

Local Government Finance (England)

The Revenue Support Grant Distribution Report (England)

Report by the Secretary of State for the
Environment under section 80 of the
Local Government Finance Act 1988

*Ordered by The House of Commons
to be printed 11 January 1990*

LONDON
HER MAJESTY'S STATIONERY OFFICE

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The Revenue Support Grant Distribution Report

1 Introduction

1.1 This Report is made by the Secretary of State for the Environment, and laid before the House of Commons, under section 80 of the Local Government Finance Act 1988 ('the 1988 Act'). It applies to England. It sets out the basis on which the Secretary of State proposes to distribute among receiving authorities those amounts of Revenue Support Grant which fall to be paid to them each year under Part V of the 1988 Act in accordance with the Revenue Support Grant Report (England) for that year made under section 78 of the 1988 Act. (References in this Report to Revenue Support Grant are references only to those amounts of Revenue Support Grant which fall to be paid to receiving authorities.) Receiving authorities are district councils, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly.

1.2 Before making this Report the Secretary of State notified to such representatives of local government as appeared to him to be appropriate the general nature of its intended contents.

1.3 The basis of distribution set out in this Report should, for 1990/91, be read subject to adjustments set out in the Revenue Support Grant Transition Report (England) made under section 84 of the 1988 Act.

2 Distribution of Grant

Grant Calculation

2.1 Revenue Support Grant is to be distributed so that if each notifiable authority (as defined in section 76(3) of the 1988 Act) were to spend at the level of its Standard Spending Assessment (SSA)¹ then, subject to certain qualifications², all charging authorities (as defined in section 144(1) of the 1988 Act) could set the same personal community charge, an amount known as the Community Charge for Standard Spending (CCSS).

2.2 An SSA is to be calculated annually by the Secretary of State for each notifiable authority. There is no separate SSA for parishes (see paragraph 2.6 below). The SSA for an authority, for a year, is intended to represent the amount of revenue expenditure which it would be appropriate for the authority to incur in that year to provide a standard level of service consistent with the Secretary of State's view of the amount of revenue expenditure which it would be appropriate for all local authorities to incur (subject to paragraph 2.7 below). The latter amount is known as net Total Standard Spending (net TSS) and is defined in paragraph 2.5 below. The SSA is therefore also intended to represent the amount it would be appropriate for an authority to raise by way of precept (if a precepting authority) or by a calculation under section 95 of the 1988 Act (if a charging authority) on the basis that it makes no use of financial reserves beyond that allowed for in net TSS (subject to paragraph 2.7 below).

¹ For this purpose, expenditure by a parish council, the chairman of a parish meeting, charter trustees, the sub-Treasurer of the Inner Temple or the under-Treasurer of the Middle Temple is to be treated as the expenditure of the relevant charging authority (see paragraphs 2.6 and 2.7).

² The qualifications referred to in paragraph 2.1 are that the following items are in aggregate assumed to be nil, and that any Report made under section 84 of the 1988 Act and any special arrangements which may apply in a special authority (as defined in section 144(6) of the 1988 Act) are disregarded. These matters, however, will affect actual charges in some areas. The items are:

- (i) the surplus or shortfall in the yield from community charges consequent on any difference between the relevant population and the number of people paying personal community charges and contributions to collective community charges, averaged over the year and counting students as 0.2 of an adult and individuals contributing to the collective charge as 0.95 of an adult;
- (ii) income from standard charges;
- (iii) contributions in aid under section 20 of the 1988 Act;
- (iv) any interest or sums in respect of interest which accrue to the Collection Fund other than the proportion of such interest or sums in respect of interest transferred to a charging authority's general fund or to the City fund under a direction under section 98(4) of the 1988 Act;
- (v) any amounts which represent interest on cash flow transfers, and which are transferred to a charging authority's general fund or to the City fund from the Collection Fund under a direction under section 98(4) of the 1988 Act;
- (vi) any amounts of grant which may be credited to the Collection Fund other than the amount of Revenue Support Grant calculated by the Secretary of State under section 82(1) and (2) of the 1988 Act as falling to be paid for the year;
- (vii) any amount by which (a) the aggregate of the amounts receivable in respect of non-domestic rates and the amounts to be transferred to the Collection Fund under directions made under section 98(5) of the 1988 Act in respect of non-domestic rates **differs from** (b) the aggregate of the amounts of the authority's non-domestic rating contributions and the amount of any transfers from the Collection Fund under directions made under section 98(4) in respect of non-domestic rates; and
- (viii) any balances on the Collection Fund.

These qualifications also include the assumption that directions under section 33(7) of the 1988 Act are made in relation to the attribution of Collection Fund income receivable by any charging authority whose area lies partly in and partly outside the Metropolitan Police District, so that each of these authorities could set a charge at the CCSS for its whole area, if all notifiable authorities for that area spent at the level of their SSA.

2.3 Revenue Support Grant is paid to receiving authorities which are defined as charging authorities in section 76(2) of the 1988 Act. In order to calculate the amount of grant to be paid to each receiving authority, the Secretary of State will first calculate the SSA for its area. This is equal to the SSA for the receiving authority plus an appropriate proportion of the SSA of any authority or authorities precepting on it. The SSAs of precepting authorities in respect of general expenses (see Part II of Annex E) are divided among appropriate charging authorities in accordance with the principles for apportioning precepts specified in section 69 of the 1988 Act (as amended by paragraph 50 of Schedule 5 to the Local Government and Housing Act 1989), that is in proportion to their relevant population, calculated in accordance with rules set out in the Population Report made under Schedule 12A to the 1988 Act in operation for the year (hereafter referred to as 'relevant population'). Schedule 12A was inserted by paragraph 74 of Schedule 5 to the Local Government and Housing Act 1989. The calculation of population for the Metropolitan Police fringe area and the treatment of SSA elements in respect of special expenses are described in Parts I and II of Annex E to this Report respectively.

2.4 SSAs are calculated using principles established by the Secretary of State and set out in this Report. These make use of information reflecting the demographic, physical and social characteristics of each area. The method by which SSAs are to be calculated is set out in detail in section 3 of this Report.

