



Phil Woolas MP  
Minister for Local Government  
Office of the Deputy Prime Minister  
Eland House  
Bressenden Place  
London SW1E 5DU



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#### **LOCAL GOVERNMENT FINANCE SETTLEMENT**

Thank you for taking the time to meet me and Assembly colleagues last week. We felt it was a useful exchange of views although clearly there are several areas where we will continue to differ.

However I was encouraged by two points in particular. Firstly I take some assurance from your commitment that 'floors will be a permanent feature' of the system and that you have no plans to phase them out. Secondly, I welcome your undertaking to examine the concessionary fares issue in such authorities as Brighton & Hove where there is a clear shortfall in your Department's calculation of the financial impact of this new measure.

Finally, you will recall that we concluded on the issue of supported borrowing, and I asked for a written explanation of your understanding that the revenue impact of borrowing approvals is allowed for within the grant calculation. Given the significance of this issue for growth and investment in the South East, I would appreciate your early reply on this point.

Chairman of the Regional Assembly

cc: Paul Bevan, Chief Executive, Regional Assembly

*South East England Regional Assembly* • Berkeley House, Cross Lanes, Guildford GU1 1UN  
T: 01483 555200 • F: 01483 555250 • E: [secretariat@southeast-ra.gov.uk](mailto:secretariat@southeast-ra.gov.uk) • W: [www.southeast-ra.gov.uk](http://www.southeast-ra.gov.uk)  
Chairman: Councillor Keith Mitchell • Chief Executive: Paul Bevan