

Office of the Deputy Prime Minister

**Local Government
Finance (England)**

**The Local Government
Finance Report
(England) 2005/2006:
Amending Report 2006**

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Report by the First Secretary of State under section 84A of, and paragraph 13 of Schedule 8 to, the Local Government Finance Act 1988

*Ordered by The House of Commons
to be printed on 31 January 2006*

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1 Introduction

- 1.1 This Amending Report is made by the First Secretary of State, and laid before the House of Commons under section 84A of, and paragraph 13 of Schedule 8 to, the Local Government Finance Act 1988 ("the 1988 Act"). Section 84A of the 1988 Act was inserted by section 104 of, and paragraph 15 of Schedule 10 to, the Local Government Finance Act 1992 ("the 1992 Act"). Paragraph 13 of Schedule 8 to the 1988 Act was substituted by section 104 of, and paragraph 7 of Schedule 10 to, the 1992 Act. It applies to England, and contains amendments to the basis of distribution specified in The Local Government Finance Report (England) 2005/2006 ("the Finance Report").
- 1.2 Before making this Amending Report, the First Secretary of State notified to such representatives of local government as appeared to him to be appropriate the general nature of the amendments which he proposed to make.

2 Amendments

2.1 The First Secretary of State amends the basis of distribution specified in the Finance Report by:

(i) substituting for the estimates of the Secretary of State for the Home Department of the projected amount of net expenditure in respect of police pensions for the financial year 2005/06, a new determination of those numbers by the Secretary of State for the Home Department based upon more accurate data;

(ii) substituting for the estimates of the Secretary of State for Transport of the length in kilometres of all other roads that are subject to a speed limit not exceeding 40 miles per hour or less as at the 1 April 2004, a new determination of those numbers by the Secretary of State for Transport based upon more accurate data;

(iii) substituting for the estimates of the First Secretary of State of assumed outstanding debt at 1st April 2004 a new determination by the First Secretary of State based upon more accurate data; and

(iv) substituting for the estimates of the First Secretary of State of Supported Capital Expenditure (Revenue) for 2004/2005 a new determination by the First Secretary of State based upon more accurate data.

Consequential changes are made in Sections 3 and 4, together with Annexes D, E and F of the Finance Report.

2.2 The Local Government Finance Report (England) 2005/2006 is amended as follows.

2.3 For Section 3 of the Finance Report there is substituted a revised Section 3 given at Annex A of this Report.

2.4 In paragraph 4.17 (“To determine whether an authority is subject to the floor or ceiling, an amount Z1 is first calculated for each authority as follows:”) the description of C1 is amended as follows:

C1

is the sum of the following items:

the Primary Education FSS for 2004/05 as defined in paragraph 4.8 of The Local Government Finance Report (England) 2004/05: Amending Report 2006, *plus*

the Secondary Education FSS for 2004/05 as defined in paragraph 4.10 of The Local Government Finance Report (England) 2004/05: Amending Report 2006 adjusted for transfers of responsibility to Academies, *plus*

the Under 5 Education FSS for as defined in paragraph 4.12 of The Local Government Finance Report (England) 2004/05: Amending Report 2006, *plus*

the High Cost Pupils FSS for 2004/05 as defined in paragraph 4.14 of The Local Government Finance Report (England) 2004/05: Amending Report 2006, *plus*

the Schools Damping FSS for 2004/05 as defined in paragraph 4.19 of The Local Government Finance Report (England) 2004/05: Amending Report 2006.

2.5 In paragraph 4.28 (“To determine whether an authority is subject to the floor or ceiling, an amount Z2 is first calculated for each authority as follows:”) the description of A2 is amended as follows:

A2

is the sum of the following items:

the Youth and Community FSS for 2004/05 as defined in paragraph 4.21 of The Local Government Finance Report (England) 2004/05: Amending Report 2006, *plus*

the Local Education Authority Central Functions FSS for 2004/05 as defined in paragraph 4.23 of The Local Government Finance Report (England) 2004/05: Amending Report 2006, *plus*

the LEA Damping FSS as defined in paragraph 4.28 of The Local Government Finance Report (England) 2004/05: Amending Report 2006

2.6 In paragraph 4.38 (“The element for *Social Services for Younger Adults* for a particular authority consists of a basic amount per person aged 18-64 and top-ups for deprivation and area costs:”) the Basic Amount and Top-up are amended as follows:

Basic amount

YOUNGER ADULTS PSS BASIC AMOUNT	£81.53
------------------------------------------------	--------

Top-up

YOUNGER ADULTS PSS DEPRIVATION TOP-UP	£239.93 multiplied by INCOME SUPPORT/INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS AGED 18 TO 64 YEARS; plus £109.07 multiplied by HOUSEHOLDS WITH NO FAMILY; plus £113.10 multiplied by HOUSEHOLDS LIVING IN PUBLIC SECTOR RENTED FLATS; minus £31.48
----------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- 2.7 In paragraph 4.44 (“The *Fire* element for a particular authority consists of a basic amount per resident and top-ups for coastline, deprivation, fire risk areas, fire safety enforcement, community fire safety and area costs:”) the Fire Risk Top-up is amended as follows:

FIRE RISK TOP-UP	£1,238.34 multiplied by 'A' RISK AREAS
-------------------------	-----------------------------------------------

- 2.8 In paragraph 4.47 (“The *Highway Maintenance* element for a particular authority consists of a basic amount per weighted road-length and top-ups for usage, winter weather and area costs:”) the Basic Amount and Usage Top-up are amended as follows:

Basic amount

HIGHWAY BASIC AMOUNT	£443.35
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Top-ups

USAGE TOP-UP	£78.52 multiplied by TRAFFIC FLOW; plus £5.55 multiplied by DAYTIME POPULATION PER KM
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- 2.9 In Annex D (“Definition of Indicators Used for Each Authority in the Calculation of Formula Spending Shares”), for the item “Police Pensions”, which appears on page 71 of the Finance Report, there is substituted the following:

POLICE PENSIONS	The projected amount of net expenditure in respect of police pensions for the financial year 2005/2006, as estimated by the Secretary of State for the Home Department using information provided by the Government Actuary's Department in September 2005.
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- 2.10 In Annex E, for the value of 27,876.070776, the Education Control Total, there is substituted the figure 27,876.033214.
- 2.11 In Annex E, for the value of 90.441943, the Schools Damping Control Total, there is substituted the figure 90.343322.
- 2.12 In Annex E, for the value of 0.283833, the LEA Damping Control Total, there is substituted the figure 0.344892.

- 2.13 In Annex E, for the value of 4,554.299000, the Police Control Total, there is substituted the figure 4,554.362000.
- 2.14 In Annex E, for the value of 64,180.336776, the Total Control Total, there is substituted the figure 64,180.362214.
- 2.15 For Annex F of the Finance Report there is substituted a revised Annex F given at Annex B of this Report.

3 Conclusion

- 3.1 This Amending Report is made by the First Secretary of State under section 84A of, and paragraph 13 of Schedule 8 to, the 1988 Act. It is laid before the House of Commons in accordance with those provisions.

Signed by authority of the First Secretary of State.

24 January 2006

Philip Woolas
Minister of State for Local Government
Office of the Deputy Prime Minister

Annex A

Revised Section 3 of the Local Government Finance Report (England) 2005/2006

The following revised Section 3 is substituted for Section 3 of the Local Government Finance Report (England) 2005/2006.

3 Distribution of Revenue Support Grant

- 3.1 This section specifies the basis on which the First Secretary of State proposes to distribute among receiving authorities the amount of Revenue Support Grant which under Part V of the 1988 Act falls to be paid to such authorities for the year 2005/2006.
- 3.2 In order to calculate the amount of grant to be paid to each receiving authority, the First Secretary of State will first calculate the Formula Spending Share (“FSS”) for that authority. The method by which FSSs are to be calculated is set out in detail in section 4 of this Report. The calculation of FSSs makes use of information reflecting the demographic, physical and social characteristics of each area.
- 3.3 The grant calculation also takes into account an authority’s share of redistributed national non-domestic rates, its relative ability to raise council tax and the rules used to damp changes in grant from one year to the next.

Authorities with Education and Social Service Responsibilities

- 3.4 For London borough councils, metropolitan district councils, county councils, non-metropolitan district councils which have functions of county councils, the Council of the Isles of Scilly and the Common Council of the City of London the amount of Revenue Support Grant for each such authority for 2005/2006 is determined as the greater of **A** (the floor) or **B** (the formula-based amount);

where:

A is the greater of **A1** and **A2**

A1 is $(1.040 \times (D + E + T)) - F - G$

A2 is $D + E + T + \text{‘Schools FSS Increase’} - F - G$

B is $((H - A) \times X) + A$

D which represents the previous year’s grant support, is the sum of the following items:

The First Secretary of State's estimate of the authority’s share of the Distributable Amount (Redistributed National Non-domestic Rates) calculated in accordance with section 6 of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services, *plus*

The First Secretary of State's estimate of the authority’s share of Revenue Support Grant calculated in accordance with section 3 of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services, *plus*

the Secretary of State for the Home Department's estimate of the amount of any Police Grant payable to the authority for 2004/2005

calculated in accordance with section 5 of the Police Grant Report (England and Wales) 2004/2005: Amending Report 2006/2007, after adjusting for changes in the functions of councils or the financing of particular services.

