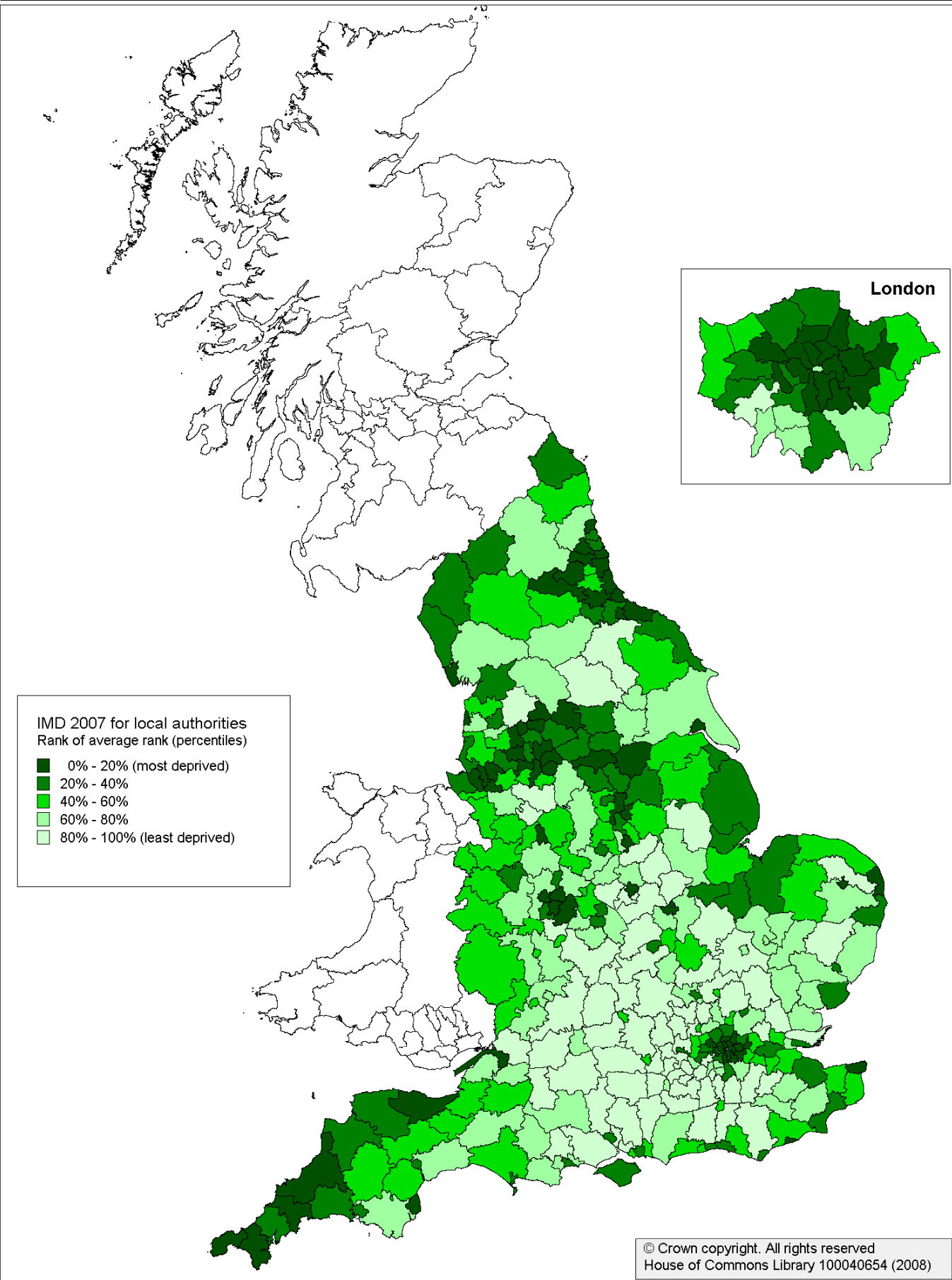


Chart 3: Formula Grant per capita and deprivation, Single tier, 2008/09
(Excluding City of London & Isle of Scilly)



Index of Multiple Deprivation 2007, local authorities (England)

London boroughs, metropolitan districts, unitary authorities and shire districts ranked by percentiles



VI Issues

A. Population estimates and projections

Population estimates and projections are important in allocating resources from central government to local authorities. The Local Government Financial Settlement for 2008/09 – 2010/11 is based on Office for National Statistics (ONS) 2004-based subnational population projections for England. They provide projected population by age and sex for counties, Unitary Authorities, London Boroughs, and metropolitan and non-metropolitan districts.

The subnational projections are consistent with ONS mid-2004 population estimates (revised in August 2007) and with Government Actuary's Department's 2004-based national population projections in terms of population and components of change. They are produced using a cohort-component methodology, which is a standard demographic methodology. The projections take the mid-2004 population estimate for England as their base. The projected population for each year is then calculated by using the age structure of the population from the previous year, applying assumed local fertility and mortality rates to calculate the number of projected births and deaths, and then adjusting for local migration. The process is repeated each year over the projection period.

The subnational population projections are trend-based. Assumptions for future demographic behaviour are based on observed levels of births, deaths and migration over the previous five years (2000 to 2004). They show what the population will be if recent trends persist. The assumptions do not reflect the impact of future housing and other development policies or of future changes in the components of demographic change at local level.

The accuracy of population statistics has come under increasing criticism from local authorities in recent months. Local authorities have questioned the adequacy of ONS population estimates, suggesting that the UK has a growing population not recorded in official statistics. They argue their population is increasing due to migration, which is putting greater pressure on public services, and that their population is under-enumerated in official statistics, therefore impacting on resource allocation.

Discrepancies between official population estimates and the experience of local authorities are mainly due to the difficulty of measuring migration accurately. This has become increasingly challenging in recent years as the volume of migration has increased, making migration the most important driver of population change both nationally and in many local areas. Moreover, patterns of migration have changed; while traditional streams remain, there has been large-scale in-migration from Eastern Europe since EU enlargement in 2004. Since workers from central and eastern Europe are more broadly spread across the UK than previous groups of migrants,²⁶ deficiencies in local population estimates are said to have become an acute problem for some local

²⁶ ONS, Population Trends No. 129 (Autumn 2007) Migrants from Central and Eastern Europe: local geographies
http://www.statistics.gov.uk/downloads/theme_population/PT129.pdf

authorities, who say the official figures on which their funding is based bear little relation to their experience.

Migration statistics are inadequate because there are few accurate sources of information on the stock and flows of migrants at both national and local level. ONS states:²⁷

There is no single, all-inclusive system in place to measure movements of population into or out of the UK. Therefore it is necessary to use a combination of data from different sources in order to produce estimates of migration. None of the data sources used are specifically designed to capture information solely on international migration.

The Local Government Association (LGA) has argued that the number of migrants in many areas has been significantly underestimated and that the system for measuring migration should be overhauled.²⁸ The LGA recognises the significant benefits migrants contribute to the economy, but public services in some local authorities are coming under strain without sufficient funding to deal with the volume of migration, including housing (with some local authorities seeing a rise in homelessness), translation and interpretation services, work to prevent racial and cultural tension, health and inappropriate use of GPs and A&E, and children's services and education. The LGA has called for a migration 'contingency fund' to allow local authorities experiencing high rates of migration to apply for an extra £250m per year; and, the improvement and use of alternative measures of migration, such as GP registrations, National Insurance numbers and schools census data to gain a more accurate picture of where migrants are.

The LGA states:²⁹

Official statistics on how many migrants are coming and where they are going are inadequate. No-one has a real grasp of where or for how long migrants are settling so much needed funding for local services isn't getting to the right places.

The speed and scale of migration combined with the shortcomings of official population figures is placing pressure on funding for services like children's services and housing. This can even lead to unnecessary tension and conflict.

Improving alternative sources of information such as GP registrations and National Insurance numbers as part of a new package of measurements would allow the government to gain a much clearer picture of migrant movements. This would allow the right amount of money to get to the right places, ensuring decent public services for all.

A proportion of the additional revenue that the Exchequer gains from migrants could be put towards a contingency fund for councils that are coming under particular pressure. This would ease pressures, not just in urban areas that have long been ethnically diverse, but also in parts of the country that have never

²⁷ http://www.statistics.gov.uk/downloads/theme_population/MN_no32.pdf

²⁸ LGA (1 November 2007) Estimating the scale and impacts of migration at the local level

<http://www.lga.gov.uk/PressRelease.asp?ISection=0&id=SX7C5E-A78498C8>

²⁹ *ibid*

experienced this kind of a population change before. Allowing councils to raise more money and a more accurate way of counting local populations would also help to ensure the right money gets to the right places.

ONS incorporated methodological improvements in the estimation of international migration for the mid-2006 population estimates, and it has subsequently revised 2002-2005 estimates using the new methodology. As a result, population estimates for London Boroughs have been revised downwards by 60,000 between 2001 and 2005, and so have population projections.^{30 31} The boroughs say the figures do not match their experience of increasing population numbers which are putting greater pressure on public services.³²

London Councils states:³³

London local authorities are strongly contesting the Office for National Statistics recently released population figures which have reduced the population projections for the capital in 2007 by 95,000 people. This totally contradicts borough's own population counts which all report population counts thousands higher than the ONS figures.

And more recently:³⁴

Threats to council run services caused by inaccurate population data have been ignored by central government.

Despite widespread distrust and proven failings in the Office for National Statistics' (ONS) new population data the Department of Communities and Local Government (CLG) has indicated that the government will use the inaccurate figures to allocate councils' grant over the next three years.

The figures, which the CLG will use in the Local Government Finance Settlement for 2008/09 to 2010/11, are substantially lower than previous population projections by almost 110,000 in 2008, over 120,000 in 2009 and almost 140,000 thousand lower in 2010.

New population counting methods used by the ONS have resulted in these 'losses' to the capital's population, which are easily the biggest cuts in the population of any region in the country.

These ONS figures, which don't adequately take account of the rapid and increasing scale of international migration into the capital, will be used to allocate how much money councils will receive for essential frontline services including social care and community safety for the next three years.

³⁰ http://www.statistics.gov.uk/downloads/theme_population/Impacts.xls

³¹ BBC (14 May 2007) 'Councils attack migration figures' http://news.bbc.co.uk/1/hi/uk_politics/6652671.stm
IPPR (14 May 2007) 'Counting the uncountable' <http://www.ippr.org.uk/articles/?id=2698>

³² Financial Times (23 August 2007) Figures don't add up, say councils

³³ <http://www.londoncouncils.gov.uk/doc.asp?doc=21146>

³⁴ <http://www.londoncouncils.gov.uk/doc.asp?doc=21476>

The Local Government Financial Settlement is based on ONS 2004-based subnational population projections for England, which has a long-term annual net migration assumption of +130,000.³⁵ ONS has recently published 2006-based national population projections and revised upwards its long-term annual net migration assumption to +171,500. However, ONS have yet to publish 2006-based subnational population projections for England consistent with the national projections.

Official population estimates and projections relate to the usually resident population, which only includes long-term international migrants (people who come to the UK for at least one year). This is consistent with the United Nations recommended definition of a usual resident which only includes those who are in a country for more than 12 months. Short-term international migrants are therefore not included in the usually resident population estimates and projections.

This may be another reason why official population statistics differ to the experience of local authorities. Information on short-term migration is needed both nationally and at local level for policy and planning purposes and for service provision. ONS has recently developed national estimates of short-term migrants for England & Wales for 2004 and 2005.³⁶ The short-term migration estimates also include estimates of average length of stay. Short-term migration estimates for London/non-London are also provided, but estimates at sub-national level are yet to be published.

The short-term migration estimates show that in the year to mid-2005 there were a total of 1.02 million visits made to England and Wales by overseas residents and lasting between 1 and 12 months for any reason, only 260,000 of which were longer visits for 3 to 12 months. Short-term migration consistent with the UN definition of a short-term migrant (visits for 3 to 12 months for study and employment) accounted for only 105,000 of these visits. Within the 105,000 there were more moves for study than for employment, although such employment moves had doubled since mid-2004. This later finding is consistent with increased labour migration to the UK since European Union expansion on 1 May 2004.

