

<p>CABINET MEETING – 3RD FEBRUARY 2010</p> <p>EXECUTIVE SUMMARY SHEET- PART 1</p>	
<p>Title of Report:</p> <p>Final Revenue Support Grant Settlement for 2010/2011.</p>	
<p>Author(s):</p> <p>Director of Financial Resources</p>	
<p>Purpose of Report:</p> <p>This report advises Cabinet of the Final Revenue Support Grant Settlement for 2010/2011.</p>	
<p>Description of Decision:</p> <p>Cabinet is requested to note the report.</p>	
<p>Is the decision consistent with the Budget/Policy Framework? Yes</p>	
<p>If not, Council approval is required to change the Budget/Policy Framework</p>	
<p>Suggested reason(s) for Decision:</p> <p>The Settlement informs the final stages of the budget preparation process of the Council.</p>	
<p>Alternative options to be considered and recommended to be rejected:</p> <p>Not applicable as the report is for information only.</p>	
<p>Is this a “Key Decision” as defined in the Constitution? No</p>	<p>Relevant Scrutiny Committee: Management</p>
<p>Is it included in the Forward Plan? No</p>	

Cabinet Meeting – 3rd February 2010

Final Revenue Support Grant Settlement for 2010/2011.

Report of the Director of Financial Resources

1. Purpose of Report

- 1.1 This report advises Cabinet of the Final Revenue Support Grant Settlement for 2010/2011.

2. Description of Decision

- 2.1. Cabinet is requested to note the report.

3. Background

- 3.1 On 20th January 2010 the Parliamentary Under-Secretary of State (Mrs Barbara Follett) issued her final report for the 2010/2011 Revenue Support Grant (RSG) Settlement. This follows on from the Local Government Finance Settlement consultation paper issued on 26th November 2009.
- 3.2 The main points of the Settlement are outlined in paragraph 4 with the effects on the Council outlined at paragraph 5.

4. National Settlement – Provisional 2010/2011

The main features of the provisional settlement for 2010/2011 are as follows:

- Aggregate External Finance has been reduced marginally by £18m in total, to £76,238 million, from the figures previously released, and is due to some relatively small changes to special grants, the details of which are still awaited;
- Formula Grant has remained unchanged;
- the 'floor' has remained unchanged with no changes to the scaling factors used;
- the government has reiterated that they expect the average Council Tax increase in England for 2010/2011 to fall to a 16 year low which would mean increases should be lower than the national average increase of 3% in 2009/2010. They have also asserted that the government's capping powers will be used again if authorities fail to adhere to this guidance.

5. Effects on Sunderland

As a result of the details set out in paragraph 4 above:

- the Council's final grant entitlement for 2010/2011 has remained unchanged from the figure of £157.462 million announced in November which represents an increase of 1.84%.

- The details of any specific grant changes on Sunderland are not yet available at the time of writing this report but any changes will be reported orally at the meeting, if material, and otherwise taken into account in the final proposed budget.

A separate report to Cabinet deals with the Revenue Budget 2010/2011 and the impact the final settlement will have for the Council Tax for 2010/2011.

6. Reason for Decision

- 6.1 The Settlement informs the final stages of the budget preparation process of the Council.

7. Alternative options to be considered and recommended to be rejected

- 7.1 There are no alternative options recommended for approval.

Background Papers

Local Authority Finance (England) – Final Revenue Support Grant for 2010/2011 and related matters - (Source: DCLG).