2.5 The grant entitlement for each receiving authority is to be calculated as:

$$\text{SSA for the area of the receiving authority } \textit{minus}$$

$$(\text{DA per adult } \textit{plus} \text{ CCSS}) \textit{ multiplied by Relevant Population}$$

where:

DA per adult = the distributable amount calculated under paragraph 8 of Schedule 8 to the 1988 Act for each year (broadly, the total of non-domestic rating contributions) specified in the Revenue Support Grant Report (England) for the year (the **Distributable Amount**) *divided by* the sum of the relevant populations of all charging authorities in England;

Relevant Population is the relevant population as calculated annually for the charging authority by the Secretary of State;

$$\text{CCSS} = \frac{\text{net TSS} - \text{RSG} - \text{Distributable Amount}}{\text{Population of England}}$$

where:

net TSS = the Secretary of State's estimate of Total Standard Spending for England, which is the amount of revenue expenditure falling to be financed via the Collection Fund which he considers appropriate for all local authorities in England to incur to finance a standard level of service (subject to paragraph 2.7 below), and is equal to the sum of SSAs for all authorities (gross TSS includes, in addition, revenue expenditure financed by certain specific grants);

RSG = the total amount of Revenue Support Grant as specified in the Revenue Support Grant Report (England) for the year;

Population of England is the sum of the relevant populations of all charging authorities in England.

**Parishes and the
City of London**

2.6 In some parts of England parish councils, parish meetings or charter trustees provide services which would otherwise fall to be provided by charging authorities. A single SSA is calculated for each charging authority to cover the range of services provided by themselves, parish councils, parish meetings and charter trustees. In areas in which there are no parish councils, parish meetings and charter trustees, the SSA applies to the charging authority alone; where there are such bodies, the SSA is a measure of the appropriate level of spending for the charging authority and such bodies taken together.

2.7 The SSA calculated for the Common Council of the City of London, which is a special authority as defined by section 144(6) of the 1988 Act, does not reflect the amount of revenue expenditure which it would be appropriate for the authority to incur in a year to provide a standard level of service. It does, however, serve as a basis for distributing an amount of Revenue Support Grant to the City. The City's SSA is included within net TSS and encompasses also that for the sub-Treasurer of the Inner Temple and the under-Treasurer of the Middle Temple.

3 The Calculation of Standard Spending Assessments

Introduction

3.1 A Standard Spending Assessment (SSA) will be calculated annually for each notifiable authority. SSAs are built up from separate elements for the following major service blocks and sub-blocks:

- I Education
 - (i) primary
 - (ii) secondary
 - (iii) post-16
 - (iv) under 5
 - (v) other
- II Personal Social Services
 - (i) children
 - (ii) elderly
 - (iii) other
- III Police
- IV Fire and Civil Defence
- V Highway Maintenance
- VI All Other Services
- VII Capital Financing

It is the total SSA for an authority which is used for distributing Revenue Support Grant. Local authorities, however, retain discretion over their expenditure priorities both between and within services.

3.2 Each of the following parts of this section describes the calculation of the SSA element or elements for one of the seven major blocks. The description of each element has a similar framework: a brief description of the calculation, a list of the classes of authority for which the particular element is calculated and a formula. The formula is specified in terms of the sum of a series of 'amounts' multiplied by 'indicators'. The amounts are in pounds and the indicators are given labels which appear in **BOLD CAPITALS** in the text. A full description of each indicator is given in Annex A. Indicators are items of information which are available for each relevant authority, for example numbers of pupils or density of population.

3.3 The sum of the SSA elements for individual authorities is constrained to equal the control total for the relevant service block or sub-block. To achieve this, the result for each authority of applying one of the formulae to its indicator data is multiplied by the ratio of the control total for the relevant service element (given in Annex B) to the sum across all relevant authorities of the results of applying the formula to their indicator data. **This process is hereafter described as 'scaling to the control total'.**

I Education

3.4 There are five sub-blocks within the Education service block. The calculation of the SSA elements for each of these reflects different client groups and associated unit costs. The sub-blocks are *Primary*, *Secondary*, *Post-16*, *Under 5* and *Other Education*. Both the *Secondary* and the *Post-16* sub-blocks include an allowance for the Careers Service. The calculation of the SSA elements for each of these sub-blocks is described in turn.

3.5 The SSA element for each sub-block of the Education service block will be calculated for the following classes of authority:

County Councils,
London Borough Councils,
Common Council of the City of London,
Metropolitan District Councils,
Council of the Isles of Scilly.

Primary Education

3.6 The client group for the *Primary Education* sub-block is the number of pupils aged 5 to 10 years for whose education the authority is financially responsible. Cost adjustments are incorporated in the formula to reflect the increased costs associated with the additional educational needs of some pupils, the provision of free school meals and milk, the sparsity of the population in an area and differences in the costs of provision between areas.

3.7 The *Primary Education* element for a particular authority is calculated as follows:

(a) **PUPILS AGED 5-10** multiplied by the result of:

£1,139.00; plus

£542.16 multiplied by **ADDITIONAL NEEDS**; plus

£170.85 multiplied by **SPARSITY**; plus

£125.09 multiplied by **FREE MEALS**;

(b) The result of (a) is multiplied by

AREA COST ADJUSTMENT FOR EDUCATION;

(c) The result of (b) is then scaled to the control total given in Annex B for the *Primary Education* sub-block.

Secondary Education

3.8 The client group for the *Secondary Education* sub-block is the number of pupils aged 11 to 15 years for whose education the authority is financially responsible. Similar cost adjustments to those for primary education are incorporated in the formula, reflecting the additional educational needs of some pupils, the provision of free school meals and milk, the sparsity of the population in an area and differences in the costs of provision between areas.

3.9 The *Secondary Education* element for a particular authority is calculated as follows:

-
- (a) **PUPILS AGED 11-15** multiplied by the result of:
£1,611.72; plus
£782.80 multiplied by **ADDITIONAL NEEDS**; plus
£241.76 multiplied by **SPARSITY**; plus
£179.89 multiplied by **FREE MEALS**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR EDUCATION;
- (c) The result of (b) is then scaled to the control total given in Annex B for the *Secondary Education* sub-block.
-

Post-16 Education 3.10 The client group for the *Post-16 Education* sub-block is the estimated number of students aged 16 and over for whose education the authority is responsible. The estimate is based on the actual number of pupils aged 16 and over in schools and relevant students in further and higher education, including those on the Youth Training Scheme. As with the primary and secondary education sub-blocks, cost adjustments are made for additional educational needs, the sparsity of the population in an area and differences in the costs of provision between areas.

3.11 The *Post-16 Education* element for a particular authority is calculated as follows:

-
- (a) **STUDENTS AGED 16+** multiplied by the result of:
£2,315.54; plus
£872.17 multiplied by **ADDITIONAL NEEDS**; plus
£347.33 multiplied by **SPARSITY**;
- (b) **PUPILS AGED 11-15** multiplied by the result of:
£17.51; plus
£33.42 multiplied by **ADDITIONAL NEEDS**; plus
£2.63 multiplied by **SPARSITY**;
- (c) The results of (a) and (b) are added together and multiplied by
AREA COST ADJUSTMENT FOR EDUCATION;
- (d) The result of (c) is then scaled to the control total given in Annex B for the *Post-16 Education* sub-block.
-

Under 5 Education 3.12 The client group for the *Under 5 Education* sub-block is the population aged under 5 years. Cost adjustments are made for additional educational needs and differences in the costs of provision between areas.