B. Cost pressures

As happens in most years the Government has claimed that the settlement is tight but fair providing above inflation increases in grant and there is therefore no need for excessive council tax rises,³⁷ while Local Government representatives have issued warnings that authorities face 'hard choices between service reductions and council tax increases.'³⁸

³⁵ 2014-2015 onwards

³⁶ http://www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/STM_Research_Report.pdf

³⁷ HC Deb 6 December 2007 c983

³⁸ *Provisional Local Government Finance Settlement for 2008/09 to 2010/11*, Response by the Local Government Association, 8 January 2008

In the final report of the Lyons Inquiry into Local Government it was suggested that there needed to be an improvement in the transparency of the funding system to improve the understanding and quality of debate on this subject.³⁹

One way to do this is to introduce a more independent and authoritative voice to provide an expert and unbiased view on the issues. It could comment on the claims and counterclaims made by both sides of the debate, so that the public could better understand the issues at stake, and they and Parliament could have a consistent source of independent and balanced evidence. The Audit Commission's analysis of the 2003–04 council tax rises arguably provided this type of role.

Issues on which comment would be useful include:

- whether the cumulative impact of new mandates on local government has over time been greater than or less than the funding made available to pay for them;
- what evidence is available about future pressures on local services and what might be reasonable assumptions to make about their impact on costs; and
- whether the funding system is meeting its objectives, particularly in terms of delivering national promises made by central government.

This could help contribute to a better-informed and more constructive debate about the funding of local government and its priorities. It might even help us to move towards the more consensual position that other countries, such as Denmark and Spain, seem able to achieve in their distribution of local government funding. Part of the situation in England can perhaps be ascribed to our national political culture being based on challenge and adversarial debate, rather than consensus, but it may also be due to the lack of neutral assessments and lack of independent attempts to explain how grant and settlement decisions are made.

There is a general consensus that adult social care is a key spending pressure facing local government. The LGA state:⁴⁰

Adult Social Care

- We estimated that there is total pressure of £2.6bn over the Spending Review period arising from the increased demands due to demographic challenges and independent sector costs
- Local authorities face an increasing complexity of cases. Older people with mental health needs are increasing. 25% of over 85's develop dementia and one third of these need constant care or supervision. Local authorities have also seen an average annual increase of 9% in care weeks provided in the period for 2000/01 to 2003/04 for people with disabilities.

³⁹ Para 4.56, Lyons Inquiry into Local Government, Final Report, March 2007

⁴⁰ *Provisional Local Government Finance Settlement for 2008/09 to 2010/11*, Response by the Local Government Association, 8 January 2008

- Between 2001 and 2004 there was a 15 per cent increase in the number of people with learning disabilities using social services. In this period the number of people with learning disabilities aged over 65 and using services rose by 31 per cent.
- We welcome the government's decision to pay a Social Care reform grant amounting to over £500m over the CSR period as a whole and the debate on how to fund the costs of social care. However the grant is 'back-loaded' (£82m in 2008/09 rising to £274m in 2010/11) and local authorities are facing real pressures now, forcing them to review criteria. One borough council in the south east informed us that, as a result of demographic and other pressures, expenditure on social care in 2008-09 will need to rise by 4.6 per cent in real terms. Similarly, a council in the north west has identified that expenditure will need to increase by 2.2 per cent in real terms. Both of these authorities are on the floor, and therefore will receive real terms reductions in funding.

When answering a question in the House related to the issue of adult social services funding the Minister for Local Government quoted the response of the Association of Director of Social Services to the CSR announcement:⁴¹

Today's CSR announcement is clear evidence that the Department of Health has truly recognised the importance of social care...today's figures and settlement show that the vital contribution our social care services make to the overall wellbeing of so many hundreds and thousands of older people is beginning to win the recognition it deserves.

Further spending pressures were also identified by the LGA:⁴²

Waste

- As the LGA said in its Autumn Statement 2006, the cost of waste to English local authorities is some £3bn per annum. Increases in costs relate to preparation for meeting the EU Landfill Directive. The actual tonnage of municipal waste disposed of in landfill has decreased from 20.9 million tonnes in 2003/04 to 17.9 million tonnes in 2005/06. However this has meant cost increases which average 10% annually since 2001/02.
- Landfill tax is rising annually at £8/tonne, from the current rate of £24/tonne to £32/tonne from April 2008. This increase in the escalator is increasing costs for disposal authorities by a minimum of several hundred thousand pounds, and by well over a million pounds each for many authorities, even though authorities are successfully diverting waste away from landfill. This is supposed to be channelled into local authority grant, but we have been unable to ascertain from the Government how much of landfill tax has been recycled, and how it has been returned to local

⁴¹ HC Deb 6 December 2007 c986

⁴² *Provisional Local Government Finance Settlement for 2008/09 to 2010/11*, Response by the Local Government Association, 8 January 2008

government. Our estimate is that, assuming that landfill tax increases over 2003-08 were already fully returned, that the additional amounts to be returned over the CSR period would be at least £78m/£150m/£215m. The government should therefore clarify, in line with its previous pledges, exactly how it has ensured the landfill tax escalator is revenue neutral to Councils.

Children's Services

- The same pattern noted in adult social care can be seen in the pressures on children's services. This includes rises in the number of children in care (up 17% between 00/01 and 04/05), partly due to improved and more joined up services identifying more children in need. This has made an important contribution to the government's 'every child matters' agenda; Local authorities have a vital part to play in implementing reforms to the care system as outlined in the Care Matters white paper.
- So too has the number of children with severe and complex needs. Medical advances mean these children are surviving and living longer. Between 1999 and 2004 the prevalence of conduct disorders among children rose from 5.3% to 5.9%;

Concessionary Fares

- Since the 2006 extension to the concessionary fares, authorities report rises of over 150% in payments to operators compared with the position in 2005/06. We believe that the government, in conjunction with the LGA should, examine whether the £350m for implementing the 2006 extension of concessionary fares was sufficient and fund any shortfall;
- The LGA welcomes the decision to pay the extra costs for the 2008 scheme in the form of a specific grant. However the government should keep under review whether the amount (£212m in 2008/09) is sufficient and whether the increases in 2009/10 and 2010/11 reflect the pressures. Ultimately the grant should reflect actual costs to authorities.
- Authorities are reporting difficulties in estimating the precise cost in the run-up to April 1st. One shire district has told the LGA that it estimates costs in 2008/09 of between £2.3 million and £2.7 million, which compares with the government's specific grant of £463,000 and RSG of £1.1 million. A particular pressure is appeals from operators.

Equal Pay claims

- As detailed in a report by Local Government Employers, many authorities are facing pressures from equal pay claims. The total burden, including back pay, is estimated to be around £2.8bn. We welcome the government's decision to allow this to spread across years. But, to allow for the most effective management of this pressure, the government should allow Councils complete freedom on whether, when and to what extent they capitalise settlements for equal pay claims. We believe that this flexibility would present a negligible risk to the government's overall fiscal framework.

In addition to the cost pressures mentioned above there are areas where central Government policy has generated cost increases for local authorities. The LGA has argued that such transfers of funding to reflect movement of cost from central to local government should be clearly identifiable in the settlement.⁴³

We recommend that the Government sets out transparently how these matters have been dealt with in the settlement. Where appropriate, the Government should confirm additional funding. The principal issues involve:

- The £40m p.a. increase in public law family fees on which the Ministry of Justice is currently consulting
- Increased costs attributable to the landfill tax escalator, which the LGA estimates will add £78m/£150m/£215m to authorities' costs over the three year period even if local authorities continue to divert waste away from landfill at a rate of 4% per year.
- Additional costs for proposed enhanced reporting of financial statistics and changes to audit arrangements
- An additional burden of £4.5m in 2008-09 from new limits for means tested student support

⁴³ *ibid*

VII Appendix A: Local Authority Tables and Maps

Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
GREATER LONDON									
City of London	101.4	12,297.12	2.0%	103.1	12,302.94	1.8%	104.7	12,283.64	1.5%
Camden	160.5	669.81	2.0%	163.4	669.21	1.9%	167.3	672.89	2.4%
Greenwich	159.7	700.52	2.0%	163.1	709.97	2.2%	166.8	720.67	2.3%
Hackney	213.1	1,021.30	2.0%	216.8	1,036.01	1.8%	220.0	1,048.16	1.5%
Hammersmith and Fulham	117.1	666.35	2.0%	119.2	672.97	1.8%	120.9	678.04	1.5%
Islington	155.3	836.40	2.0%	157.9	846.85	1.8%	160.2	855.27	1.5%
Kensington and Chelsea	102.6	521.51	2.0%	104.4	518.44	1.8%	106.0	514.86	1.5%
Lambeth	207.3	765.53	2.0%	210.8	777.08	1.8%	213.9	786.60	1.5%
Lewisham	174.6	694.48	2.0%	177.6	706.02	1.8%	180.2	715.87	1.5%
Southwark	223.5	839.26	2.0%	227.4	849.32	1.8%	230.7	857.51	1.5%
Tower Hamlets	225.0	1,023.76	2.0%	228.8	1,029.68	1.8%	232.2	1,033.63	1.5%
Wandsworth	145.5	516.60	2.0%	148.0	521.76	1.8%	150.2	525.68	1.5%
Westminster	175.8	685.99	2.0%	178.8	680.99	1.8%	181.5	675.76	1.5%
Barking and Dagenham	95.4	571.84	5.5%	99.2	593.08	4.0%	102.8	612.79	3.6%
Barnet	90.1	268.94	2.0%	91.9	272.57	2.2%	94.6	278.22	2.9%
Bexley	63.6	285.47	2.0%	64.6	289.14	1.8%	65.6	292.31	1.5%
Brent	159.4	588.30	2.0%	162.1	597.66	1.8%	164.5	605.54	1.5%
Bromley	63.2	210.60	2.0%	64.2	213.40	1.8%	65.1	215.86	1.5%
Croydon	114.9	338.62	2.0%	116.8	343.50	1.8%	118.5	347.71	1.5%
Ealing	140.0	459.94	2.0%	142.3	468.05	1.8%	144.4	475.08	1.5%
Enfield	114.5	399.90	4.5%	118.3	411.89	3.4%	121.9	423.01	3.1%
Haringey	140.2	632.85	2.0%	142.5	644.30	1.8%	144.6	654.10	1.5%
Harrow	65.7	305.60	2.0%	66.8	309.79	1.8%	67.8	313.38	1.5%
Havering	53.7	236.50	2.0%	54.5	239.89	1.8%	55.3	242.90	1.5%
Hillingdon	81.3	324.43	2.0%	82.8	329.35	2.0%	84.4	334.82	2.0%
Hounslow	88.7	413.52	2.0%	90.1	420.59	1.8%	91.4	426.76	1.5%
Kingston upon Thames	36.1	228.40	2.0%	36.7	230.33	1.8%	37.2	231.87	1.5%
Merton	65.7	331.10	2.0%	66.8	334.65	1.8%	67.7	337.54	1.5%
Newham	211.0	822.31	4.8%	217.9	846.97	3.3%	224.0	868.30	2.8%
Redbridge	91.5	358.44	4.9%	94.8	368.83	3.7%	98.0	378.64	3.4%
Richmond upon Thames	27.2	147.73	2.0%	27.6	148.81	1.8%	28.0	149.68	1.5%
Sutton	52.9	287.05	2.0%	53.7	290.83	1.8%	54.5	294.07	1.5%
Waltham Forest	118.6	542.14	2.0%	120.8	552.89	1.9%	123.0	563.38	1.8%
GLA - all functions	2,187.0		2.3%	2,236.6		2.3%	2,287.3		2.3%
GLA - police	1,930.0	254.30	2.5%	1,978.3	259.27	2.5%	2,027.7	264.31	2.5%
GLA - fire	257.0	33.82	1.0%	258.3	33.81	0.5%	259.6	33.80	0.5%

Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
GREATER MANCHESTER									
Bolton	119.7	450.49	5.0%	123.8	465.01	3.6%	127.6	477.82	3.1%
Bury	63.1	344.81	3.2%	64.7	352.76	2.6%	66.1	359.88	2.3%
Manchester	328.1	712.87	3.6%	336.1	722.90	2.5%	342.4	729.62	1.9%
Oldham	113.0	513.34	6.0%	117.5	533.44	4.1%	121.6	551.05	3.5%
Rochdale	102.2	486.10	5.4%	106.1	502.59	3.9%	109.7	517.49	3.4%
Salford	125.1	579.98	3.4%	128.0	593.42	2.3%	130.2	603.85	1.8%
Stockport	79.6	282.55	3.1%	81.6	289.65	2.6%	83.4	296.33	2.3%
Tameside	98.9	458.95	5.2%	102.4	474.14	3.6%	105.5	487.24	3.0%
Trafford	67.7	318.13	2.0%	68.8	322.52	1.8%	69.8	326.26	1.5%
Wigan	124.5	406.06	5.3%	129.0	419.88	3.7%	133.1	432.00	3.2%
Greater Manchester Fire	73.5	28.59	2.1%	74.4	28.85	1.2%	75.3	29.10	1.2%
Greater Manchester Police	445.6	173.30	3.0%	458.9	177.90	3.0%	472.5	182.54	3.0%
MERSEYSIDE									
Knowsley	114.8	763.69	2.0%	116.7	777.09	1.8%	118.5	789.07	1.5%
Liverpool	315.0	728.75	2.0%	320.3	743.13	1.8%	325.1	755.94	1.5%
Sefton	118.6	424.76	3.4%	121.7	436.59	2.7%	124.7	447.61	2.4%
St Helens	82.7	465.04	5.2%	85.6	480.55	3.5%	88.0	493.66	2.8%
Wirral	147.4	468.77	4.8%	152.7	485.29	3.7%	157.9	501.14	3.4%
Merseyside Fire	45.8	33.85	1.0%	46.1	34.05	0.5%	46.3	34.25	0.5%
Merseyside Police	260.6	192.41	2.7%	267.4	197.65	2.6%	274.3	202.89	2.6%
SOUTH YORKSHIRE									
Barnsley	102.8	457.59	5.6%	106.6	472.63	3.8%	109.9	485.31	3.1%
Doncaster	134.1	460.18	5.2%	138.9	475.82	3.7%	143.2	489.77	3.2%
Rotherham	114.1	447.11	6.2%	118.9	464.30	4.3%	123.3	479.89	3.7%
Sheffield	267.2	512.91	2.5%	272.7	522.45	2.1%	277.6	530.84	1.8%
South Yorkshire Fire	35.5	27.44	3.3%	36.1	27.89	1.9%	36.8	28.31	1.8%
South Yorkshire Police	199.1	154.08	2.6%	204.1	157.57	2.5%	209.2	161.10	2.5%
TYNE AND WEAR									
Gateshead	102.5	543.05	2.0%	104.3	553.22	1.8%	105.8	562.30	1.5%
Newcastle upon Tyne	161.8	610.38	2.0%	164.5	622.12	1.8%	167.0	632.59	1.5%
North Tyneside	85.2	434.12	2.0%	86.6	439.56	1.8%	87.9	444.16	1.5%
South Tyneside	87.5	586.47	2.0%	89.0	598.53	1.8%	90.3	609.41	1.5%
Sunderland	151.5	545.48	2.7%	154.6	558.84	2.2%	157.5	570.84	1.8%
Tyne and Wear Fire	34.7	32.27	2.4%	35.2	32.72	1.3%	35.6	33.12	1.1%
Northumbria Police	243.8	175.64	2.5%	249.9	180.15	2.5%	256.2	184.76	2.5%
WEST MIDLANDS									
Birmingham	639.6	632.00	4.6%	660.1	650.03	3.3%	678.0	665.37	2.7%
Coventry	145.4	478.76	3.8%	149.4	492.06	2.8%	153.0	503.74	2.4%
Dudley	117.9	386.28	4.8%	121.9	399.34	3.5%	125.6	411.09	3.0%
Sandwell	171.6	595.53	5.6%	177.9	616.25	3.7%	183.3	633.54	3.0%
Solihull	53.0	259.16	2.0%	53.9	262.62	1.8%	54.6	265.66	1.5%
Walsall	128.8	508.11	4.9%	133.3	525.80	3.5%	137.2	541.53	3.0%
Wolverhampton	138.4	587.98	2.8%	141.4	601.81	2.2%	144.1	613.99	1.9%
West Midlands Fire	79.0	30.35	2.0%	79.9	30.65	1.2%	80.8	30.95	1.1%
West Midlands Police	468.0	179.85	4.0%	486.1	186.47	3.9%	504.3	193.11	3.7%
WEST YORKSHIRE									
Bradford	254.4	507.97	5.2%	263.6	521.91	3.7%	272.0	533.80	3.2%
Calderdale	77.0	386.03	4.2%	79.3	395.86	3.2%	81.5	404.55	2.8%
Kirklees	146.1	362.83	5.7%	151.9	375.06	4.0%	157.1	385.89	3.5%
Leeds	292.2	391.60	2.7%	298.2	397.71	2.1%	303.4	402.77	1.8%
Wakefield	132.5	407.98	4.9%	137.1	420.39	3.5%	141.2	431.29	3.1%
West Yorkshire Fire	55.3	25.43	3.2%	56.4	25.78	2.0%	57.5	26.14	2.0%
West Yorkshire Police	328.2	150.99	3.4%	339.2	155.15	3.4%	350.5	159.39	3.3%

Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
ALL PURPOSE AUTHORITIES									
Bath & North East Somerset	38.5	215.79	4.7%	40.0	222.71	4.0%	41.6	230.02	4.0%
Blackburn with Darwen	73.5	515.05	9.5%	77.8	543.50	6.0%	81.6	568.29	4.9%
Blackpool	75.2	515.59	7.0%	78.6	536.72	4.7%	81.8	555.29	4.0%
Bournemouth	53.3	329.33	2.0%	54.2	334.32	1.8%	55.0	338.63	1.5%
Bracknell Forest	25.3	227.29	2.0%	25.7	230.58	1.8%	26.1	233.50	1.5%
Brighton & Hove	105.8	419.44	2.0%	107.6	424.72	1.8%	109.2	429.13	1.5%
Bristol	158.1	385.89	4.3%	162.9	394.71	3.0%	166.9	401.82	2.5%
Darlington	36.6	368.35	4.7%	37.8	379.04	3.3%	38.8	388.46	2.8%
Derby	102.3	431.36	5.6%	106.2	446.33	3.9%	109.6	459.29	3.3%
East Riding of Yorkshire	92.5	270.55	6.3%	96.9	280.44	4.9%	101.3	290.38	4.7%
Halton	60.8	510.84	3.9%	62.5	524.94	2.9%	64.0	537.44	2.4%
Hartlepool	48.0	520.20	5.6%	49.8	538.32	3.9%	51.5	554.39	3.4%
Herefordshire	53.3	295.74	4.8%	55.4	305.83	4.0%	57.6	316.59	4.0%
Isle of Wight Council	56.7	399.91	5.9%	59.1	412.98	4.3%	61.4	425.01	3.9%
Kingston upon Hull	141.4	557.93	5.9%	147.0	580.08	4.0%	152.0	599.58	3.4%
Leicester	171.6	602.79	5.1%	177.4	622.73	3.4%	182.4	639.56	2.8%
Luton	83.4	449.83	5.9%	86.8	467.96	4.1%	89.9	484.58	3.6%
Medway	79.1	308.54	5.6%	82.2	319.18	4.0%	85.1	328.95	3.6%
Middlesbrough	79.5	588.12	4.3%	81.7	608.44	2.9%	83.6	625.85	2.3%
Milton Keynes	81.2	355.10	5.5%	84.4	365.08	4.0%	87.3	373.98	3.5%
North East Lincolnshire	67.2	421.11	6.3%	70.1	438.94	4.4%	72.8	455.08	3.8%
North Lincolnshire	57.1	352.36	7.2%	59.8	366.41	4.8%	62.3	378.78	4.1%
North Somerset	48.5	236.56	4.7%	50.3	242.35	3.7%	52.0	247.95	3.5%
Nottingham	161.2	566.89	6.1%	167.4	586.60	3.9%	172.6	602.52	3.1%
Peterborough	71.5	431.08	6.0%	74.4	445.54	4.1%	77.0	458.21	3.5%
Plymouth	100.7	408.82	3.7%	103.5	419.04	2.8%	106.0	428.24	2.5%
Poole	26.1	192.47	2.0%	26.5	195.78	1.8%	26.9	198.75	1.5%
Portsmouth	84.7	429.03	2.0%	86.1	433.83	1.8%	87.5	438.27	1.6%
Reading	53.7	381.25	2.0%	54.6	387.99	1.8%	55.4	393.96	1.5%
Redcar and Cleveland	64.4	461.32	5.2%	66.7	477.86	3.6%	68.7	492.64	3.1%
Rutland	6.8	177.48	11.8%	7.3	188.71	7.2%	7.7	198.89	6.2%
Slough	55.0	468.43	2.0%	55.9	477.32	1.8%	56.8	485.22	1.5%
South Gloucestershire	56.8	217.97	3.9%	58.7	223.49	3.6%	60.8	229.48	3.6%
Southampton	96.3	420.57	2.3%	98.3	426.64	2.1%	100.1	432.36	1.9%
Southend-on-Sea	59.2	370.23	2.0%	60.3	376.62	2.0%	61.5	383.42	2.0%
Stockton-on-Tees	73.9	385.98	4.1%	76.1	395.55	3.1%	78.2	404.07	2.7%
Stoke-on-Trent	118.0	498.69	6.9%	123.1	521.15	4.3%	127.3	540.11	3.5%
Swindon	49.1	263.82	2.0%	49.9	267.00	1.8%	50.6	269.75	1.5%
Telford and the Wrekin	64.0	385.42	8.0%	67.4	402.94	5.3%	70.5	418.80	4.7%
Thurrock	56.1	373.82	5.0%	58.0	384.08	3.5%	59.8	393.07	3.0%
Torbay	53.2	384.70	8.0%	56.1	402.16	5.7%	59.0	418.43	5.1%
Warrington	52.4	270.13	2.0%	53.3	274.06	1.8%	54.0	277.52	1.5%
West Berkshire	28.4	193.91	2.0%	28.8	196.69	1.8%	29.2	199.25	1.5%
Windsor and Maidenhead	18.3	131.22	2.0%	18.5	132.69	1.8%	18.8	134.00	1.5%
Wokingham	19.0	123.79	2.0%	19.3	125.28	1.8%	19.6	126.69	1.5%
York	42.4	216.88	3.2%	43.5	220.61	2.7%	44.6	224.19	2.5%
Isles of Scilly	2.2	961.13	12.5%	2.2	983.16	3.1%	2.3	1,007.51	2.8%

Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
SHIRE COUNTIES									
Bedfordshire	69	166.09	2.0%	70	167.07	1.9%	72	169.55	2.6%
Buckinghamshire	58	118.79	2.0%	59	120.24	1.8%	60	121.62	1.5%
Cambridgeshire	107	177.71	2.0%	109	179.11	1.9%	111	181.17	2.2%
Cheshire	101	146.47	2.1%	104	149.65	2.7%	107	153.71	3.1%
Cornwall	149	277.50	7.9%	157	290.38	5.8%	166	302.94	5.4%
Cumbria	130	260.00	8.4%	137	273.98	5.8%	145	287.28	5.2%
Derbyshire	165	216.39	9.4%	175	228.82	6.4%	185	240.53	5.7%
Devon	145	192.98	7.0%	153	201.44	5.5%	161	210.29	5.4%
Dorset	44	107.80	10.9%	47	114.99	7.6%	51	122.31	7.1%
Durham	162	325.20	7.2%	169	340.41	4.8%	176	354.11	4.1%
East Sussex	94	181.35	3.0%	97	185.78	3.3%	100	191.07	3.6%
Essex	233	168.84	2.0%	239	172.02	2.8%	247	176.43	3.3%
Gloucestershire	109	186.74	4.1%	113	192.81	3.8%	117	199.45	3.9%
Hampshire	143	111.75	2.0%	145	112.97	1.8%	147	114.08	1.5%
Hertfordshire	171	159.39	2.0%	173	160.98	1.8%	176	162.38	1.5%
Kent	259	184.57	3.4%	267	188.81	3.2%	276	193.42	3.2%
Lancashire	272	230.56	8.1%	287	242.16	5.7%	302	253.20	5.1%
Leicestershire	93	144.80	5.0%	97	149.84	4.3%	101	155.25	4.3%
Lincolnshire	172	242.56	9.1%	182	254.38	6.2%	192	265.30	5.5%
Norfolk	214	252.16	8.7%	226	264.72	6.0%	238	276.44	5.3%
North Yorkshire	95	157.49	6.3%	99	164.14	5.2%	104	171.34	5.2%
Northamptonshire	144	212.34	4.4%	149	217.94	3.7%	154	223.71	3.6%
Northumberland	93	298.81	4.7%	97	309.33	3.8%	100	319.92	3.7%
Nottinghamshire	159	203.46	8.7%	168	214.01	5.9%	176	223.63	5.1%
Oxfordshire	103	160.50	2.0%	105	162.00	1.8%	106	163.30	1.5%
Shropshire	63	216.59	5.6%	66	225.35	4.7%	69	234.67	4.7%
Somerset	98	185.61	8.4%	104	194.86	6.0%	110	203.90	5.5%
Staffordshire	143	172.85	6.9%	150	180.82	5.1%	157	188.66	4.7%
Suffolk	155	217.94	6.8%	162	226.48	4.9%	169	234.51	4.4%
Surrey	124	113.57	2.0%	126	114.83	1.8%	127	115.98	1.5%
Warwickshire	86	163.29	3.0%	89	167.14	3.2%	92	171.63	3.4%
West Sussex	96	122.85	2.0%	97	124.15	1.8%	99	125.30	1.5%
Wiltshire	69	150.93	2.0%	70	152.12	1.8%	72	153.63	1.8%
Worcestershire	83	149.52	4.2%	86	154.97	4.2%	90	161.31	4.5%

