

## **Leaders Statement for Council**

### The review of Sub-national Economic Development and Regeneration

The sub-national review of economic development and regeneration was one of the most significant policy announcements this year. One of its main propositions was to pull together economic, transport and housing considerations into one integrated regional strategy. The responsibility to compile the strategy was given to regional development agency ie Yorkshire Forward and alongside this there would be significant changes in regional structures. The Regional Assembly will be abolished by 2010. Yorkshire Forward will gain wider areas of responsibility and new scrutiny and accountability arrangements will need to be developed.

I am generally supportive of these changes however, it is important to ensure that the new arrangements give maximum possible prominence to the role of local authorities both in terms of delivery and in terms of formulating policy. I was recently part of a meeting with all Council Leaders within the region and the Board Members of Yorkshire Forward to discuss how we put in place a process to move to the new arrangements. The Government will be consulting on how to implement its proposed changes and have indicated that there is a degree of flexibility for each region. We will be responding to this consultation and engaging actively with our regional partners in the coming months. I will keep the Council informed of developments. Responsibility for the delivery of economic development is being returned to local authorities.

### Local Government Re-organisation

The Local Government and Public Involvement in Health Act 2007 has now received Royal assent and on 6<sup>th</sup> December the Secretary of State announced that bids from five County Councils would move forward and new Unitary Authorities will be created in Cornwall, Durham, Northumberland, Shropshire and Wiltshire. Elections will be held in Northumberland and Durham in May 2008. Others will be held in May 2009.

The Government also announced that the proposals for Ipswich and Exeter had not met the affordability criteria and that these proposals would not be moved forward but instead would be referred to the Boundary Committee for England to consider the appropriate way forward. A decision in respect of Cheshire is still awaited. In terms of Bedfordshire proposals for two unitary councils to cover the area are being developed. The Boundary Commission is also undertaking a review of the proposals put forward by Norwich.

In North Yorkshire it has been confirmed that our bid for unitary status will not proceed. I am meeting with Leaders of District Councils in the County to consider how we can improve the two tier structure for the benefit of citizens of the county. The Chief Executive is undertaking a round of meetings with all District Council management teams.

### Local Government Finance Settlement

The Local Government Finance Settlement forms the essential backdrop for the Medium Term Financial Strategy of the County Council. The Provisional Settlement was announced by the DCLG on 6 December 2007.

This settlement is the first full 3 years settlement covering the years 2008/09 to 2010/11 and follows the Comprehensive Spending Review announced by the Government in October 2007.

The settlement also reflects the Government decisions following a review of the formula grant system, and a number of changes have been made to the grant distribution methodology.

The County Council formula Grant is £94.8m in 2008/09. £99.5m 2009/10 and £104.5m in 10/10/11. These represent increases of 6.7%, 5.2% and 5.2%.

In addition to these increases a number of transfers into and from RSG have been made in relation to specific grant switches and additional burdens.

Some specific grant allocations are yet to be notified directly by individual Government Departments. CSR 2008 announced the creation of Area Based grants but no further details have been provided as part of the Settlement.

Although the annual grant increases are greater than anticipated in the MTFS we need to be very mindful of the continuing uncertainties re some grants, future spending pressures and the Council Tax warning.

**Cllr John Weighell,  
Leader of the Council.**