E is an adjustment which helps provide support for capital expenditure: if **L** is equal to or less than **M** then **E** is zero, if **L** is greater than **M** then **E** is equal to

$$(L - M) \times (F + H) / I$$

Schools FSS Increase is F1 as defined in paragraph 4.17 of the original Local Government Finance Report (England) 2005/06; *plus*

Schools Damping FSS for 2005/06 as defined in paragraph 4.21 of the original Local Government Finance Report (England) 2005/06; *minus*

C1 as defined in paragraph 4.17 of the original Local Government Finance Report (England) 2005/06.

F is the authority's share of the Distributable Amount for 2005/2006 calculated in accordance with section 6 of this Report.

G is the amount of any Police Grant for the authority for 2005/2006 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2005/2006: Amending Report 2006/2007

H is the authority's preliminary calculated amount of RSG for 2005/2006, before any adjustments in respect of the grant damping provisions, and is

$$I - F - (ANCT \times J \times K)$$

I is the FSS for the authority for 2005/2006, calculated in accordance with section 4 of this Report.

ANCT the assumed national council tax, is £1,101.957677

J is the share of the assumed national council tax, ANCT, for the group of authorities within which the authority falls, as specified in Annex B of this Report.

K is the council tax base for Revenue Support Grant purposes ("the taxbase") for the area of the authority, calculated in accordance with Annex C of this Report.

L is

$$((L1 \times 0.5) + (L2 \times 0.98) + (L3 \times 0.94)) \times 0.063 + ((L2 \times 1.00) + (L3 \times 0.96)) \times 0.04$$

L1 is the Supported Capital Expenditure (Revenue) indicator for the authority for 2005/2006 as defined in Annex D of this report.

L2 is the Supported Capital Expenditure (Revenue) indicator for the authority for 2004/2005 used in deriving the Debt I indicator for 2005/2006 as defined in Annex D of this report.

L3 is the Credit Approvals indicator for the authority for 2003/2004 used in deriving the Debt I indicator for 2005/2006 as defined in Annex D of this report.

- M** is

$$((M1 \times 0.5) + (M2 \times 0.98) + (M3 \times 0.94)) \times 0.063 + ((M2 \times 1.00) + (M3 \times 0.96)) \times 0.04$$
- M1** is the Supported Capital Expenditure (Revenue) indicator for the authority for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services.
- M2** is the Credit Approvals indicator for the authority for 2003/2004 used in deriving the Debt I indicator for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services.
- M3** is the Credit Approvals indicator for the authority for 2002/03 used in deriving the Debt I indicator for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services.
- T** is an adjustment which helps provide protection in respect of grant losses arising from the Local Government Finance Report 2003/2004: Amending Report 2005 and, if any, from the Police Grant Report (England and Wales) 2003/2004: Amending Report 2004/05; if the amount **U** is equal to or less than the amount **V** then **T** is zero, if the amount **U** is greater than the amount **V** then the amount **T** is equal to
- $$U - V$$
- U** is the sum of the authority's share of Revenue Support Grant and the authority's share of the Distributable Amount, each calculated in accordance with the relevant section of the original Local Government Finance Report 2003/2004 as approved by the House of Commons on 5 February 2003, and the amount of any Police Grant for the authority for 2003/2004 as shown in column (a) of the table contained in paragraph 3.1 of the original Police Grant Report (England and Wales) 2003/2004 as approved by the House of Commons on 5 February 2003.
- V** is the sum of the authority's share of Revenue Support Grant and the authority's share of the Distributable Amount, each calculated in accordance with the relevant section of the Local Government Finance Report 2003/2004: Amending Report 2005, and the amount of any Police Grant for the authority for 2004/2005 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2003/2004: Amending Report 2004/05.
- X** is a factor which reduces that part of the year-on-year grant increase which is above the floor to fund the cost of the floor, is 0.8830621.