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	2008/09			Provisional 2009/10			Provisional 2010/11		
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BEDFORDSHIRE									
Bedford	14.394	89.87	2.6%	14.762	91.18	2.6%	15.123	92.41	2.4%
Mid Bedfordshire	8.123	58.96	3.8%	8.453	60.45	4.1%	8.771	61.84	3.8%
South Bedfordshire	8.759	74.55	1.5%	8.871	75.10	1.3%	8.989	75.69	1.3%
BUCKINGHAMSHIRE									
Aylesbury Vale	11.619	67.55	1.1%	11.748	67.96	1.1%	11.927	68.67	1.5%
Chiltern	3.911	43.57	1.0%	3.931	43.76	0.5%	3.950	43.95	0.5%
South Bucks	2.985	46.22	1.0%	3.000	46.21	0.5%	3.015	46.22	0.5%
Wycombe	10.045	62.43	1.0%	10.095	62.75	0.5%	10.145	63.08	0.5%
CAMBRIDGESHIRE									
Cambridge	12.315	103.79	1.0%	12.376	103.55	0.5%	12.438	103.36	0.5%
East Cambridgeshire	6.630	81.53	1.0%	6.684	81.11	0.8%	6.755	80.92	1.1%
Fenland	9.085	98.17	3.6%	9.377	100.14	3.2%	9.622	101.59	2.6%
Huntingdonshire	12.157	71.66	3.6%	12.572	73.48	3.4%	12.939	74.98	2.9%
South Cambridgeshire	7.711	55.39	1.0%	7.750	55.13	0.5%	7.823	55.13	1.0%
CHESHIRE									
Chester	9.949	83.00	1.0%	9.999	83.24	0.5%	10.049	83.49	0.5%
Congleton	5.346	57.17	1.1%	5.402	57.56	1.0%	5.473	58.10	1.3%
Crewe and Nantwich	9.538	80.67	1.6%	9.650	80.97	1.2%	9.753	81.21	1.1%
Ellesmere Port and Neston	7.004	86.42	1.0%	7.039	86.98	0.5%	7.074	87.52	0.5%
Macclesfield	8.008	53.15	1.0%	8.048	53.38	0.5%	8.088	53.61	0.5%
Vale Royal	9.099	70.45	1.2%	9.204	70.74	1.2%	9.339	71.28	1.5%
CORNWALL									
Caradon	6.568	78.01	2.1%	6.701	79.02	2.0%	6.837	80.05	2.0%
Carrick	7.563	81.48	1.2%	7.651	81.73	1.2%	7.760	82.22	1.4%
Kerrier	9.321	93.46	2.2%	9.504	94.35	2.0%	9.678	95.15	1.8%
North Cornwall	7.616	86.57	1.6%	7.735	86.92	1.6%	7.875	87.48	1.8%
Penwith	6.131	93.16	1.3%	6.199	93.58	1.1%	6.282	94.20	1.3%
Restormel	9.174	86.65	2.4%	9.371	87.37	2.2%	9.553	87.94	1.9%
CUMBRIA									
Allerdale	10.527	110.97	1.0%	10.580	111.41	0.5%	10.633	111.85	0.5%
Barrow-in-Furness	8.887	124.42	2.0%	9.005	126.21	1.3%	9.084	127.49	0.9%
Carlisle	10.269	98.67	1.0%	10.320	98.79	0.5%	10.372	98.91	0.5%
Copeland	7.151	102.78	1.2%	7.187	103.39	0.5%	7.223	104.03	0.5%
Eden	4.512	84.72	1.3%	4.571	85.16	1.3%	4.646	85.90	1.6%
South Lakeland	6.847	63.93	1.0%	6.881	63.89	0.5%	6.915	63.84	0.5%
DERBYSHIRE									
Amber Valley	9.591	79.11	1.9%	9.741	79.90	1.6%	9.879	80.57	1.4%
Bolsover	7.788	102.72	1.5%	7.863	102.95	1.0%	7.927	103.05	0.8%
Chesterfield	10.020	99.32	1.2%	10.088	99.73	0.7%	10.150	100.08	0.6%
Derbyshire Dales	4.775	68.11	1.0%	4.799	68.35	0.5%	4.823	68.59	0.5%
Erewash	9.515	85.26	1.5%	9.609	85.81	1.0%	9.686	86.21	0.8%
High Peak	7.064	76.91	1.0%	7.104	77.05	0.6%	7.147	77.21	0.6%
North East Derbyshire	7.759	79.00	1.5%	7.834	79.61	1.0%	7.897	80.09	0.8%
South Derbyshire	6.942	75.13	2.9%	7.135	76.15	2.8%	7.314	77.01	2.5%
DEVON									
East Devon	7.810	58.13	1.1%	7.948	58.58	1.8%	8.157	59.55	2.6%
Exeter	11.893	101.24	1.4%	11.999	101.32	0.9%	12.090	101.32	0.8%
Mid Devon	5.938	77.65	2.1%	6.059	78.30	2.0%	6.186	79.03	2.1%
North Devon	7.925	84.30	2.3%	8.103	85.39	2.2%	8.286	86.51	2.3%
South Hams	5.452	65.36	1.0%	5.480	65.48	0.5%	5.549	66.08	1.3%
Teignbridge	9.564	74.52	1.6%	9.723	75.16	1.7%	9.906	75.97	1.9%
Torridge	6.076	91.19	3.0%	6.258	92.58	3.0%	6.433	93.82	2.8%
West Devon	4.201	80.65	1.6%	4.266	81.24	1.5%	4.340	82.02	1.7%
DORSET									
Christchurch	2.890	63.55	1.0%	2.905	63.69	0.5%	2.919	63.81	0.5%
East Dorset	3.651	41.84	1.0%	3.669	41.83	0.5%	3.742	42.44	2.0%
North Dorset	4.351	64.07	2.0%	4.446	64.82	2.2%	4.553	65.72	2.4%
Purbeck	3.295	72.67	1.0%	3.311	72.83	0.5%	3.328	72.96	0.5%
West Dorset	8.174	83.36	1.0%	8.215	83.23	0.5%	8.256	83.07	0.5%
Weymouth and Portland	5.886	89.20	1.8%	5.968	89.92	1.4%	6.041	90.50	1.2%
DURHAM									
Chester-le-Street	5.121	97.19	1.0%	5.147	97.91	0.5%	5.173	98.62	0.5%
Derwentside	9.016	103.64	1.0%	9.061	103.85	0.5%	9.107	104.08	0.5%
Durham	8.607	96.22	1.0%	8.650	96.60	0.5%	8.693	97.02	0.5%
Easington	12.182	132.15	1.0%	12.243	133.18	0.5%	12.304	134.21	0.5%
Sedgefield	9.791	110.45	1.5%	9.880	111.25	0.9%	9.949	111.85	0.7%
Teesdale	2.448	98.34	1.1%	2.471	99.07	0.9%	2.499	100.03	1.2%
Wear Valley	7.554	122.27	1.1%	7.592	122.88	0.5%	7.630	123.45	0.5%
EAST SUSSEX									
Eastbourne	10.287	104.82	1.0%	10.338	104.10	0.5%	10.420	103.71	0.8%
Hastings	10.145	115.79	1.9%	10.298	117.00	1.5%	10.437	118.02	1.3%
Lewes	6.228	65.09	1.4%	6.324	65.76	1.5%	6.445	66.68	1.9%
Rother	6.520	73.16	1.0%	6.552	73.10	0.5%	6.585	73.03	0.5%
Wealden	7.974	54.41	1.0%	8.078	54.80	1.3%	8.259	55.71	2.2%