3.13 The *Under 5 Education* element for a particular authority is calculated as follows:

-
- (a) **RESIDENT POPULATION AGED 0-4** multiplied by the result of:
£62.01; plus
£257.04 multiplied by **ADDITIONAL NEEDS**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR EDUCATION;
- (c) The result of (b) is then scaled to the control total given in Annex B for the *Under 5 Education* sub-block.
-

Other Education 3.14 The client group for the *Other Education* sub-block is the population aged over 11 years. Cost adjustments are made for additional educational needs and differences in the costs of provision between areas.

3.15 The *Other Education* element for a particular authority is calculated as follows:

-
- (a) **RESIDENT POPULATION AGED 11+** multiplied by the result of:
£5.37; plus
£22.84 multiplied by **ADDITIONAL NEEDS**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR EDUCATION;
- (c) The result of (b) is then scaled to the control total given in Annex B for the *Other Education* sub-block.
-

II Personal Social Services

3.16 There are three sub-blocks within the Personal Social Services (PSS) service block. The calculation of the SSA elements for each of these reflect different client groups and associated unit costs. The sub-blocks are *Social Services for Children*, *Social Services for the Elderly* and *Other Social Services* (that is, services provided for adults under 65 years of age). The calculation of the SSA elements for each of these sub-blocks is described in turn.

3.17 The SSA element for each sub-block of the Personal Social Services block will be calculated for the following classes of authority:

County Councils,
London Borough Councils,
Common Council of the City of London,
Metropolitan District Councils,
Council of the Isles of Scilly.

Social Services for Children

3.18 This sub-block covers the provision of personal social services for children aged less than 18 years. The client group is the estimated number of children at risk. Cost adjustments are made to reflect the increased costs associated with social and economic disadvantage and differences in the costs of provision between areas.

3.19 The element for *Social Services for Children* for a particular authority is calculated as follows:

-
- (a) **CHILDREN AT RISK** multiplied by the result of:
£2,280.12; plus
£145.23 multiplied by **CHILDREN'S SOCIAL INDEX**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR GENERAL PSS;
- (c) The result of (b) is scaled to the control total given in Annex B for the *Social Services for Children* sub-block.
-

Social Services for the Elderly

3.20 This sub-block covers the provision of personal social services for elderly people aged 65 years and over. It is further divided between residential and domiciliary care. The client group for residential care is the estimated number of potential elderly supported residents; and for domiciliary care it is the estimated number of potential elderly domiciliary clients. Cost adjustments built into the two formulae reflect differences in the costs of provision between areas and, for residential care, authorities' varying capacities to raise income from charges.

3.21 The element for *Social Services for the Elderly* for a particular authority is calculated as follows:

-
- (a) **POTENTIAL ELDERLY SUPPORTED RESIDENTS** multiplied by the result of:
NATIONAL AVERAGE EXPENDITURE ON RESIDENTIAL SUPPORT; minus
INCOME FROM RESIDENTIAL CHARGES;
- (b) The result of (a) is then multiplied by
AREA COST ADJUSTMENT FOR GENERAL PSS;
- (c) The result of (b) is then scaled to the control total given in Annex B for Residential Care within the *Social Services for the Elderly* sub-block.
- (d) **POTENTIAL ELDERLY DOMICILIARY CLIENTS** multiplied by:
£1,334.33;
- (e) The result of (d) is multiplied by
AREA COST ADJUSTMENT FOR DOMICILIARY PSS;
- (f) The result of (e) is then scaled to the control total given in Annex B for Domiciliary Care within the *Social Services for the Elderly* sub-block.
- (g) The results of (c) and (f) are added together to give the SSA for the *Social Services for the Elderly* sub-block.
-

Other Social Services 3.22 This sub-block covers the provision of personal social services for people aged 18 to 64 years. The client group for *Other Social Services* is the population aged 18 to 64 years. Variations in cost per person aged 18 to 64 years are built into the formula to reflect the varying population at risk associated with social and economic disadvantage and differences in the costs of provision between areas.

3.23 The element for *Other Social Services* for a particular authority is calculated as follows:

-
- (a) **RESIDENT POPULATION AGED 18-64** multiplied by the result of:
£22.86; plus
£1.84 multiplied by **ALL AGES SOCIAL INDEX**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR GENERAL PSS;
- (c) The result of (b) is then scaled to the control total given in Annex B for the *Other Social Services* sub-block.
-

III Police

3.24 With the exception of the Receiver for the Metropolitan Police District ('the Receiver'), the main determinant of the SSA for the Police block is the police establishment of each police force, as approved by the Home Secretary. The SSA element for the Receiver is set equal to his budget for the year (net of police grant) for services other than Probation, Magistrates' Courts and School Crossing Patrols, as estimated by the Home Secretary and given in Annex B. Cost adjustments are made for differences in the costs of provision between areas.

3.25 The SSA element for the Police block (excluding that for the Receiver) is calculated for the following classes of authority:

County Councils (excluding Northumberland),
Common Council of the City of London,
Metropolitan County Police Authorities,
Northumbria Police Authority,
Council of the Isles of Scilly.

3.26 The Police element for a particular authority is calculated as follows:

-
- (a) **POLICE ESTABLISHMENT** multiplied by
£33,771;
- (b) The result of (a) is multiplied by
1 minus **POLICE GRANT RATE**; and then multiplied by
AREA COST ADJUSTMENT FOR POLICE;
- (c) The result of (b) is then scaled to the control total given in Annex B for the Police block, excluding the element for the Receiver.
-

IV Fire and Civil Defence

3.27 The client group for the Fire and Civil Defence block is resident population. Cost adjustments are made for density, the number of fire and fire false alarm calls, the area classified as 'category A' risk in terms of fire cover and differences in the costs of provision between areas.

3.28 The SSA for the Fire and Civil Defence block is calculated for the following classes of authority:

County Councils,
London Fire and Civil Defence Authority,
Metropolitan County Fire and Civil Defence Authorities,
Council of the Isles of Scilly.

