

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet
AUTHOR/S: Chief Executive / Chief Accountant

14 December 2006

PROVISIONAL LOCAL AUTHORITY FINANCE SETTLEMENT 2007/08

Purpose

1. To ascertain whether Members wish to respond during the consultation period on the provisional local authority finance settlement.

Background

2. The provisional settlement was announced on Tuesday, 28 November and Members were informed of the settlement by e-mail on the same day. The provisional settlement is summarised in **Appendix A**.

Considerations

3. The settlement for 2006/07 determined the formula grant for 2006/07 and gave provisional figures for 2007/08. The announcement at the end of last month was nothing more than confirmation of the provisional figures for 2007/08 which were already known almost twelve months ago.
4. The much heralded three year financial settlement will not start until next year to coincide with the Government's three year Comprehensive Spending Review 2007. However, on the basis of the recent announcement, it would seem that these three year settlements are not for three year rolling periods whereby there will always be indicative grant allocations for three future years. The three-year periods seem to be fixed so that, in the last year of the three, local authorities are back in the position of only knowing their grant allocation for one year ahead.
5. Responses to the provisional settlement have to be received by 5pm on Friday 5th January 2007. A draft response is attached as **Appendix B**.

Implications

6.

Financial	The announcement confirmed the figures for formula grant and council tax for 2007/08 in the Medium Term Financial Strategy (MTFS)
Legal	None
Staffing	As set out in the MTFS appendices on spending pressures and potential savings (internal impact with staff implications and direct external impact with staff implications)
Risk Management	There is a risk that the projections for formula grant in the MTFS from 2008/09 onwards may prove to be too high or too low
Equal Opportunities	None

Effect on Annual Priorities and Corporate Objectives

7.	Affordable Homes	The setting and achievement of annual priorities and corporate objectives is restricted by the lack of available finance in the form of low Government grant and restricted increases in the council tax.
	Customer Service	
	Northstowe and other growth areas	
	Quality, Accessible Services	
	Village Life	
	Sustainability	
	Partnership	

Recommendations

8. That Cabinet decide whether a response should be made and, if so, either agree to the draft set out in Appendix B or specify any amendments, additions, etc., which they wish to make.

Background Papers: the following background papers were used in the preparation of this report:

<http://www.local.communities.gov.uk/finance/0708/grant.htm>

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