Police Authorities

- 3.5 For police authorities other than the Common Council of the City of London and the Metropolitan Police Authority, the amount of Revenue Support Grant for each such authority for 2005/2006 is determined as the greater of **A** (the floor) or **B** (the formula-based amount);

where:

A is $(1.0375 \times (D + E + T)) - F - G$;

B is $((H - A) \times Y) + A$;

D, E, F, G, H, I, J, ANCT, K, L, M, T, U and V have the same meanings as in paragraph 3.4;

Y a factor which reduces that part of the year-on-year grant increase which is above the floor to fund the cost of the floor, is 0.4196641.

Fire Authorities

3.6 For the metropolitan county fire and civil defence authorities and the combined fire authorities the amount of Revenue Support Grant for each such authority for 2005/2006 is determined as the greater of **A** (the floor) or **B** (the formula-based amount);

where:

A is $(1.025 \times (D + E + T)) - F$;

B is $((H - A) \times Y) + A$;

D, E, F, H, I, J, ANCT, K, L, M, T, U and V have the same meanings as in paragraph 3.4.

Y a factor which reduces that part of the year-on-year grant increase which is above the floor to fund the cost of the floor, is 0.5752055.

The Greater London Authority

3.7 The amount of Revenue Support Grant for the Greater London Authority (GLA) consists of the sum of an amount in respect of police services (**R**) and an amount in respect of fire services (**S**). The police amount is determined using the same floor and scaling factor as for police authorities, other than the Common Council of the City of London and the Metropolitan Police Authority. The fire amount is determined using the same floor and scaling factor as for the metropolitan county fire and civil defence authorities and the combined fire authorities. The formula for the GLA takes into account that the authority makes budgetary provision for police services for only a part of the GLA's area¹.

3.8 For the GLA the amount of Revenue Support Grant for 2005/2006 is determined as the sum of **R** plus **S**.

3.9 **R** is the greater of **A** (the floor) or **B** (the formula-based amount);

where:

A is $(1.0375 \times (D + E + T)) - F - G$;

B is $((H - A) \times Y) + A$;

¹ Within the area of the City of London budgetary provision for police services is the responsibility of the Common Council of the City of London.

- D** which represents the previous year's grant support, is the sum of the following items:
- the First Secretary of State's estimate of that part of the GLA's share of the Distributable Amount (Redistributed National Non-domestic Rates) in respect of police services, calculated in accordance with section 6 of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services, *plus*
- the First Secretary of State's estimate of that part of the GLA's share of Revenue Support Grant in respect of police services, calculated in accordance with section 3 of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services, *plus*
- the Secretary of State for the Home Department's estimate of the amount of Police Grant payable to the GLA for 2004/2005 calculated in accordance with section 5 of the Police Grant Report (England and Wales) 2004/2005: Amending Report 2006/2007 plus the amount specified in paragraph 4.4 of that Report, after adjusting for changes in the functions of councils or the financing of particular services;
- F** is the First Secretary of State's estimate of that part of the GLA's share of the Distributable Amount for 2005/2006 in respect of police services, calculated in accordance with section 6 of this Report;
- G** is the amount of the Police Grant for the GLA for 2005/2006 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2005/2006: Amending Report 2006/2007;
- H** is the preliminary calculated amount of RSG for 2005/2006 for the GLA in respect of police services, before any adjustments in respect of the grant damping provisions, and is
- $I - F - (ANCT \times J1 \times K1)$**
- I** is the First Secretary of State's estimate of that part of the FSS for the GLA which is attributable to police services for 2005/2006, calculated in accordance with section 4 of this Report;
- J1** is the share of the assumed national council tax, ANCT, for police services for the GLA, as specified in Annex B of this Report;
- K1** is the taxbase for that part of the GLA's area for which the GLA makes budgetary provision for police services, calculated in accordance with Annex C of this Report;
- L** is
- $((L1 \times 0.5) + (L2 \times 0.98) + (L3 \times 0.94)) \times 0.063 + ((L2 \times 1.00) + (L3 \times 0.96)) \times 0.04$**
- L1** is the First Secretary of State's estimate of that part of the Supported Capital Expenditure (Revenue) indicator which is attributable to police services for the GLA for 2005/2006 as defined in Annex D of this Report;