3.29 The Fire and Civil Defence element for a particular authority is calculated as follows:

-
- (a) **RESIDENT POPULATION** multiplied by the result of:
£7.11; plus
£1.37 multiplied by **WARD WEIGHTED DENSITY**; plus
£556.93 multiplied by **FIRE AND FALSE ALARM CALLS**; plus
£464.33 multiplied by **'A' RISK AREAS**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR FIRE AND CIVIL DEFENCE;
- (c) The result of (b) is then scaled to the control total given in Annex B for the Fire and Civil Defence block.
-

V Highway Maintenance

3.30 The main determinants of the SSA for the Highway Maintenance block are the lengths of road of different types for which each highway authority is responsible, the relative costs of maintenance for these road types and the estimated unit costs per kilometre, which take account of traffic flows, population and winter weather conditions. A cost adjustment is also made to reflect differences in the costs of provision between areas.

3.31 The SSA for the Highway Maintenance block is calculated for the following classes of authority:

County Councils,
London Borough Councils,
Common Council of the City of London,
Metropolitan District Councils,
Council of the Isles of Scilly.

3.32 The Highway Maintenance element for a particular authority is calculated as follows:

-
- (a) **WEIGHTED ROAD LENGTHS** multiplied by the result of:
£1,928.93; plus
£0.29 multiplied by **TRAFFIC FLOW ABOVE THRESHOLD LEVEL**;
plus
£4.03 multiplied by **POPULATION ABOVE THRESHOLD**; plus
£13.05 multiplied by **DAYS WITH SNOW LYING**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR HIGHWAY MAINTENANCE;
- (c) The result of (b) is then scaled to the control total given in Annex B for the Highway Maintenance block.
-

VI All Other Services

3.33 This block includes **all services provided by local authorities other than those specifically covered elsewhere in section 3 of this Report**. The SSA element for these services is calculated in a number of stages. The main part of the calculation reflects the division of the services covered into two groups to reflect the division of responsibilities for providing services in non-metropolitan areas: some services are provided predominantly by district councils, others by county councils (see Annex D). There are also further adjustments, for example for public transport support for rail services which is only provided by local authorities in metropolitan areas. These further adjustments are described below.

Services provided predominantly by non-metropolitan district councils in non-metropolitan areas

3.34 The client group for these services is the total population in an area, taking account of commuters and visitors. There are cost adjustments for density, social conditions, the sparsity of population in an area and differences in costs of provision between areas. The calculations also make allowance for the concurrent provision of some services by county councils.

3.35 The SSA element for these services is calculated for the following classes of authority:

Non-Metropolitan District Councils,
Metropolitan District Councils,
County Councils (adjustment for concurrent services only),
London Borough Councils,
Common Council of the City of London,
Council of the Isles of Scilly.

3.36 The SSA element for these services for a particular authority is calculated as follows:

-
- (a) **ENHANCED POPULATION** multiplied by the result of:
£59.11; plus
£5.21 multiplied by **WARD WEIGHTED DENSITY**; plus
£4.77 multiplied by **ALL AGES SOCIAL INDEX**; plus
£18.55 multiplied by **SPARSITY**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR OTHER SERVICES;
- (c) The result of (b) is then scaled to the control total given in Annex B for these services;
- (d) 9.5 per cent of the sum of the SSA elements of the district councils in each non-metropolitan county as calculated at (c) is reassigned from the district councils to the county council as a common amount per head of population, ie in proportion to **ADULTS**. This reflects the concurrent provision of some services by county councils.
-

Concurrent provision of some services

Services provided predominantly by county councils in non-metropolitan areas

3.37 The client group for these services is the total population in an area, taking account of commuters and visitors. Cost adjustments are built into the formula for density, the sparsity of the population in an area and differences in the costs of provision between areas. The calculations also make explicit allowance for the concurrent provision of some services by non-metropolitan district councils.

3.38 Two further adjustments are made to the SSA element. The first takes account of the provision by the Receiver for the Metropolitan Police District of some services included within this block; the second reflects the fact that responsibility for public transport support in London lies with the Exchequer. These adjustments are described in paragraphs 3.42 and 3.44 below.

3.39 The SSA element for these services is calculated for the following classes of authority:

Non-Metropolitan District Councils (adjustment for concurrent services only),
Metropolitan District Councils,
County Councils,
London Borough Councils,
Common Council of the City of London,
Council of the Isles of Scilly,
The Receiver for the Metropolitan Police District (adjustment for certain services only).

3.40 The SSA element for these services for a particular authority is calculated as follows:

-
- (a) **ENHANCED POPULATION** multiplied by the result of:
£9.56; plus
£4.35 multiplied by **WARD WEIGHTED DENSITY**; plus
£5.56 multiplied by **SPARSITY**;
- (b) The result of (a) is multiplied by
AREA COST ADJUSTMENT FOR ALL OTHER SERVICES;
- (c) The result of (b) above is scaled to the control total given in Annex B for these services and then multiplied by the ratio of the sum of (b) for all authorities to the sum of (b) for all authorities less 38 per cent of the sum of (b) for the City of London and the London boroughs.
-

3.41 The result of (c) is then adjusted as set out below.

Public transport support in London

3.42 To reflect the treatment of public transport support in London the SSA element for the Common Council of the City of London and each London borough council is reduced by a common amount per head of population, ie in proportion to **ADULTS**. The total reduction is equal to the difference between the total of (c) for all authorities and the control total given in Annex B for these services.

Concurrent provision of some services

3.43 To reflect concurrent provision of some services 2.5 per cent of the element for each county council resulting from (c) is reassigned to the districts within each county as a common amount per head of population, ie in proportion to **ADULTS**. This is to reflect the concurrent provision of some services by non-metropolitan district councils.

Provision of some services by the Receiver

3.44 Three services covered by this block (Probation, Magistrates' Courts and School Crossing Patrols) are provided in all or part of the Metropolitan Police District by the Receiver. The SSA for these services for the Receiver is set equal to the relevant part of his budget for the year as estimated by the Home Secretary and given in Annex B. To reflect this the SSAs for London borough councils and for Essex, Hertfordshire and Surrey County Councils are reduced in the following way:

- (i) For *Probation and Magistrates' Courts* a reduction is made to the SSA element of each inner London borough on the basis of a common amount per head of population, ie in proportion to **ADULTS**. The total reduction for all inner London boroughs is equal to the Receiver's SSA for Probation and Magistrates' Courts as given in Annex B;
- (ii) For *School Crossing Patrols* a reduction is made to the SSA element of each authority which falls wholly or partly within the Metropolitan Police District on the basis of a common amount per head of population within the Metropolitan Police District, ie in proportion to **ADULTS**. The total of these reductions is equal to the Receiver's SSA for School Crossing Patrols as given in Annex B.

**Public Transport Support
for Rail Services**

3.45 An SSA element in respect of public transport support for rail services is determined in accordance with the Secretary of State for Transport's calculation of the cost of providing a standard level of support for rail services in each of the six metropolitan counties as set out in Annex C. These amounts are distributed between the districts in each of these counties on the basis of a common amount per head of population, ie in proportion to **ADULTS**.