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ESSEX									
Basildon	15.437	90.57	1.4%	15.640	91.35	1.3%	15.882	92.35	1.6%
Braintree	9.662	67.08	2.7%	9.941	68.22	2.9%	10.231	69.41	2.9%
Brentwood	5.176	72.22	1.0%	5.202	72.21	0.5%	5.228	72.21	0.5%
Castle Point	6.302	70.84	3.1%	6.485	72.67	2.9%	6.650	74.30	2.5%
Chelmsford	10.017	60.71	2.5%	10.255	61.76	2.4%	10.480	62.72	2.2%
Colchester	12.385	71.91	2.9%	12.681	72.78	2.4%	12.911	73.26	1.8%
Epping Forest	9.322	75.45	1.0%	9.368	75.56	0.5%	9.415	75.64	0.5%
Harlow	8.815	113.19	1.0%	8.859	113.75	0.5%	8.903	114.27	0.5%
Maldon	4.190	66.28	2.5%	4.310	67.55	2.9%	4.440	68.95	3.0%
Rochford	4.906	60.02	2.2%	5.013	61.00	2.2%	5.121	62.00	2.2%
Tendring	13.438	89.96	3.0%	13.831	91.61	2.9%	14.199	93.06	2.7%
Uttlesford	4.065	57.12	1.0%	4.086	57.18	0.5%	4.106	57.24	0.5%
GLOUCESTERSHIRE									
Cheltenham	8.731	79.02	1.0%	8.775	79.32	0.5%	8.819	79.62	0.5%
Cotswold	5.219	62.05	1.0%	5.262	62.26	0.8%	5.360	63.11	1.9%
Forest of Dean	6.584	79.70	2.2%	6.717	80.94	2.0%	6.847	82.15	1.9%
Gloucester	10.747	94.79	1.0%	10.800	94.87	0.5%	10.854	94.96	0.5%
Stroud	6.954	62.54	1.5%	7.060	63.25	1.5%	7.184	64.12	1.8%
Tewkesbury	5.220	65.22	1.0%	5.250	65.22	0.6%	5.311	65.58	1.2%
HAMPSHIRE									
Basingstoke and Deane	9.712	60.52	2.3%	9.918	61.43	2.1%	10.123	62.32	2.1%
East Hampshire	6.151	55.57	1.0%	6.182	55.72	0.5%	6.213	55.87	0.5%
Eastleigh	7.589	63.61	1.4%	7.676	64.01	1.1%	7.767	64.45	1.2%
Fareham	6.174	56.09	1.0%	6.205	56.18	0.5%	6.236	56.28	0.5%
Gosport	7.224	92.43	1.0%	7.260	92.56	0.5%	7.296	92.67	0.5%
Hart	3.796	41.73	1.0%	3.815	41.60	0.5%	3.854	41.72	1.0%
Havant	9.778	83.28	1.0%	9.827	83.58	0.5%	9.898	84.05	0.7%
New Forest	11.392	64.72	1.0%	11.468	64.83	0.7%	11.629	65.42	1.4%
Rushmoor	6.940	80.38	1.0%	6.974	81.01	0.5%	7.009	81.60	0.5%
Test Valley	6.745	58.11	2.3%	6.920	59.20	2.6%	7.110	60.42	2.7%
Winchester	6.944	62.57	1.0%	6.978	62.61	0.5%	7.013	62.64	0.5%
HERTFORDSHIRE									
Broxbourne	6.835	76.39	1.0%	6.884	76.53	0.7%	6.962	77.01	1.1%
Dacorum	9.623	69.01	1.0%	9.671	69.21	0.5%	9.719	69.40	0.5%
East Hertfordshire	8.101	60.28	1.0%	8.141	60.26	0.5%	8.182	60.25	0.5%
Hertsmere	7.829	81.51	1.0%	7.868	81.54	0.5%	7.908	81.55	0.5%
North Hertfordshire	7.742	62.03	1.5%	7.886	62.61	1.9%	8.070	63.49	2.3%
St Albans	7.592	56.43	1.0%	7.630	56.31	0.5%	7.668	56.19	0.5%
Stenage	7.775	96.66	1.0%	7.814	96.84	0.5%	7.853	97.00	0.5%
Three Rivers	5.642	64.30	1.0%	5.670	64.10	0.5%	5.698	63.93	0.5%
Watford	7.992	99.76	1.0%	8.032	100.06	0.5%	8.072	100.33	0.5%
Welwyn Hatfield	7.303	69.74	4.6%	7.625	72.26	4.4%	7.902	74.32	3.6%
KENT									
Ashford	7.997	69.87	1.3%	8.142	70.17	1.8%	8.345	70.95	2.5%
Canterbury	12.559	83.05	2.9%	12.906	84.32	2.8%	13.231	85.44	2.5%
Dartford	7.305	81.48	1.5%	7.395	82.03	1.2%	7.488	82.62	1.3%
Dover	10.113	92.32	1.0%	10.164	92.18	0.5%	10.215	92.04	0.5%
Gravesham	8.224	84.88	1.6%	8.332	85.82	1.3%	8.439	86.74	1.3%
Maidstone	9.416	65.02	1.0%	9.463	64.95	0.5%	9.511	64.88	0.5%
Sevenoaks	6.285	55.80	1.0%	6.317	55.87	0.5%	6.348	55.95	0.5%
Shepway	9.897	96.31	1.0%	9.947	95.85	0.5%	10.020	95.62	0.7%
Swale	11.851	89.62	1.7%	12.002	89.86	1.3%	12.134	89.97	1.1%
Thanet	13.021	99.15	1.5%	13.163	99.67	1.1%	13.310	100.19	1.1%
Tonbridge and Malling	6.452	56.31	1.0%	6.484	56.23	0.5%	6.522	56.20	0.6%
Tunbridge Wells	6.925	65.88	1.0%	6.960	66.11	0.5%	6.995	66.29	0.5%
LANCASHIRE									
Burnley	11.767	135.15	1.2%	11.826	136.26	0.5%	11.885	137.32	0.5%
Chorley	8.221	77.49	2.0%	8.358	78.22	1.7%	8.487	78.86	1.5%
Fylde	5.600	71.38	1.9%	5.719	72.24	2.1%	5.859	73.34	2.4%
Hyndburn	9.899	119.79	2.1%	10.052	121.38	1.5%	10.172	122.53	1.2%
Lancaster	15.523	106.47	3.4%	15.994	108.69	3.0%	16.377	110.29	2.4%
Pendle	10.868	120.35	2.0%	11.018	121.75	1.4%	11.125	122.66	1.0%
Preston	15.823	119.94	1.0%	15.902	120.28	0.5%	15.981	120.61	0.5%
Ribble Valley	3.859	64.32	3.1%	3.997	65.84	3.6%	4.142	67.48	3.6%
Rossendale	6.208	93.45	1.0%	6.239	93.81	0.5%	6.270	94.16	0.5%
South Ribble	7.384	68.49	1.5%	7.464	68.88	1.1%	7.534	69.19	0.9%
West Lancashire	9.456	85.61	1.0%	9.503	85.83	0.5%	9.559	86.15	0.6%
Wyre	9.816	85.91	3.1%	10.132	87.78	3.2%	10.438	89.53	3.0%
LEICESTERSHIRE									
Blaby	6.142	65.70	2.7%	6.293	67.04	2.5%	6.425	68.17	2.1%
Charnwood	12.001	74.94	2.9%	12.289	76.38	2.4%	12.514	77.43	1.8%
Harborough	5.175	61.85	2.2%	5.305	62.74	2.5%	5.450	63.81	2.7%
Hinckley and Bosworth	7.042	67.57	2.9%	7.225	69.02	2.6%	7.386	70.23	2.2%
Melton	3.815	76.33	1.6%	3.872	77.01	1.5%	3.932	77.78	1.6%
North West Leicestershire	6.882	74.76	2.1%	7.015	75.51	1.9%	7.146	76.20	1.9%
Oadby and Wigston	4.513	79.01	2.3%	4.590	79.99	1.7%	4.649	80.65	1.3%

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LINCOLNSHIRE									
Boston	6.915	113.82	2.9%	7.099	115.65	2.7%	7.262	117.10	2.3%
East Lindsey	16.389	113.62	3.2%	16.899	115.69	3.1%	17.378	117.52	2.8%
Lincoln	10.484	119.61	1.0%	10.537	119.81	0.5%	10.589	119.98	0.5%
North Kesteven	8.342	76.72	2.6%	8.553	77.35	2.5%	8.756	77.92	2.4%
South Holland	8.433	97.65	3.5%	8.719	99.52	3.4%	8.982	101.10	3.0%
South Kesteven	9.881	74.96	1.9%	10.025	75.55	1.5%	10.147	75.96	1.2%
West Lindsey	7.866	88.34	2.9%	8.055	89.50	2.5%	8.224	90.32	2.1%
NORFOLK									
Breckland	10.772	82.08	2.9%	11.058	83.38	2.7%	11.309	84.40	2.3%
Broadland	8.087	64.66	2.3%	8.279	65.66	2.4%	8.477	66.68	2.4%
Great Yarmouth	10.434	108.80	2.0%	10.614	109.88	1.7%	10.782	110.83	1.6%
King's Lynn and West Norfolk	14.697	101.43	2.5%	15.049	102.94	2.4%	15.391	104.36	2.3%
North Norfolk	8.774	85.35	1.1%	8.872	85.72	1.1%	9.007	86.44	1.5%
Norwich	15.523	120.73	2.0%	15.741	121.68	1.4%	15.914	122.29	1.1%
South Norfolk	8.098	67.80	1.8%	8.243	68.38	1.8%	8.400	69.06	1.9%
NORTH YORKSHIRE									
Craven	4.102	73.59	1.3%	4.153	74.14	1.3%	4.215	74.88	1.5%
Hambleton	5.631	64.32	1.1%	5.706	64.83	1.3%	5.811	65.69	1.8%
Harrogate	10.865	68.32	1.6%	11.052	69.04	1.7%	11.268	69.94	2.0%
Richmondshire	4.000	74.11	2.9%	4.127	75.29	3.2%	4.255	76.52	3.1%
Ryedale	4.253	79.29	2.9%	4.385	81.29	3.1%	4.520	83.31	3.1%
Scarborough	12.203	110.81	1.6%	12.354	111.71	1.2%	12.502	112.57	1.2%
Selby	6.576	81.16	1.8%	6.670	81.68	1.4%	6.759	82.14	1.3%
NORTHAMPTONSHIRE									
Corby	5.670	104.01	1.3%	5.698	104.21	0.5%	5.727	104.42	0.5%
Daventry	5.798	71.54	2.9%	5.977	72.72	3.1%	6.157	73.94	3.0%
East Northamptonshire	6.294	72.00	3.0%	6.482	72.98	3.0%	6.661	73.81	2.8%
Kettering	7.000	77.54	2.6%	7.152	78.24	2.2%	7.279	78.69	1.8%
Northampton	18.743	95.05	1.2%	18.842	95.37	0.5%	18.936	95.64	0.5%
South Northamptonshire	5.368	59.36	3.6%	5.584	60.88	4.0%	5.799	62.39	3.9%
Wellingborough	6.718	88.33	2.6%	6.862	89.62	2.2%	6.984	90.58	1.8%
NORTHUMBERLAND									
Alnwick	2.885	89.43	1.0%	2.899	89.43	0.5%	2.914	89.47	0.5%
Berwick-upon-Tweed	2.798	106.63	1.0%	2.812	106.98	0.5%	2.831	107.51	0.7%
Blyth Valley	8.897	108.48	1.0%	8.941	108.78	0.5%	8.986	109.08	0.5%
Castle Morpeth	3.608	73.29	1.0%	3.626	73.72	0.5%	3.644	74.14	0.5%
Tynedale	4.634	76.97	1.0%	4.657	77.09	0.5%	4.689	77.38	0.7%
Wansbeck	7.106	115.58	1.0%	7.142	116.09	0.5%	7.177	116.62	0.5%
NOTTINGHAMSHIRE									
Ashfield	11.049	94.31	2.7%	11.288	95.74	2.2%	11.471	96.66	1.6%
Bassetlaw	11.026	96.63	1.7%	11.173	97.24	1.3%	11.312	97.77	1.2%
Broxtowe	8.412	75.19	3.4%	8.662	77.09	3.0%	8.862	78.51	2.3%
Gedling	8.934	79.46	2.4%	9.107	80.87	1.9%	9.253	82.00	1.6%
Mansfield	10.257	103.29	1.4%	10.315	103.77	0.6%	10.366	104.17	0.5%
Newark and Sherwood	9.933	86.98	2.4%	10.141	88.10	2.1%	10.327	89.00	1.8%
Rushcliffe	6.932	62.90	1.7%	7.057	63.59	1.8%	7.197	64.42	2.0%
OXFORDSHIRE									
Cherwell	10.310	72.62	2.9%	10.611	74.01	2.9%	10.905	75.32	2.8%
Oxford	16.366	107.18	1.6%	16.571	107.44	1.3%	16.767	107.70	1.2%
South Oxfordshire	7.779	60.38	1.0%	7.818	60.60	0.5%	7.857	60.81	0.5%
Vale of White Horse	6.957	58.69	1.0%	7.022	59.05	0.9%	7.130	59.75	1.5%
West Oxfordshire	6.047	59.89	1.0%	6.078	59.86	0.5%	6.110	59.85	0.5%
SHROPSHIRE									
Bridgnorth	3.944	74.51	1.0%	3.964	74.80	0.5%	3.984	75.08	0.5%
North Shropshire	5.162	85.29	1.2%	5.219	85.59	1.1%	5.289	86.11	1.3%
Oswestry	3.580	88.86	2.3%	3.645	89.62	1.8%	3.696	90.06	1.4%
Shrewsbury and Atcham	7.231	75.35	1.0%	7.271	75.68	0.6%	7.324	76.15	0.7%
South Shropshire	3.621	83.67	2.7%	3.719	85.29	2.7%	3.818	86.91	2.7%
SOMERSET									
Mendip	8.209	74.50	1.5%	8.312	74.91	1.2%	8.419	75.33	1.3%
Sedgemoor	9.720	85.66	2.1%	9.902	86.48	1.9%	10.083	87.28	1.8%
South Somerset	10.851	67.84	1.5%	10.984	68.18	1.2%	11.128	68.59	1.3%
Taunton Deane	8.369	75.45	1.9%	8.536	76.17	2.0%	8.721	77.04	2.2%
West Somerset	3.260	90.74	1.0%	3.277	90.80	0.5%	3.300	91.04	0.7%
STAFFORDSHIRE									
Cannock Chase	8.314	86.96	2.0%	8.430	87.79	1.4%	8.518	88.37	1.0%
East Staffordshire	9.377	84.86	1.4%	9.463	85.00	0.9%	9.539	85.05	0.8%
Lichfield	5.971	61.85	1.0%	6.016	62.08	0.7%	6.071	62.44	0.9%
Newcastle-under-Lyme	10.629	85.07	2.9%	10.881	86.87	2.4%	11.079	88.26	1.8%
South Staffordshire	7.066	66.70	1.4%	7.133	67.38	1.0%	7.199	68.06	0.9%
Stafford	8.657	69.63	1.0%	8.700	69.75	0.5%	8.755	69.96	0.6%
Staffordshire Moorlands	7.515	78.72	1.0%	7.553	78.96	0.5%	7.591	79.22	0.5%
Tamworth	6.663	88.65	2.4%	6.773	89.98	1.6%	6.846	90.81	1.1%

Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

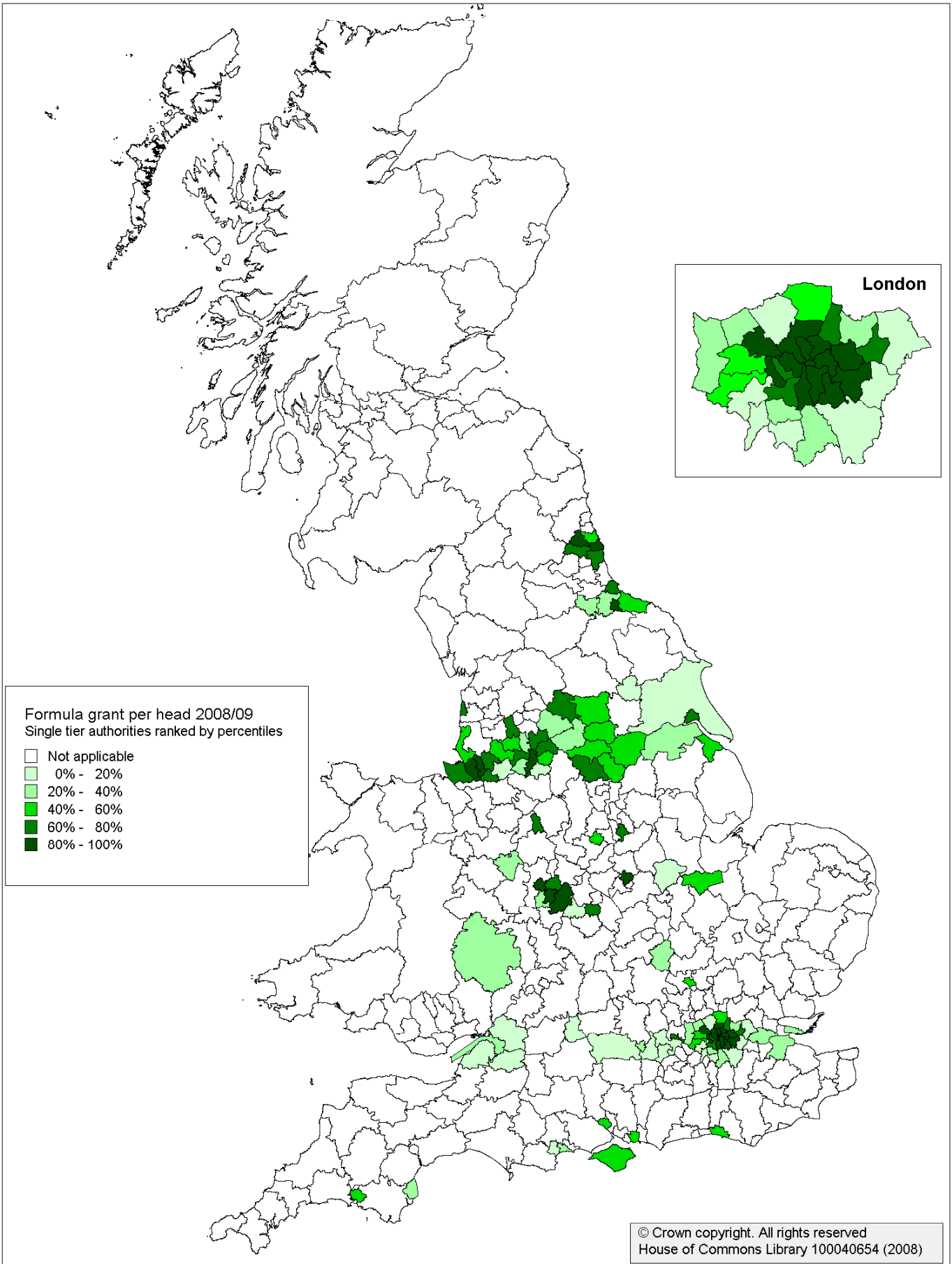
	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
SUFFOLK									
Babergh	6.005	68.15	2.1%	6.123	69.04	2.0%	6.240	69.91	1.9%
Forest Heath	5.539	90.58	1.1%	5.567	90.15	0.5%	5.595	89.73	0.5%
Ipswich	11.706	96.26	1.8%	11.830	96.79	1.1%	11.912	96.94	0.7%
Mid Suffolk	6.228	67.24	1.0%	6.259	67.00	0.5%	6.290	66.77	0.5%
St Edmundsbury	6.935	67.50	1.4%	7.007	67.76	1.0%	7.077	68.01	1.0%
Suffolk Coastal	7.944	64.37	2.0%	8.100	65.08	2.0%	8.261	65.82	2.0%
Waveney	11.113	92.62	2.9%	11.420	94.37	2.8%	11.700	95.85	2.5%
SURREY									
Elmbridge	6.346	47.53	1.0%	6.378	47.21	0.5%	6.458	47.27	1.3%
Epsom and Ewell	4.150	59.30	1.0%	4.170	59.25	0.5%	4.191	59.21	0.5%
Guildford	8.339	62.34	1.0%	8.380	62.38	0.5%	8.503	63.04	1.5%
Mole Valley	3.961	48.80	1.0%	3.981	48.96	0.5%	4.001	49.13	0.5%
Reigate and Banstead	6.874	52.93	1.0%	6.909	52.97	0.5%	6.943	53.01	0.5%
Runnymede	5.365	66.41	1.9%	5.482	67.55	2.2%	5.620	68.93	2.5%
Spelthorne	5.623	63.09	1.0%	5.651	63.48	0.5%	5.679	63.87	0.5%
Surrey Heath	4.790	58.00	1.0%	4.814	58.12	0.5%	4.838	58.25	0.5%
Tandridge	4.186	51.24	1.0%	4.207	51.33	0.5%	4.228	51.40	0.5%
Waverley	6.001	51.36	1.0%	6.031	51.58	0.5%	6.061	51.75	0.5%
Woking	6.562	72.14	1.0%	6.595	72.23	0.5%	6.628	72.31	0.5%
WARWICKSHIRE									
North Warwickshire	5.278	84.74	2.0%	5.363	86.00	1.6%	5.437	87.05	1.4%
Nuneaton and Bedworth	11.233	92.47	1.3%	11.310	92.84	0.7%	11.366	93.04	0.5%
Rugby	6.947	76.32	1.0%	6.981	76.28	0.5%	7.016	76.23	0.5%
Stratford-on-Avon	6.903	58.64	1.0%	6.938	58.45	0.5%	6.972	58.28	0.5%
Warwick	10.355	75.51	1.0%	10.406	75.02	0.5%	10.462	74.58	0.5%
WEST SUSSEX									
Adur	4.967	81.92	1.0%	4.992	82.03	0.5%	5.026	82.27	0.7%
Arun	10.094	67.22	1.0%	10.148	67.00	0.5%	10.306	67.45	1.6%
Chichester	7.114	64.02	1.0%	7.150	63.97	0.5%	7.185	63.91	0.5%
Crawley	10.363	104.16	1.0%	10.415	104.73	0.5%	10.482	105.43	0.7%
Horsham	6.146	47.09	1.0%	6.176	46.98	0.5%	6.207	46.90	0.5%
Mid Sussex	6.403	50.05	1.0%	6.435	50.26	0.5%	6.468	50.46	0.5%
Worthing	7.871	78.52	1.0%	7.910	78.48	0.5%	7.950	78.43	0.5%
WILTSHIRE									
Kennet	5.253	67.22	1.0%	5.279	67.33	0.5%	5.311	67.46	0.6%
North Wiltshire	8.141	61.72	1.0%	8.182	61.69	0.5%	8.223	61.67	0.5%
Salisbury	7.879	66.64	1.0%	7.952	66.96	0.9%	8.053	67.51	1.3%
West Wiltshire	8.662	66.04	3.7%	8.980	67.57	3.7%	9.272	68.89	3.3%
WORCESTERSHIRE									
Bromsgrove	4.858	52.40	1.7%	4.946	53.04	1.8%	5.047	53.84	2.1%
Malvern Hills	5.055	68.21	1.0%	5.090	68.51	0.7%	5.157	69.22	1.3%
Redditch	6.394	80.55	1.0%	6.426	80.84	0.5%	6.458	81.13	0.5%
Worcester	8.112	87.18	1.0%	8.152	87.51	0.5%	8.193	87.84	0.5%
Wychavon	7.341	62.06	2.2%	7.540	63.34	2.7%	7.772	64.90	3.1%
Wyre Forest	7.879	80.48	1.8%	7.981	81.48	1.3%	8.067	82.30	1.1%

Formula Grant Allocations for the 2008/09 - 2010/11 Settlement

	2008/09			Provisional 2009/10			Provisional 2010/11		
	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)	(£ million)	(£ Per cap)	(% change)
SHIRE POLICE AUTHORITIES									
Avon & Somerset Police	173.665	109.62	3.5%	179.738	112.56	3.5%	186.063	115.60	3.5%
Bedfordshire Police	68.508	114.02	3.3%	70.754	116.89	3.3%	73.089	119.87	3.3%
Cambridgeshire Police	78.690	102.55	3.0%	81.043	104.68	3.0%	83.501	106.91	3.0%
Cheshire Police	117.586	116.95	2.5%	120.526	119.54	2.5%	123.539	122.18	2.5%
Cleveland Police	95.278	170.66	2.5%	97.660	174.74	2.5%	100.102	178.89	2.5%
Cumbria Police	65.560	131.04	2.5%	67.199	133.95	2.5%	68.879	136.93	2.5%
Derbyshire Police	109.162	109.24	3.2%	112.620	112.19	3.2%	116.153	115.17	3.1%
Devon & Cornwall Police	181.868	108.51	2.5%	186.414	110.31	2.5%	191.152	112.19	2.5%
Dorset Police	63.723	90.06	2.5%	65.316	91.98	2.5%	66.949	93.92	2.5%
Durham Police	89.158	149.58	2.5%	91.387	153.20	2.5%	93.671	156.92	2.5%
Essex Police	173.036	102.43	2.8%	177.906	104.65	2.8%	183.028	106.99	2.9%
Gloucestershire Police	57.843	99.42	2.5%	59.289	101.51	2.5%	60.772	103.64	2.5%
Hampshire Police	202.242	109.62	2.6%	207.516	111.94	2.6%	213.014	114.35	2.6%
Hertfordshire Police	117.663	109.79	2.9%	121.144	112.41	3.0%	124.825	115.19	3.0%
Humberside Police	125.108	136.45	2.6%	128.377	139.27	2.6%	131.767	142.19	2.6%
Kent Police	187.171	112.64	2.6%	192.141	114.85	2.7%	197.390	117.19	2.7%
Lancashire Police	198.798	135.27	2.7%	204.138	138.23	2.7%	209.661	141.27	2.7%
Leicestershire Police	114.666	119.00	2.9%	117.985	121.89	2.9%	121.382	124.83	2.9%
Lincolnshire Police	62.308	87.94	3.1%	64.265	89.72	3.1%	66.302	91.58	3.2%
Norfolk Police	85.447	100.77	2.5%	87.583	102.45	2.5%	89.773	104.16	2.5%
North Yorkshire Police	74.798	93.92	2.5%	76.668	95.57	2.5%	78.584	97.27	2.5%
Northamptonshire Police	73.541	108.64	2.6%	75.472	110.51	2.6%	77.494	112.49	2.7%
Nottinghamshire Police	136.862	128.68	3.4%	141.380	132.30	3.3%	145.984	135.95	3.3%
Staffordshire Police	117.362	110.19	2.8%	120.555	112.97	2.7%	123.777	115.77	2.7%
Suffolk Police	69.237	97.57	2.5%	70.968	99.26	2.5%	72.742	100.98	2.5%
Surrey Police	99.326	91.10	2.5%	101.810	93.00	2.5%	104.355	94.94	2.5%
Sussex Police	165.669	106.92	2.5%	169.810	109.01	2.5%	174.056	111.14	2.5%
Thames Valley Police	231.851	106.96	2.7%	238.161	109.44	2.7%	244.721	112.01	2.8%
Warwickshire Police	52.768	99.63	2.6%	54.145	101.57	2.6%	55.586	103.59	2.7%
West Mercia Police	118.857	99.47	2.5%	121.829	101.53	2.5%	124.874	103.64	2.5%
Wiltshire Police	63.563	98.45	2.5%	65.152	100.29	2.5%	66.781	102.16	2.5%
SHIRE FIRE AUTHORITIES									
Avon Fire	24.632	23.38	1.0%	24.755	23.31	0.5%	24.879	23.24	0.5%
Bedfordshire Fire	10.920	18.17	3.1%	11.144	18.41	2.1%	11.386	18.67	2.2%
Berkshire Fire Authority	15.270	18.88	1.0%	15.346	18.95	0.5%	15.423	19.02	0.5%
Buckinghamshire Fire	11.338	15.83	1.0%	11.395	15.84	0.5%	11.452	15.84	0.5%
Cambridgeshire Fire	13.335	17.38	7.2%	13.903	17.96	4.3%	14.443	18.49	3.9%
Cheshire Fire	17.426	17.33	5.8%	18.034	17.89	3.5%	18.621	18.42	3.3%
Cleveland Fire	22.160	39.69	1.0%	22.270	39.85	0.5%	22.382	40.00	0.5%
Derbyshire Fire	18.186	18.20	7.5%	18.965	18.89	4.3%	19.674	19.51	3.7%
Devon and Somerset Fire	29.914	17.94	2.8%	30.529	18.16	2.1%	31.245	18.45	2.3%
Dorset Fire	10.840	15.32	1.0%	10.894	15.34	0.5%	11.001	15.43	1.0%
Durham Fire	13.785	23.13	5.6%	14.193	23.79	3.0%	14.529	24.34	2.4%
East Sussex Fire	14.106	18.34	2.0%	14.348	18.54	1.7%	14.673	18.85	2.3%
Essex Fire Authority	30.859	18.27	3.1%	31.556	18.56	2.3%	32.371	18.92	2.6%
Hampshire Fire	28.236	16.58	2.3%	28.710	16.78	1.7%	29.266	17.03	1.9%
Hereford & Worcester Fire	10.458	14.22	1.0%	10.536	14.27	0.7%	10.668	14.40	1.3%
Humberside Fire	25.427	27.73	5.8%	26.318	28.55	3.5%	27.174	29.32	3.3%
Kent Fire	28.608	17.22	1.8%	29.033	17.35	1.5%	29.596	17.57	1.9%
Lancashire Fire	32.284	21.97	1.0%	32.446	21.97	0.5%	32.608	21.97	0.5%
Leicestershire Fire	18.207	18.90	2.9%	18.526	19.14	1.8%	18.840	19.38	1.7%
North Yorkshire Fire	12.839	16.12	1.0%	12.903	16.09	0.5%	12.968	16.05	0.5%
Nottinghamshire Fire	22.905	21.54	8.7%	24.018	22.47	4.9%	25.010	23.29	4.1%
Shropshire Fire	7.670	16.70	6.6%	7.975	17.28	4.0%	8.268	17.82	3.7%
Staffordshire Fire	17.654	16.57	4.9%	18.152	17.01	2.8%	18.600	17.40	2.5%
Wiltshire Fire	9.328	14.45	1.9%	9.449	14.54	1.3%	9.587	14.67	1.5%

