

Appendix R

Final local government financial settlement

- 1 The final local government finance settlement for 2016/17 was discussed in the House of Commons on 8 February 2016. This appendix provides an update on the final settlement.
- 2 Over £400m of additional resources have been added to the overall settlement. This is new money from HM Treasury as no authority has had its core funding reduced as a result of the changes made. However, none of this additional funding has been allocated to Brent.
- 3 An extra £60.5m has been added to the Rural Services Delivery Grant in 2016/17, and an extra £30m in 2017/18, comparing the final settlement to the provisional settlement. DCLG describe this as being *“in recognition of the particular costs of providing services in sparse rural areas”*. None of this is allocated to London Boroughs and hence none of it is allocated to Brent.
- 4 An additional £300m in Transitional Grant has been added to the settlement, split evenly in 2016/17 and 2017/18. DCLG describe this as *“easing the pace of funding reductions [for councils with the sharpest grant reductions] in line with recommendations from the County Councils Network...”* Of this, £13.3m is allocated to London in 2016/17, and about the same amount in 2017/18. However, Brent does not receive any of this additional money, the distribution of which in London is shown below.

	Transition Grant (£m)
Barnet	1.4
Bexley	0.7
Bromley	2.1
Croydon	0.4
Harrow	0.7
Havering	1.4
Hillingdon	0.5
Kingston upon Thames	1.3
Merton	0.6
Richmond upon Thames	2.9
Sutton	1.3
Total London Boroughs	13.3

- 5 There was some additional funding to remove “negative RSG” for some authorities up to 2018/19. Brent was not affected by “negative RSG”, so this change does not currently alter funding for Brent.
- 6 Councils will have until 14 October 2016 to agree funding allocations for the remaining years of the spending review period (2017/18 to 2019/20). It is not yet clear what the mechanism for this will be, except that an as yet undefined “efficiency plan” will need to be signed off. Nor is it clear what the consequences would be of electing not to fix funding allocations for that period would be, and I will keep Members updated as the detail emerges.
- 7 Government will also consult on allowing “well-performing” planning departments to increase their fees in line with inflation.
- 8 Further detail will be made available as it emerges. However, there is nothing in the settlement that would cause me to adjust any of the funding assumptions for 2016/17 that were set out in the 8 February 2016 Cabinet report.

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