Flood Defence

3.46 An SSA element for *Flood Defence* is calculated for the following classes of authority:

District Councils,
County Councils,
London Borough Councils,
Common Council of the City of London,
Council of the Isles of Scilly.

3.47 The *Flood Defence* element for a particular authority is calculated as follows:

FLOOD DEFENCE EXPENDITURE scaled to the control total given in Annex B for *Flood Defence*.

Coast Protection

3.48 An SSA element for *Coast Protection* is calculated for the following classes of authority:

District Councils,
County Councils,
London Borough Councils,
Common Council of the City of London,
Council of the Isles of Scilly.

3.49 The *Coast Protection* element for a particular authority is calculated as follows:

COAST PROTECTION EXPENDITURE scaled to the control total given in Annex B for *Coast Protection*.

Interest Receipts

3.50 An SSA element for *Interest Receipts* is calculated for the following classes of authority:

District Councils,
County Councils,
London Borough Councils,
Common Council of the City of London,
London Fire and Civil Defence Authority,
Metropolitan County Fire and Civil Defence Authorities,
Metropolitan County Police Authorities,
Northumbria Police Authority,
Council of the Isles of Scilly.

3.51 The *Interest Receipts* element for a particular authority is calculated as follows:

-
- (a) The total of all SSA elements for the authority described in this Report so far *divided by* the total for England of SSA elements described in this Report so far (excluding those for the Receiver);
 - (b) The proportion described in (a) is then multiplied by the control total for *Interest Receipts* given in Annex B.
-

Boundary Changes

3.52 An adjustment is made to reflect the boundary changes set out in Annex G. The adjustment is such as to reduce the total SSA (excluding the capital financing element) of each authority which had a loss of population in proportion to this loss; and to increase the total SSA of authorities which had increases in population by the amount lost by the relevant transferor authority or authorities.

VII Capital Financing

3.53 This service block covers the cost of financing capital expenditure incurred in providing all local authority services. An SSA element will be calculated for the following classes of authority:

District Councils,
County Councils,
London Borough Councils,
Common Council of the City of London,
London Fire and Civil Defence Authority,
Metropolitan County Fire and Civil Defence Authorities,
Metropolitan County Police Authorities,
Northumbria Police Authority,
Council of the Isles of Scilly.

3.54 The main determinant of the assessed cost of financing capital expenditure incurred prior to 1990/91 will be the assumed level of outstanding debt for each authority at 31 March 1990. This will be based on elements of the authority's grant-related expenditure assessments for 1989/90 which relate to capital financing costs.

3.55 For capital expenditure incurred on or after 1 April 1990 the main determinant will be an estimate of Basic and Supplementary Credit Approvals for each authority.

3.56 Repayments of debt will be calculated as 4 per cent of estimated outstanding debt at the end of the preceding financial year. Capital receipts set aside as provision to meet credit liabilities are assumed to be distributed in proportion to the sum of interest charges and debt repayments within the capital financing element. 50 per cent of the total of such receipts is assumed to lie with non-metropolitan district councils, 10 per cent with county councils and 40 per cent with all other authorities.

3.57 A notional pool rate of interest will be applied to each authority's calculated mid year outstanding debt to derive a figure for interest charges. An allowance for Capital Expenditure charged to Revenue Account will be made in proportion to **CREDIT APPROVALS**.

3.58 The Capital Financing element for a particular authority is calculated as follows:

-
- (a) **DEBT**; *plus*
CREDIT APPROVALS *multiplied by 0.5; minus*
DEBT *multiplied by 0.02;*
- (b) The result of (a) is then *multiplied by* **INTEREST RATE**;
- (c) The result of (b) is then *added to*
DEBT *multiplied by 0.04;*
- (d) The result of (c) is then scaled to the control total given in Annex B for *Debt Charges* within the capital financing block;
- (e) The result of (d) for an authority is *divided by* the sum of (d) for one of the three groups of authorities listed below, *within which that authority falls, multiplied by x* and *by* the control total for *Interest on Capital Receipts* given in Annex B,

where the groups of authorities are:

- (i) non-metropolitan district councils;
- (ii) county councils;
- (iii) all remaining authorities; and

for (i) $x = 0.5$, for (ii) $x = 0.1$, and for (iii) $x = 0.4$;

This is added to the result of (d);

- (f) An amount is then added to (e) for each authority to allow for Capital Expenditure charged to Revenue Account. This is calculated as follows:
CREDIT APPROVALS *divided by* the total for England of **CREDIT APPROVALS**; *multiplied by* the control total for *Capital Expenditure charged to Revenue Account* given in Annex B.
-

4 Conclusion

4.1 The sum of all the SSA elements described in section 3 above produces a single SSA for each notifiable authority. This is then used as a basis for distributing Revenue Support Grant among receiving authorities according to the description of the grant calculation set out in section 2 of this Report.

4.2 This Report shall come into force on the day after it is approved by resolution of the House of Commons. The first financial year for which it is to operate is that beginning on 1 April 1990. It continues to operate until it is replaced by a further report made under section 80(5)(a) of the 1988 Act. If a report is made under section 80(5)(b) of the 1988 Act amending this Report, this Report shall have effect as amended.

4.3 This Report is made by the Secretary of State for the Environment under the power conferred on him by section 80 of the Local Government Finance Act 1988. It is laid before the House of Commons in accordance with that section.

20 December 1989

Chris Patten
*Secretary of State
for the Environment*

Annex A

Definition of Indicators Used for Each Authority in the Calculation of Standard Spending Assessments

Introduction

Unless otherwise stated, data used to construct indicators for the calculation of Standard Spending Assessments (SSAs) are those available to the Secretary of State on **29 September 1989** concerning the authorities relevant to the calculation of specific SSA elements.

The following definitions are ordered according to the indicators required for the calculation of SSA elements for the seven major service blocks.

I Education

- PUPILS AGED 5–10** The number of pupils who had attained the age of 5 and had not attained the age of 11 at 31 August 1988.
- PUPILS AGED 11–15** The number of pupils who had attained the age of 11 and had not attained the age of 16 at 31 August 1988.
- STUDENTS AGED 16+** The number of full-time equivalent students is the sum of:
- (i) 0.9412 *multiplied by* the number of school pupils aged 16 and over at 31 August 1988; and
 - (ii) 1.3368 *multiplied by* the number of further education students under age 19 at 31 August 1988 attending Group A courses; and
 - (iii) 0.9412 *multiplied by* the number of further education students under age 19 at 31 August 1988 attending Group B courses; and
 - (iv) 1.0844 *multiplied by* the number of further education students aged 19 and over at 31 August 1988 attending Group A courses; and
 - (v) 0.6820 *multiplied by* the number of further education students aged 19 and over at 31 August 1988 attending Group B courses; and
 - (vi) 0.5183 *multiplied by* the number of further education students attending a course under the Training Agency's Youth Training Scheme; and
 - (vii) 1.5309 *multiplied by* the number of higher education students attending Group A courses; and
 - (viii) 1.0207 *multiplied by* the number of higher education students attending Group B courses.