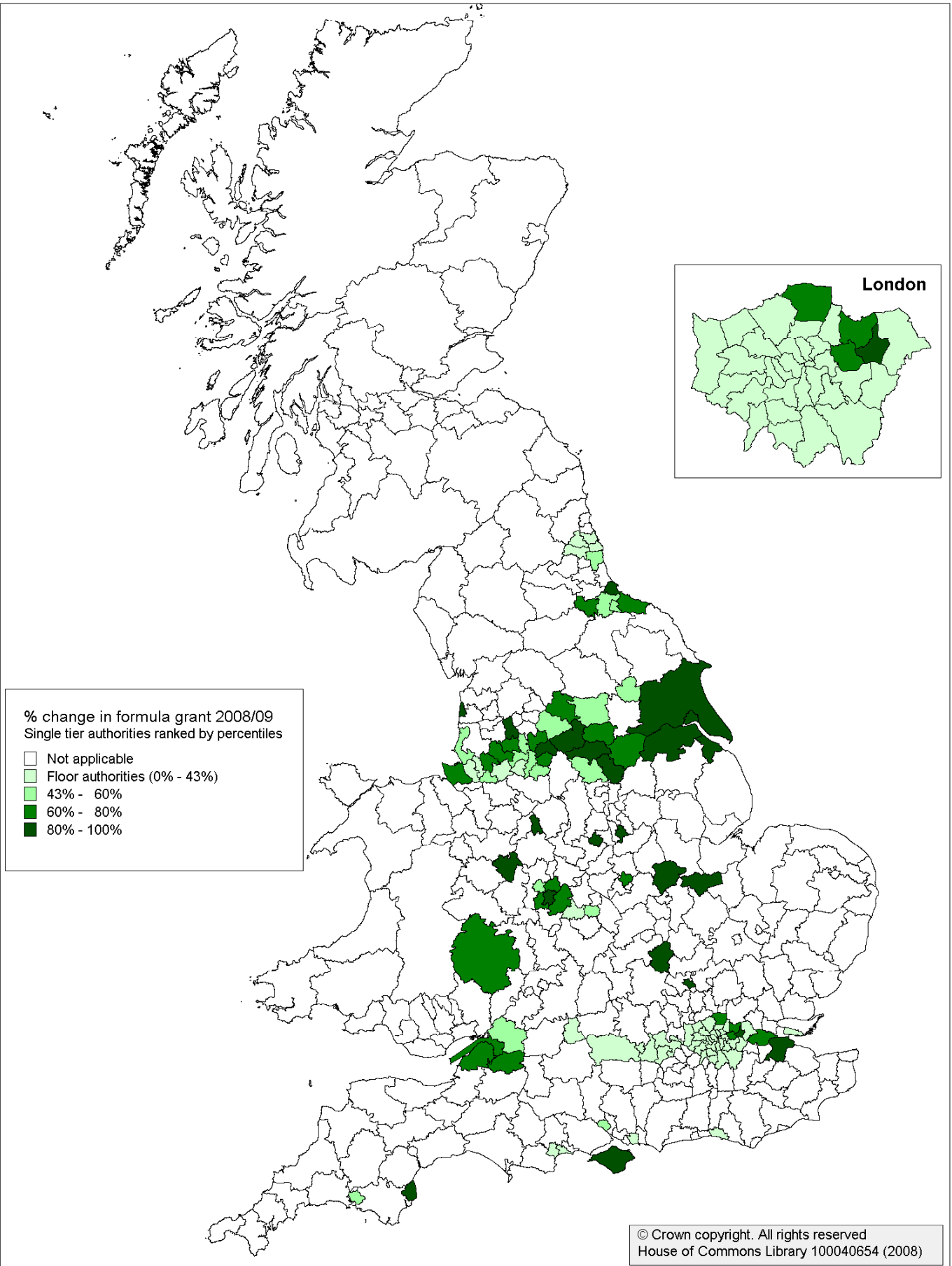
Formula grant per head 2008/09, Single tier authorities (England)

London boroughs, metropolitan districts and unitary authorities ranked by percentiles



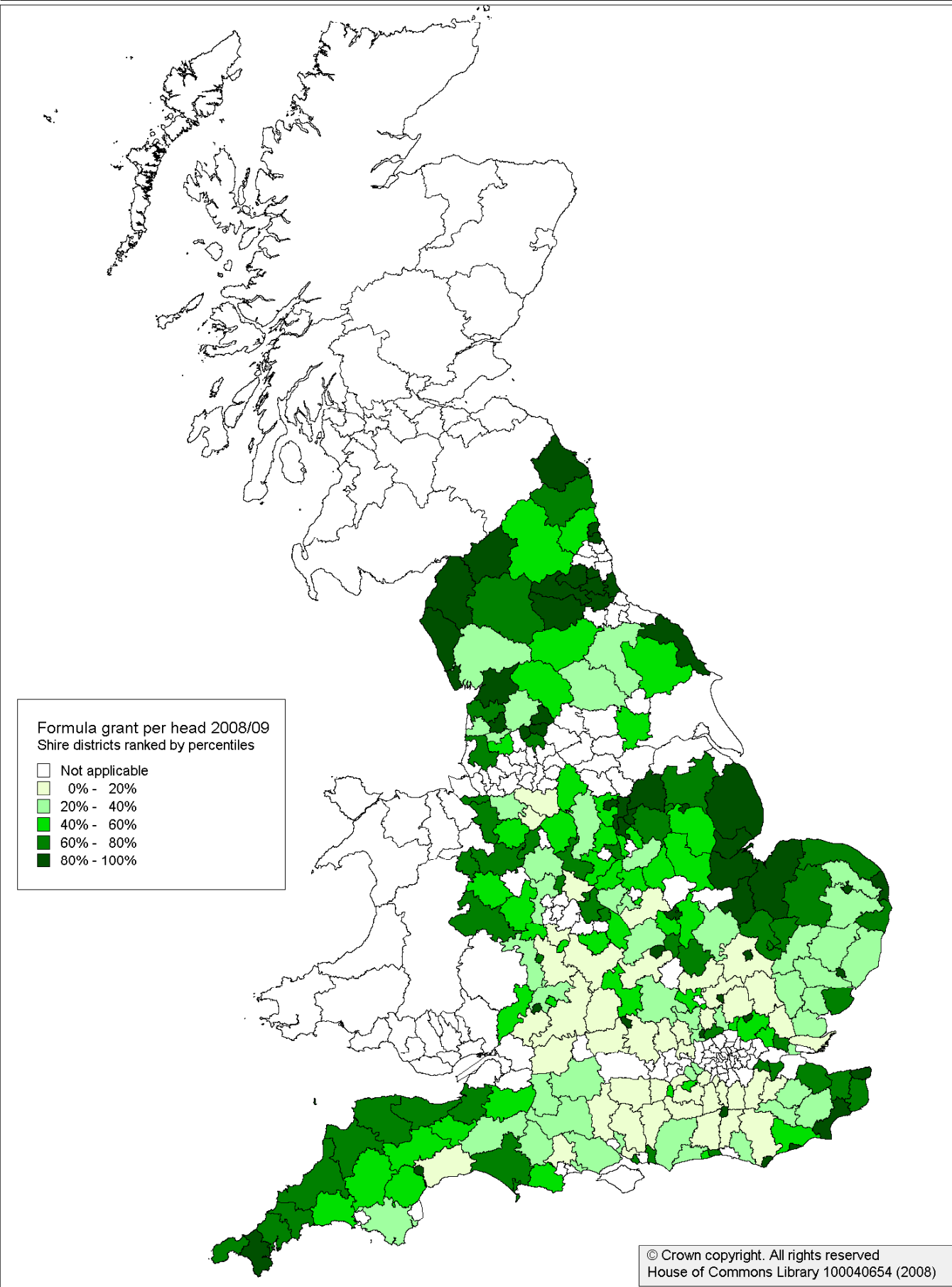
% change in formula grant, Single tier authorities (England)

London boroughs, metropolitan districts and unitary authorities ranked by percentiles



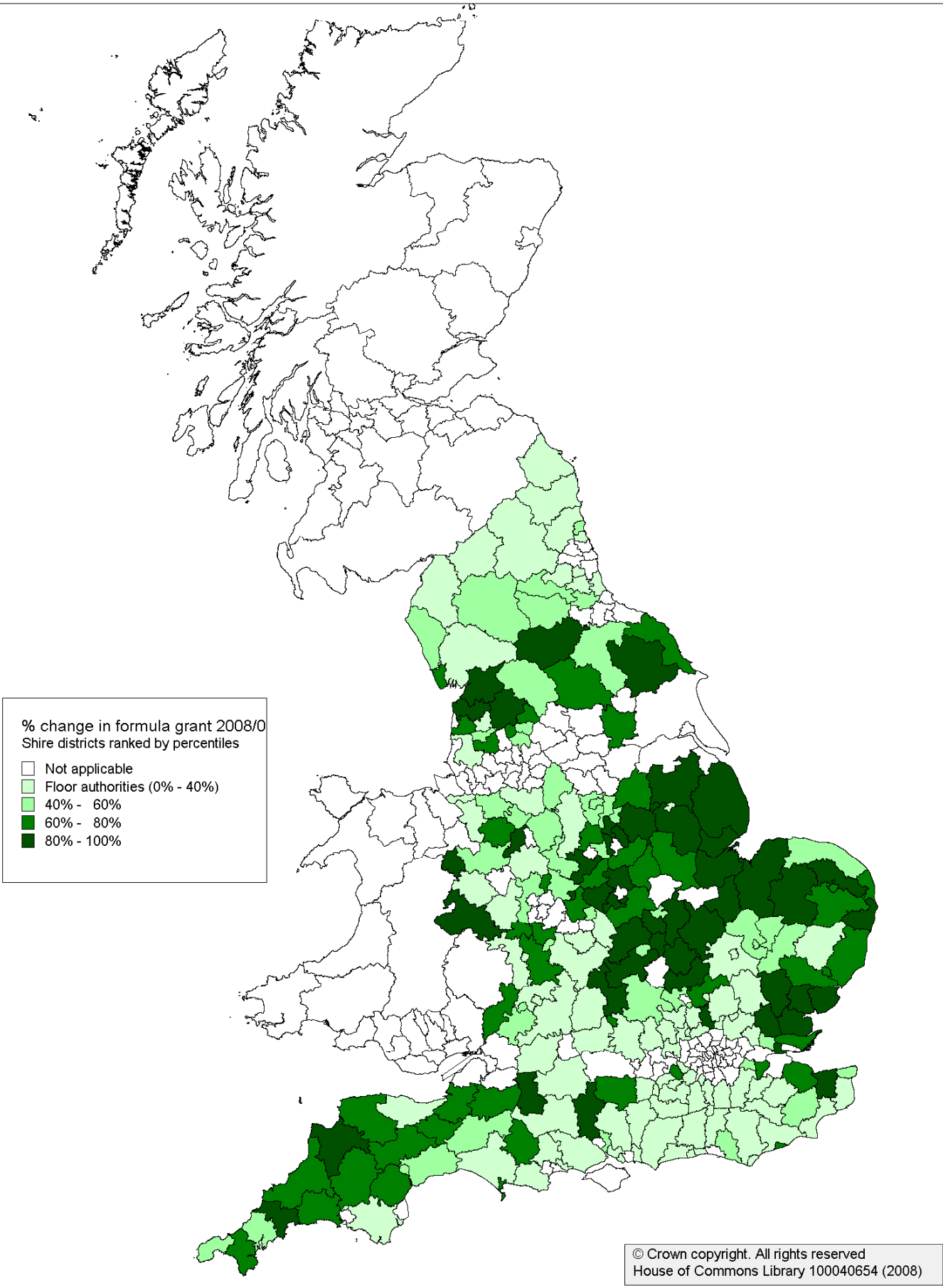
Formula grant per head 2008/09, Shire districts (England)

