

26 November 2007

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

Dear Colleague,

2008-09, 2009-10 and 2010-11 Local Government Finance Settlements
Provision of Indicator Data for the Formula Grant Distribution system

1. I am writing to inform you that the majority of data that may be used in calculating the 2008-09, 2009-10 and 2010-11 provisional Formula Grant Distribution system are now available. The tables providing these data for individual local authorities can be found at <http://www.local.communities.gov.uk/finance/0809/grant.htm>.
2. If you believe that the data in these tables differ from that available to the Secretary of State on 1 October 2007 (except where the closing date is different as specified in Annex A of this letter), please write and notify us at once. Representations should preferably be sent by e-mail to settlement.consult@communities.gsi.gov.uk with the subject reference as **"FAO Data team: Indicator data consultation"**. Alternatively, representations can be sent to Jo Joslin at the address or fax number below. The deadline for representations on these data is **3 January 2008**.
3. The following guidance documents have also been updated or added and can be found on the above web site:
 - Data Definitions of Indicators for 2008-09, 2009-10 and 2010-11 Part 1 (Draft)
 - Guidance for Checking 2001 Census data

Provisional Formula Grant Distribution

4. The Department will publish the provisional Formula Grant Distribution formulae for 2008-09, 2009-10 and 2010-11 as part of the Government's announcement on the proposed Formula Grant settlement for 2008-09, 2009-10 and 2010-11.

5. You need to be aware that estimating the distribution solely on the data available today may be misleading. For example, control totals, coefficients and methodology are still to be finalised and announced.
6. This release is for **information only to begin the checking of indicators**. While decisions are still being taken by Ministers, indicators used in the existing methodology and any of the proposed options from the recent consultation on methodology have been included in the table where available. This release should not be seen as an indication of the formulae to be used.

Non-available data

7. There are indicators in the tables that are currently not available to publish or are not available for comparison purposes. These are shown as '-'. These include data for Capital Finance and the projections of taxbase. Adjustments such as Area Cost Adjustment, Foster Cost Adjustment and Low Income Adjustment, are also shown as not available as they are dependent on decisions being taken by Ministers. Full definitions have not been provided for these indicators.
8. These data will be provided when the provisional Formula Grant settlement information are published. Representations on these data will be subject to the provisional settlement's consultation deadline.

Updating of Data before the Calculation of Definitive Formula Grant Settlement

9. The general intention is that the data used in the calculation of the provisional 2008-09, 2009-10 and 2010-11 formulae will remain unchanged for the calculation of the definitive 2008-09, 2009-10 and 2010-11 formulae. The exceptions foreseen are specified in Annex A of this letter.

Enquiries

10. If you have any **general enquiries** arising from this letter, please contact us by e-mail to either martin.dale@communities.gsi.gov.uk , jiten.champaneri@communities.gsi.gov.uk , thomas.joss@communities.gsi.gov.uk or jo.joslin@communities.gsi.gov.uk , or by post at the above address.

Yours sincerely,

Robert Davies

Annex A

Closing Dates for Amendments to Data

The general closing date for data to be received by Central Government was **1 October 2007**. Exceptionally, different closing dates apply to the following:

- Traffic flows: 8 October 2007
- Taxbase: Forms should have been submitted by 26 October 2007
- Supported Capital Expenditure (Revenue) (SCE(R)) and Debt I
 - SCE(R) for 2008-09, 2009-10 and 2010-11: 5 November 2007

Updating of Data before the Calculation of Definitive Formula Grant Distribution

The general intention is that the data used in the calculation of the provisional 2008-09, 2009-10 and 2010-11 formulae will remain unchanged for the calculation of the definitive 2008-09, 2009-10 and 2010-11 formulae. The exceptions foreseen are:

- Revisions to correct any errors in data (as described below).
- The updating of data for the following indicators:
 - Supported Capital Expenditure (Revenue) and Debt I
 - Taxbase projections
 - Flood defence expenditure and Coast Protection expenditure (due to updating the GDP deflator)

Errors are normally corrected if they:

- relate to data which were available to the Secretary of State on 1 October 2007 (or the different deadline in 'Closing Dates for Amendments to Data'); and
- did not arise from information provided by local authorities; and
- are known on or by the specified deadline (3 January 2008, except for Capital Finance and Taxbase data which will be subject to the provisional settlement consultation deadline).