

# LOCAL GOVERNMENT FINANCE MONTHLY UPDATE

## MAY 2009

This briefing provides LG Futures' clients with a free monthly summary of topical issues affecting local authority finances. In addition, we also provide a subscription-based Funding Briefing Service, which is designed to provide authorities with detailed insight into the key Government funding announcements that will impact upon 2010/11 budgets and medium term financial planning processes.

If you require any further information, or are potentially interested in subscribing to our full Funding Briefing Service, please email us at [info@lgfutures.co.uk](mailto:info@lgfutures.co.uk)

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### COMMUNITIES AND LOCAL GOVERNMENT

#### Council Tax Capping 2009/10

On 13 May 2009, the Minister for Local Government announced that, subject to Parliament approval of a draft order to be laid in June 2009, Surrey Police Authority will be capped for 2009/10 and required to rebill; and Derbyshire Police Authority's council tax increases will be restricted in future years.

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### COMMUNITIES AND LOCAL GOVERNMENT

#### A New Framework for Regeneration

On 11 May 2009, the Secretary of State for Communities and Local Government published a new framework for regeneration: "Transforming Places; Changing Lives: Taking Forward the Regeneration Framework".

Key issues within this framework include:

- Defining regeneration as: 'Reversing economic, social, and physical decline in areas where market forces will not do this without support from government';
- Requiring Regional Development Agencies, the Health and Communities Agency and Local Strategic Partnerships to work together to focus regeneration initiatives on improving economic outcomes and tackling worklessness;
- Setting out a process to create a national regeneration map which will be used to focus future investment;
- Creating three new success measures against which regeneration initiatives can be monitored: improving economic performance; creating the right conditions for business growth and by creating places where people want to live.

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### COMMUNITIES AND LOCAL GOVERNMENT

#### Freedoms and Flexibilities

On 6 May 2009, DCLG published a consultation paper: "Proposed changes to the delivery of local authorities' and Fire and Rescue Authorities (FRAs) freedoms and flexibilities after the introduction of CAA".

The paper includes proposals to:

- Reduce or simplify the requirement to create plans for central government on issues such as local transport, youth justice and air quality;

- Extend the power to trade for profit to all English councils and fire and rescue authorities;
- Allow councils to spend any income from environmental fixed penalty notices as they see fit.

The deadline for responses is 28 July 2009.

**A briefing on the papers for this meeting is currently being prepared for all subscribers to LG Futures' Funding Briefing Service. For further information please contact [info@lgfutures.co.uk](mailto:info@lgfutures.co.uk).**

## COMMUNITIES AND LOCAL GOVERNMENT

### Government Response to Worklessness Review

On 13 May, DCLG published its response to Councillor Houghton's Tackling Worklessness Review (March 2009). The government's response to Councillor Houghton's main recommendations are provided below:

- Every council should conduct an assessment of local unemployment by the middle of this year, evaluating claimant trends, and assessing the impact of the downturn on the most vulnerable groups in their local areas who may be disproportionately affected and need innovative forms of support.

In response, the government has stated that it agrees with the review's recommendation that a worklessness assessment should form an integral part of the proposed local authority economic assessment duty. The proposed duty is set out in the Local Democracy, Economic Development and Construction Bill, which is currently before Parliament. The expectation is that the duty will come into effect from April 2010.

- Councils should sign Local Employment Partnerships and all local authority vacancies be advertised in Jobcentre Plus.

In response, the government has stated that they will expect authorities to notify all their externally advertised job vacancies to Jobcentre Plus and LG Jobs and sign up to a Local Employment Partnership (LEP) with Jobcentre Plus.

- Councils with deprived groups and neighbourhoods, especially WNF areas, should be required to develop detailed Work and Skills plans.

In response, the government has stated they will not require Working Neighbourhoods Fund areas to complete a work and skills plan to continue to receive their comprehensive spending review 2007 allocations. However, all partnerships that want to make a case for the Future Jobs Fund will need to commit to produce a worklessness assessment and work and skills plan by April 2010.

## DEPARTMENT FOR CHILDREN, SCHOOLS AND FAMILIES

### Dedicated Schools Grant Formula Review Group Meeting 9

DCSF published the papers submitted to the April meeting of the Formula Review Group (FRG) on 14 May 2009. The group considered:

- DSG Research: Strand 3: Activity-led Funding emerging findings;
- Sparsity and Small Schools;
- Mainstreaming Grants; and
- Area Cost Adjustment.

A briefing on the papers for this meeting has been placed on the subscribers' page of our website. For further information please contact [info@lgfutures.co.uk](mailto:info@lgfutures.co.uk).

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**DEPARTMENT FOR WORK AND PENSIONS**

On 14 May 2009, the DWP announced that it is writing to 200,000 pensioners who receive Pension Credit to encourage them to contact their local council to check if they are entitled to help with their Council Tax or housing costs.

**Council Tax Letters**

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**CIPFA CONFERENCE 2009**

LG Futures will be exhibiting at CIPFA Conference 2009, in Manchester, this year.

**Come and meet us**

If you are also attending this event, please come along to Stall 35 to meet members of the team and take part in our Table Football and Wine Tasting competitions!

## FINANCE WITH VISION

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