Numbers of pupils Numbers of pupils are estimated by the Secretary of State for Education and Science on the basis of a count at the beginning of the Spring term 1989. Pupils are those who belong to the area of the authority and:

- (i) were registered at county, voluntary or special schools maintained by the authority or any other authority in England or Wales; or
- (ii) were registered at independent schools, or schools not maintained by an authority and approved by the Secretary of State as special schools under section 9(5) of the Education Act 1944, and in respect of whom the tuition fees were paid in full by the authority; or
- (iii) were receiving education outside school in pursuance of arrangements made by the authority.

Numbers of full-time equivalent further education students The numbers of full-time equivalent further education students are estimated by the Secretary of State for Education and Science. They comprise students (including citizens of any member state of the European Community) who belong to the area of the authority and attend its colleges or those of another authority in England or Wales, or an institution funded by the Polytechnics and Colleges Funding Council (PCFC); and who on 1 November 1988 were enrolled on Group A, Group B or Youth Training Scheme courses, *except* persons attending:

- (i) courses in the evening only or on a part-time basis not involving release from employment; or
- (ii) courses for which the establishment is deemed to have charged a full-cost fee; or
- (iii) courses of higher education as defined by Schedule 6 to the Education Reform Act 1988.

Group A Courses Group A comprises courses (except as specified under Group B below) in the following subjects - the performing arts, science, engineering, mathematics/computing, design, other technology, environmental studies, construction, ancillary health, agriculture, education and art.

Group B Courses Group B comprises all courses in languages, business studies, catering, social studies and the humanities.

Numbers of full-time equivalent higher education students The numbers of full-time equivalent higher education students are estimated by the Secretary of State for Education and Science. They comprise students (including citizens of any member state of the European Community) attending courses of higher education as defined by Schedule 6 to the Education Reform Act 1988 at colleges maintained or assisted by the authority and who on 1 November 1988 were enrolled on either Group A or Group B courses (as defined above), *except* persons attending:

- (i) courses that are prescribed for funding by the PCFC under the provisions of Chapter II of Part II of the Education Reform Act 1988 and the Education (Prescribed Courses of Higher Education) (England) Regulations 1989;
- (ii) courses for which the establishment is deemed to have charged a full-cost fee.

ADDITIONAL NEEDS	The sum of: <ul style="list-style-type: none"> (i) 1.5 <i>multiplied by</i> CHILDREN OF LONE PARENTS (as defined below); and (ii) 1.5 <i>multiplied by</i> CHILDREN OF CLAIMANTS (as defined below); and (iii) The proportion of children aged under 18 in private households who were born outside the UK, Ireland, the USA or the Old Commonwealth, or whose head of household was born outside these areas, calculated using information from the 1981 Census.
CHILDREN OF LONE PARENTS	The proportion of children aged under 18 in private households containing a lone parent family, calculated using information from the 1981 Census.
CHILDREN OF CLAIMANTS	The number of dependent children of claimants receiving Supplementary Benefit or Income Support, averaged over the eight quarterly returns received between February 1987 and November 1987 and between May 1988 and February 1989, as estimated by the Secretary of State for Social Security; <i>divided by</i> the number of resident children under 18 years of age at 30 June 1988, as estimated by the Registrar General.
FREE MEALS	The definition is the same as that used for CHILDREN OF CLAIMANTS .
SPARSITY	The sum of: <ul style="list-style-type: none"> (i) Twice the population of those wards within the area of the authority with 0.5 or less persons per hectare, <i>divided by</i> the total population of the authority, using information from the 1981 Census; and (ii) The population of those wards within the area of the authority at the 1981 Census with more than 0.5 but less than or equal to 4 persons per hectare, <i>divided by</i> the total population of the authority, using information from the 1981 Census.
RESIDENT POPULATION AGED 0-4	The number of resident children aged 0-4 years at 30 June 1988, as estimated by the Registrar General.
RESIDENT POPULATION AGED 11+	The number of residents aged 11 years or over at 30 June 1988, as estimated by the Registrar General.
AREA COST ADJUSTMENT FOR EDUCATION	A factor calculated to reflect the differences in costs of providing education services between London, the rest of the South East, the Isles of Scilly and the remainder of the country. The factor, which is generally based on information derived from the 1988 New Earnings Survey, is given in Annex F to this Report.

II Personal Social Services

CHILDREN AT RISK The number of resident children under 18 years of age at 30 June 1988, as estimated by the Registrar General, *multiplied* by the sum of:

- (i) 0.251 *multiplied* by **CHILDREN OF LONE PARENTS** (as defined above for the Education block); and
- (ii) 0.077 *multiplied* by **CHILDREN OF CLAIMANTS** (as defined above for the Education block); and
- (iii) 0.025 *multiplied* by the proportion of children aged under 16 years living in private households in rented accommodation, calculated using information from the 1981 Census; and
- (iv) -0.010.

CHILDREN'S SOCIAL INDEX The sum of the following factors (each of which is calculated to 4 decimal places):

- (i) **CHILDREN OF LONE PARENTS** (as defined above for the Education block); *minus* 0.1307, and then *divided* by 0.0361; and
- (ii) The annual average decline in the total resident population between 30 June 1978 and 30 June 1988 as a proportion of the total resident population at 30 June 1988, as estimated by the Registrar General; *minus* 0.0014, and then *divided* by 0.0030; and
- (iii) The proportion of persons living in accommodation which is not self-contained, calculated using information from the 1981 Census; *minus* 0.0080, and then *divided* by 0.0121; and
- (iv) The proportion of children aged under 18 years in households whose head was born in the New Commonwealth or Pakistan, calculated using information from the 1981 Census; *minus* 0.0709, and then *divided* by 0.0896; and
- (v) **WARD WEIGHTED DENSITY** as defined below for the All Other Services block; *multiplied* by 10, *minus* 28.6490, and then *divided* by 18.1631.