- L2** is the First Secretary of State's estimate of that part of the Supported Capital Expenditure (Revenue) indicator which is attributable to police services for the GLA for 2004/2005 used in deriving the Debt I indicator for 2005/2006 as defined in Annex D of this Report;
- L3** is the First Secretary of State's estimate of that part of the Credit Approvals indicator which is attributable to police services for the GLA for 2003/2004 used in deriving the Debt I indicator for 2005/2006 as defined in Annex D of this Report;
- M** is $((M1 \times 0.5) + (M2 \times 0.98) + (M3 \times 0.94)) \times 0.063 + ((M2 \times 1.00) + (M3 \times 0.96)) \times 0.04$
- M1** is the First Secretary of State's estimate of that part of the Supported Capital Expenditure (Revenue) indicator which is attributable to police services for the GLA for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006;
- M2** is the First Secretary of State's estimate of that part of the Credit Approvals indicator which is attributable to police services for the GLA for 2003/2004 used in deriving the Debt I indicator for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006;
- M3** is the First Secretary of State's estimate of that part of the Credit Approvals indicator which is attributable to police services for the GLA for 2002/03 used in deriving the Debt I indicator for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006;
- U** is the sum of the First Secretary of State's estimate of that part of the authority's share of Revenue Support Grant which is attributable to police services and the First Secretary of State's estimate of that part of the authority's share of the Distributable Amount which is attributable to police services, each calculated in accordance with the relevant section of the original Local Government Finance Report 2003/2004 as approved by the House of Commons on 5 February 2003, and the amount of the Police Grant for the GLA for 2003/2004 as shown in column (a) of the table contained in paragraph 3.1 of the original Police Grant Report (England and Wales) 2003/2004 as approved by the House of Commons on 5 February 2003;
- V** is the sum of the First Secretary of State's estimate of that part of the authority's share of Revenue Support Grant which is attributable to police services and the First Secretary of State's estimate of that part of the authority's share of the Distributable Amount which is attributable to police services, each calculated in accordance with the relevant section of the Local Government Finance Report 2003/2004 : Amending Report 2005, and the amount of the Police Grant for the GLA for 2004/2005 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2003/2004 : Amending Report 2004/05;
- E, ANCT and T** have the same meanings as in paragraph 3.4; **Y** has the same value as in paragraph 3.5.

3.10 **S** is the greater of **A** (the floor) or **B** (the formula-based amount);

where:

- A** is $(1.025 \times (D + E + T)) - F$;
- B** is $((H - A) \times Y) + A$;
- D** which represents the previous year's grant support, is the sum of the following items:
- the First Secretary of State's estimate of that part of the GLA's share of the Distributable Amount (Redistributed National Non-domestic Rates) in respect of fire services, calculated in accordance with section 6 of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services, *plus*
- the First Secretary of State's estimate of that part of the GLA's share of Revenue Support Grant in respect of fire services, calculated in accordance with section 3 of the Local Government Finance Report 2004/2005: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services;
- F** is the First Secretary of State's estimate of that part of the GLA's share of the Distributable Amount for 2005/2006 in respect of fire services, calculated in accordance with section 6 of this Report;
- H** is the preliminary calculated amount of RSG for 2005/2006 for the GLA in respect of fire services, before any adjustments in respect of the grant damping provisions, and is
- $I - F - (ANCT \times J2 \times K2)$**
- I** is the First Secretary of State's estimate of that part of FSS for the GLA which is attributable to fire services for 2005/2006, calculated in accordance with section 4 of this Report;
- J2** is the share of the assumed national council tax, ANCT, for the GLA for fire services, as specified in Annex B of this Report;
- K2** is the taxbase for the whole of the GLA's area, calculated in accordance with Annex C of this Report;
- L** is
- $((L1 \times 0.5) + (L2 \times 0.98) + (L3 \times 0.94)) \times 0.063 + ((L2 \times 1.00) + (L3 \times 0.96)) \times 0.04$**
- L1** is the First Secretary of State's estimate of that part of the Supported Capital Expenditure (Revenue) indicator which is attributable to fire services for the GLA for 2005/2006 as defined in Annex D of this Report;
- L2** is the First Secretary of State's estimate of that part of the Supported Capital Expenditure (Revenue) indicator which is attributable to fire services for the GLA for 2004/2005 used in deriving the Debt I indicator for 2005/2006 as defined in Annex D of this Report;
- L3** is the First Secretary of State's estimate of that part of the Credit Approvals indicator which is attributable to fire services for the GLA for 2003/2004 used in deriving the Debt I indicator for 2005/2006 as defined in Annex D of this Report;

