



Councillor Keith Mitchell,
Oxfordshire County Council,
County Hall,
Oxford OX1 1ND

04 August 2006

Dear Councillor Mitchell,

REGIONAL FUNDING ALLOCATIONS

Thank you for submitting advice for your region in response to the Regional Funding Allocations (RFA) exercise and for taking the time to meet with our officials to discuss the advice in more detail. Our officials have informed us the meetings with regions were challenging, positive and productive and we hope this will form the basis of further constructive dialogue with central Government. Your advice succeeded in identifying priorities within funding constraints for the recent RFA exercise and we are now writing to set out formally the Government's considered response.

Budget 2006 gave a high-level response and recognition of the considerable effort put into formulating the advice. We were particularly impressed by the way in which regions

- agreed a clear set of transport priorities broadly within the indicative allocation
- secured a widespread level of agreement to the advice from regional and local partners; and
- strengthened the degree of alignment on priorities across the three indicative funding streams.

We believe your advice has substantially met our aim of showing how priorities in transport, housing and economic development in your region relate to each other to form a coherent, credible and strategic vision for improving its economic performance - and how these priorities are aligned to resources.

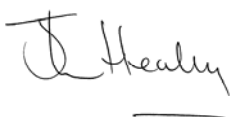
We believe that all regions have benefited from the process of bringing together stakeholders to co-ordinate and agree strategic priorities; and that the advice you have submitted provides us with a rich source of evidence for Government policy making, especially in preparation for the 2007 Comprehensive Spending Review (CSR07). Going forward, we encourage you to build on the partnerships and joint working established through this exercise. Regions' advice recommended that the scope of the RFA funding allocations exercise should be extended in the future. We will consider options for doing this in the cross-cutting review of sub-national economic development and regeneration, which will inform CSR07.

In particular, John Healey wrote to you on 16 June inviting Regional Assemblies and RDAs, by the end of September, to submit joint advice for CSR07 on how we can better use existing levels of public expenditure to achieve the Government's regional economic performance and regeneration targets. In doing so, we have recommended that you build on the existing materials, evidence and partnerships established in your RFA work.

With regard to transport priorities, Douglas Alexander, Secretary of State for Transport wrote to you separately on 6 July commenting on your proposals and setting out decisions on individual schemes.

The attached Annex represents our collective view on the remaining elements of your proposals, based on the advice you submitted at the end of January and the follow-up discussions with Departmental officials.

Yours sincerely



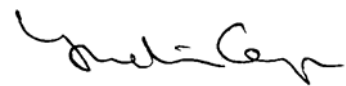
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