POTENTIAL ELDERLY SUPPORTED RESIDENTS The **ELDERLY POPULATION** (as defined below) *multiplied* by the sum of:

- (i) 0.01345 *multiplied* by **ELDERLY LIVING ALONE** (as defined below); and
- (ii) 0.00475 *multiplied* by **ELDERLY ON INCOME SUPPORT** (as defined below); and
- (iii) -0.05774 *multiplied* by the number of residents at 31 March 1988 aged 65 years and over in independent, registered residential homes whose primary function is reported as the care of elderly people, elderly people who are mentally infirm and elderly and other people who are handicapped, based on returns from Social Services Departments to the Secretary of State for Health, *divided* by the resident population aged 65 years and over at 30 June 1988, as estimated by the Registrar General.

ELDERLY POPULATION	<p>The sum of:</p> <ul style="list-style-type: none"> (i) The number of residents aged 65-74 years; and (ii) 4 <i>multiplied by</i> the number of residents aged 75-84 years; and (iii) 20 <i>multiplied by</i> the number of residents aged 85 years and over, <p>where the numbers of residents are those at 30 June 1988, as estimated by the Registrar General.</p>
ELDERLY LIVING ALONE	The proportion of persons aged 65 years and over living alone, calculated using information from the 1981 Census.
ELDERLY ON INCOME SUPPORT	The number of persons of pensionable age in receipt of Supplementary Benefit and the number of persons who are, or whose partner is, aged 60 years and over and in receipt of Income Support, averaged over the eight quarterly returns received between February 1987 and November 1987 and between May 1988 and February 1989, as estimated by the Secretary of State for Social Security, <i>divided by</i> the resident population aged 65 years and over at 30 June 1988, as estimated by the Registrar General.
NATIONAL AVERAGE EXPENDITURE ON RESIDENTIAL SUPPORT	The gross expenditure on elderly residential services for England for the financial year 1987-88, as estimated by the Secretary of State for Health, <i>divided by</i> the total number of English local authority supported residents at 31 March 1988 aged 65 years and over in residential homes whose primary function is reported as the care of elderly people, elderly people who are mentally infirm and elderly and other people who are handicapped, based on returns from Social Services Departments to the Secretary of State for Health.
INCOME FROM RESIDENTIAL CHARGES	The income from elderly residential care services for the financial year 1987-88, as estimated by the Secretary of State for Health, <i>divided by</i> the total number of the authority's supported residents at 31 March 1988 aged 65 years and over in residential homes whose primary function is reported as the care of elderly people, elderly people who are mentally infirm and elderly and other people who are handicapped, based on returns from Social Services Departments to the Secretary of State for Health.
POTENTIAL ELDERLY DOMICILIARY CLIENTS	<p>The resident population aged 65 years and over at 30 June 1988, as estimated by the Registrar General, <i>multiplied by</i> the sum of:</p> <ul style="list-style-type: none"> (i) 0.146 <i>multiplied by</i> the resident population aged 85 years and over at 30 June 1988, and <i>divided by</i> the resident population aged 65 years and over at 30 June 1988, both as estimated by the Registrar General; and (ii) 0.117 <i>multiplied by</i> the proportion of persons aged 65 years and over living in privately rented or housing association accommodation, calculated using information from the 1981 Census; and (iii) 0.091 <i>multiplied by</i> ELDERLY LIVING ALONE (as defined above); and (iv) 0.055 <i>multiplied by</i> ELDERLY ON INCOME SUPPORT (as defined above); and (v) 0.014.

RESIDENT POPULATION AGED 18-64 The number of residents aged between 18 and 64 years at 30 June 1988, as estimated by the Registrar General.

ALL AGES SOCIAL INDEX The sum of the following factors, each of which is calculated to 4 decimal places using information from the 1981 Census:

- (i) The proportion of persons living in accommodation which is not self-contained, *minus* 0.0082, and then *divided by* 0.0132; and
- (ii) The proportion of persons in private households without exclusive use of a bath or inside WC, *minus* 0.0321, and then *divided by* 0.0187; and
- (iii) The proportion of persons in private households with only one adult aged 16 or over and with one or more children aged under 16, *minus* 0.0214, and then *divided by* 0.0065; and
- (iv) The proportion of persons in private households living at a density of occupation greater than 1 person per room, *minus* 0.0710, and then *divided by* 0.0353; and
- (v) The proportion of persons in private households whose head was born in the New Commonwealth or Pakistan, *minus* 0.0466, and then *divided by* 0.0619.

For a county council, the indicator is the result of weighting the sum of the factors (as defined above) for its districts in proportion to the districts' shares of the total resident population of the county at 30 June 1988, as estimated by the Registrar General.

AREA COST ADJUSTMENTS FOR GENERAL PSS & FOR DOMICILIARY PSS These are factors calculated to reflect the differences in costs of providing the relevant personal social services between London, the rest of the South East and the remainder of the country. The factors, which are generally based on information derived from the 1988 New Earnings Survey, are given in Annex F to this Report.

III Police

POLICE ESTABLISHMENT The police establishment on 31 August 1989 as approved by the Secretary of State for the Home Department. The establishment for a constituent authority of a combined police authority is taken to be its share of the establishment for the combined authority calculated in proportion to **ADULTS** (as defined below for the All Other Services block).

POLICE GRANT RATE The proportion of police expenditure which is met directly by the Home Department through police specific grant.

AREA COST ADJUSTMENT FOR POLICE A factor calculated to reflect the differences in costs of providing police services between the City of London, the South East and the rest of the country. The factor, which is generally based on information derived from the 1988 New Earnings Survey, is given in Annex F to this Report.

IV Fire and Civil Defence

RESIDENT POPULATION	The total resident population at 30 June 1988, as estimated by the Registrar General.
WARD WEIGHTED DENSITY	As defined below for the All Other Services block.
FIRE AND FALSE ALARM CALLS	The average over the two years 1987 and 1988 of the number of fires attended by local authority fire brigades, and fire false alarm calls, based on reports from brigades to the Secretary of State for the Home Department, <i>divided by</i> RESIDENT POPULATION (as defined above).
'A' RISK AREAS	The number of hectares within the area of the authority which are classified as 'A' risk in terms of fire cover, as reported to the Secretary of State for the Home Department, <i>divided by</i> RESIDENT POPULATION (as defined above).
AREA COST ADJUSTMENT FOR FIRE AND CIVIL DEFENCE	A factor calculated to reflect the differences in costs of providing fire and civil defence services between London, the rest of the South East, the Isles of Scilly and the remainder of the country. The factor, which is generally based on information derived from the 1988 New Earnings Survey, is given in Annex F to this Report.