Shire Districts ranked by percentiles



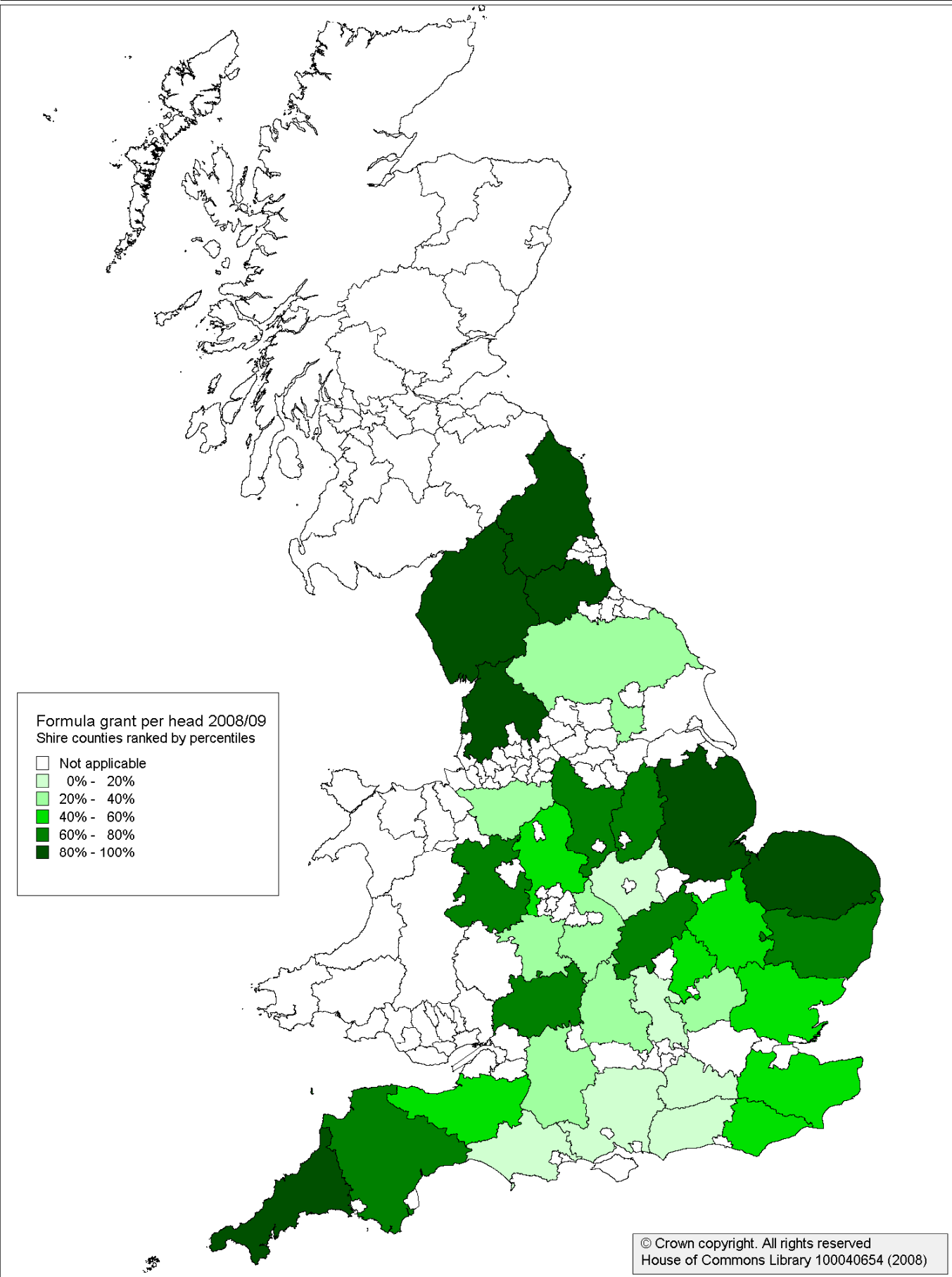
% change in formula grant 2008/09, Shire districts (England)

Shire districts ranked by percentiles



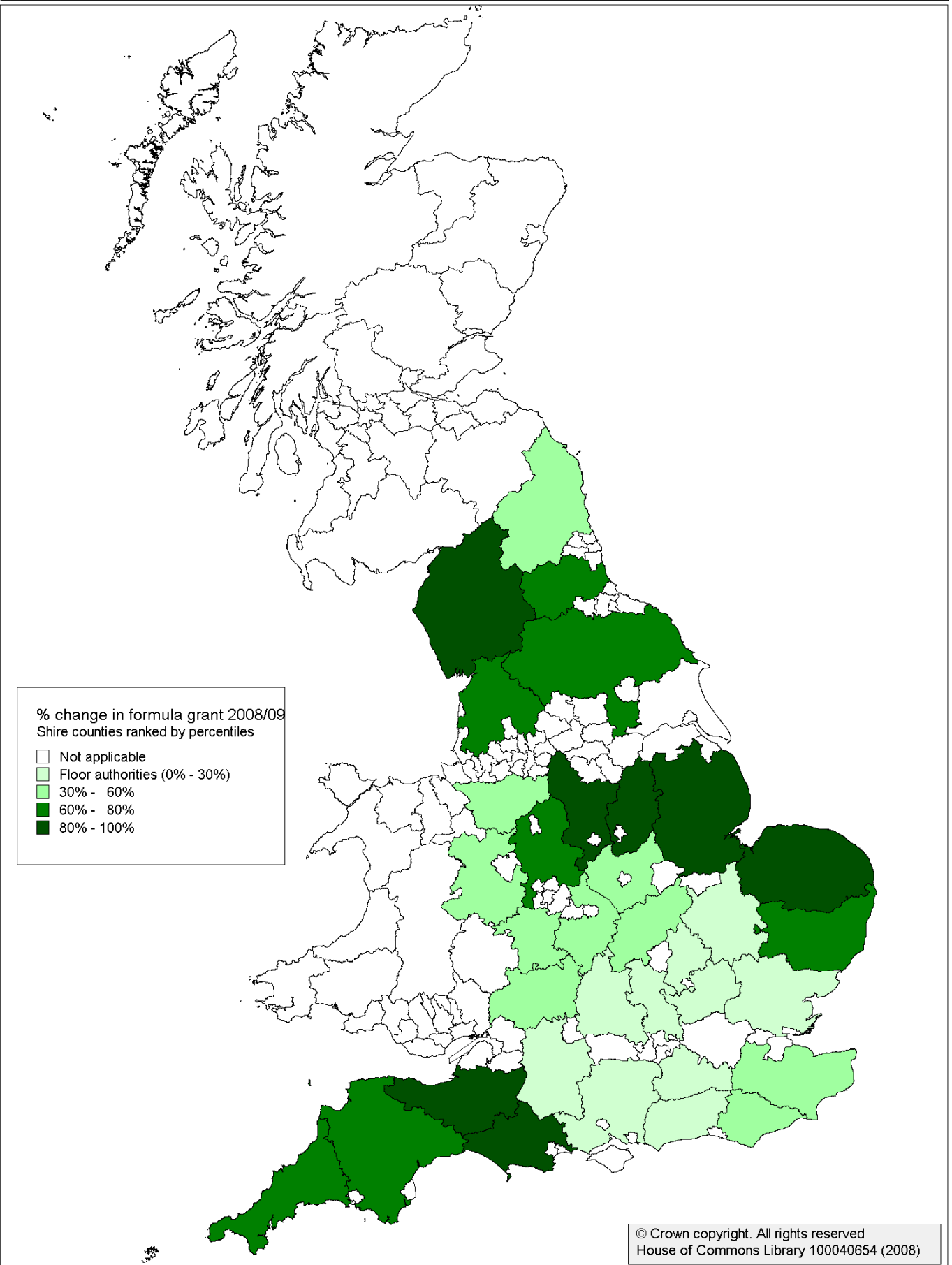
Formula grant per head 2008/09, Shire counties (England)

Shire counties ranked by percentiles



% change in formula grant 2008/09, Shire counties (England)

Shire counties ranked by percentiles



VIII Appendix B: Calculation of the Distributable Amount

Summary of the Calculation of Distributable Amount for 2008-09 based on data back to 2003-04

	£ million					
	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Provisional outturn	2007-08 Estimated contribution	2008-09 Estimated contribution
1. Income from local lists						
Multiplier (p)	44.4	45.6	41.5	42.6	44.1	45.8
Notional yield in respect of current year	17,463	17,908	19,484	20,012	20,657	21,684
(i) Reliefs						
(a) Net Transitional Relief	120	127	870	353	117	46
(b) Net Small Business Rate Relief	-	-	-104	-73	95	50
(c) Empty or partly occupied properties	1,234	1,287	1,359	1,424	1,410	447
(d) Charitable	616	645	703	757	788	827
(e) Rural shops and post offices	6	6	6	6	6	6
(f) Community amateur sports clubs	-	4	7	9	9	10
(g) Former agricultural premises	1	1	1	1	-	-
(h) Discretionary	39	36	36	38	38	39
Total reliefs	2,015	2,106	2,877	2,513	2,463	1,425
Net rate yield in respect of current year after reliefs	15,449	15,802	16,607	17,498	18,194	20,259
(ii) Collection costs and other reductions to contributions						
(a) Costs of collection	-84	-84	-83	-84	-84	-84
(b) Losses on collection	-94	-119	-118	-111	-125	-131
(c) City of London offset	-7	-	-	-	-	-
Total contribution in respect of current year	15,265	15,599	16,405	17,304	17,985	20,044
(iii) Prior year adjustments						
(a) Interest on repayments	-78	-64	-49	-39	-4	-24
(b) Repayments	-803	-797	-677	-412	-173	-270
Net prior year adjustment	-881	-861	-726	-451	-177	-294
Net rate yield from local lists	14,384	14,738	15,679	16,853	17,808	19,750
2. Income from Central list						
Net central list yield	1,029	1,030	1,097	1,148	1,191	1,200
3. Income from the former Crown list						
Contributions in lieu of rates	10	10	10	0	20	10
Total yield	15,423	15,778	16,786	18,001	19,019	20,960
4. Exchequer Contributions						
Exchequer contribution towards transitional relief	111	77	0	0	0	0
Total NNDR pool payments (= 1+2+3+4)	15,534	15,855	16,786	18,001	19,019	20,960
5. Adjustments						
Surplus brought forward	-922	-988	-133	-1,347	-846	-327
Combined total	14,612	14,867	16,653	16,654	18,173	20,633
Distributable amount	15,600	15,000	18,000	17,500	18,500	20,500
Surplus carried forward	-988	-133	-1,347	-846	-327	133

Source: DCLG