- M** is $((M1 \times 0.5) + (M2 \times 0.98) + (M3 \times 0.94)) \times 0.063 + ((M2 \times 1.00) + (M3 \times 0.96)) \times 0.04$
- M1** is the First Secretary of State's estimate of that part of the Supported Capital Expenditure (Revenue) indicator which is attributable to fire services for the GLA for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006;
- M2** is the First Secretary of State's estimate of that part of the Credit Approvals indicator which is attributable to fire services for the GLA for 2003/2004 used in deriving the Debt I indicator for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006;
- M3** is the First Secretary of State's estimate of that part of the Credit Approvals indicator which is attributable to fire services for the GLA for 2002/03 used in deriving the Debt I indicator for 2004/2005 as defined in Annex D of the Local Government Finance Report 2004/2005: Amending Report 2006;
- U** is the sum of the First Secretary of State's estimate of that part of the authority's share of Revenue Support Grant which is attributable to fire services and the First Secretary of State's estimate of that part of the authority's share of the Distributable Amount which is attributable to fire services, each calculated in accordance with the relevant section of the original Local Government Finance Report 2003/2004 as approved by the House of Commons on 5 February 2003;
- V** is the sum of the First Secretary of State's estimate of that part of the authority's share of Revenue Support Grant which is attributable to fire services and the First Secretary of State's estimate of that part of the authority's share of the Distributable Amount which is attributable to fire services, each calculated in accordance with the relevant section of the Local Government Finance Report 2003/2004 : Amending Report 2005;

E, ANCT and T have the same meanings as in paragraph 3.4; **Y** has the same value as in paragraph 3.6.

Shire Districts without Education and Social Service Responsibilities

- 3.11 For non-metropolitan district councils which do not have functions of county councils the amount of Revenue Support Grant for each such authority is determined as the greater of **A** (the floor) or **B** (the formula-based amount);

where:

A is $(1.025 \times (D + E + T)) - F$;

B is $((H - A) \times Z) + A$;

D, E, F, H, I, J, ANCT, K, L, M, T, U and V have the same meanings as in paragraph 3.4;

Z a factor which reduces that part of the year-on-year grant increase which is above the floor to fund the cost of the floor, is 0.3515565.

Annex B

Revised Annex F of the Local Government Finance Report (England) 2005/2006

The following revised Annex F is substituted for Annex F of the Local Government Finance Report (England) 2005/06.

Annex F

Scaling factors for Formula Spending Shares

Service Block	Sub-block (where relevant)	Scaling Factor
Education	<i>Primary Education</i>	0.99999863486315
	<i>Secondary Education</i>	0.99999891226841
	<i>Under 5 Education</i>	0.99999902994492
	<i>High Cost Pupils</i>	1.00000059481342
	<i>Youth and Community Services</i>	1.00000113831610
	<i>Local Education Authority Central Functions</i>	0.99999706070924
Personal Social Services	<i>Social Services for Children</i>	1.00019566984168
	<i>Social Services for Older People</i>	1.00000597513053
	<i>Social Services for Younger Adults</i>	1.00003367984571
Police		1.00008790735843
Fire		0.99995502538830
Highway Maintenance		0.99994851723028
Environmental, Protective and Cultural Services	<i>Services provided predominantly by non-metropolitan district councils in non-metropolitan areas</i>	1.00008946657759
	<i>Services provided predominantly by county councils in non-metropolitan areas</i>	0.99994008397658
	<i>Flood Defence</i>	0.87044830295647
	<i>Continuing Environment Agency Levies</i>	0.41076435935671
	<i>Coast Protection</i>	0.97969503041795
Capital Financing	<i>Debt Charges</i>	1.10378006055516
	<i>Interest on reserved receipts (for the groups of authorities set out in paragraph 4.68)</i>	
	<i>(i)</i>	-0.05866126714957
	<i>(ii)</i>	-0.00570166493717
	<i>(iii)</i>	-0.02151888554106
	<i>(iv)</i>	-0.01262368378740
	<i>Other interest receipts (for the groups of authorities set out in paragraph 4.69)</i>	
	<i>(i)</i>	-0.02104056606389
	<i>(ii)</i>	-0.00652791801373
	<i>(iii)</i>	-0.00837872803201
	<i>(iv)</i>	-0.00842684999089
<i>(v)</i>	-0.00608421075501	

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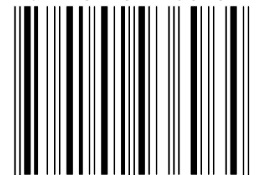
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