V Highway Maintenance

WEIGHTED ROAD LENGTHS	<p>The sum of:</p> <ul style="list-style-type: none">(i) Principal built-up roads <i>multiplied by 6</i>;(ii) Principal non built-up roads <i>multiplied by 3</i>;(iii) Other built-up roads <i>multiplied by 2</i>; and(iv) Other non built-up roads. <p>Each of the types of roads in (i) to (iv) above is as defined below for UNWEIGHTED ROAD LENGTHS.</p>
TRAFFIC FLOW ABOVE THRESHOLD LEVEL	<p>Either the result of:</p> <ul style="list-style-type: none">(i) The annual average flow of all motor vehicles (in thousands) on principal roads (excluding principal motorways) during 1988, as estimated by the Secretary of State for Transport; <i>plus</i>(ii) 12 <i>multiplied by</i> the annual average flow of heavy goods vehicles (in thousands) on principal roads (excluding principal motorways) during 1988, as estimated by the Secretary of State for Transport; <i>minus</i>(iii) 4,250. <p>or zero, whichever is the higher,</p> <p>where the traffic flows relate to roads for which the relevant authority is the highway authority.</p>

- POPULATION ABOVE THRESHOLD** The sum of:
- (i) The total resident population at 30 June 1988, as estimated by the Registrar General; and
 - (ii) 0.25 *multiplied by* the result of the number of persons working but not resident in the area *minus* the number of persons resident in but working outside the area, using information from the 1981 Census;

This sum is then *divided by* **UNWEIGHTED ROAD LENGTHS** (defined below) and 100 is subtracted.

The indicator is the outcome of the above, or **zero**, whichever is the higher.

- UNWEIGHTED ROAD LENGTHS** The sum of:
- (i) **Principal built-up roads:** the length (in kilometres) of principal roads which are subject to a speed limit not exceeding 40 miles per hour and principal motorways; and
 - (ii) **Principal non built-up roads:** the length (in kilometres) of principal roads which are not subject to a speed limit of 40 miles per hour or less, but excluding principal motorways; and
 - (iii) **Other built-up roads:** the length (in kilometres) of all other roads which are subject to a speed limit not exceeding 40 miles per hour; and
 - (iv) **Other non built-up roads:** the length (in kilometres) of all other roads which are not subject to a speed limit of 40 miles per hour or less,

where the lengths of road relate to the position at 1 April 1988, as estimated by the Secretary of State for Transport. The roads are those for which the authority is the highway authority.

- DAYS WITH SNOW LYING** The annual average number of days with snow lying at 09.00 hours during 1978 to 1987 inclusive, as estimated by the Secretary of State for Transport on the basis of information from the Meteorological Office.

- AREA COST ADJUSTMENT FOR HIGHWAY MAINTENANCE** A factor calculated to reflect the differences in costs of highway maintenance between London, the rest of the South East and the remainder of the country. The factor, which is generally based on information derived from the 1988 New Earnings Survey, is given in Annex F to this Report.

VI All Other Services

- ENHANCED POPULATION** The sum of:
- (i) The total resident population at 30 June 1988, as estimated by the Registrar General; and
 - (ii) 0.25 *multiplied by* the result of the number of persons working but not resident in the area *minus* the number of persons resident in but working outside the area, using information from the 1981 Census; and
 - (iii) 0.25 *multiplied by* the annual average number of nights stayed by visitors in the local authority's area, *divided by* 365, based on information from the Long Distance Travel Surveys.

WARD WEIGHTED DENSITY The sum over all wards within the area of the authority of the number of persons per hectare within each ward, *multiplied by* that ward's share of the total population in the authority, calculated using information from the 1981 Census, *multiplied by*:

The ratio of the total resident population at 30 June 1988 to the total resident population at 30 June 1981, both as estimated by the Registrar General.

For any area which consists of two or more districts or London boroughs or includes the City of London, the figures for the constituent parts have been weighted in proportion to the total resident population at 30 June 1988, as estimated by the Registrar General.

The indicator is the result of the above calculation *divided by* 10.

ALL AGES SOCIAL INDEX As defined above for the Personal Social Services block.

SPARSITY As defined above for the Education block.

ADULTS The population of an authority, as defined below for different types of authority:

- (i) The population of a **charging authority's** area is the relevant population for 1990/91 calculated by the Secretary of State for the Environment in relation to that charging authority in accordance with Schedule 12A to the 1988 Act;
- (ii) The population of a **precepting authority** which precepts on more than one charging authority is the sum of the relevant population figures for 1990/91 for the appropriate charging authority areas calculated by the Secretary of State for the Environment in accordance with Schedule 12A to the 1988 Act and in the case of parts of charging authority areas, the figures described in Part I of Annex E for parts of that area.

The information used for this purpose is that available to the Secretary of State for the Environment on 8 December 1989.

FLOOD DEFENCE EXPENDITURE The sum of:

- (i) Net current expenditure in thousands of pounds in 1989/90 on land drainage, flood protection and precepts paid in respect of land drainage to Regional Water Authorities, the National Rivers Authority or internal drainage boards, as estimated by the Secretary of State for the Environment, based on information from the authority's Return of Expenditure and Rates for the year ending 31 March 1990 (RER 90); and
- (ii) Net current expenditure in thousands of pounds which would have been incurred by a local authority in 1989/90 if the new arrangements for financing internal drainage boards had been in place, as estimated by the Minister for Agriculture, Fisheries and Food based on information from internal drainage boards' returns for 1987/88.

COAST PROTECTION EXPENDITURE Net current expenditure in thousands of pounds in 1989/90 on coast protection, as estimated by the Secretary of State for the Environment, based on information from the authority's Return of Expenditure and Rates for the year ending 31 March 1990 (RER 90).

AREA COST ADJUSTMENT FOR ALL OTHER SERVICES A factor calculated to reflect the difference in the cost of providing the relevant services between London, the rest of the South East, the Isles of Scilly and the remainder of the country. The factor, which is generally based on information derived from the 1988 New Earnings Survey, is given in Annex F to this Report.

VII Capital Financing

INTEREST RATE The pool rate of interest calculated using short and long term interest rates as at 31 August 1989. This is 10.9 per cent.

DEBT Assumed outstanding debt at 31 March 1990. This is calculated using elements of individual authorities' grant-related expenditure assessments for 1989/90 which relate to capital financing costs (excluding Revenue Costs of Capital Outlay). For the City of London and inner London boroughs, the figure includes a share of the assumed outstanding debt for the Inner London Education Authority; for metropolitan districts, the figure includes a share of the assumed outstanding debt for the relevant Passenger Transport Authority.

CREDIT APPROVALS Basic Credit Approvals for 1990/91 and Supplementary Credit Approvals so far as they apply to 1990/91. These are estimates by the Secretary of State for the Environment based on information available to him on or before 13 December 1989. Supplementary Credit Approvals are estimates made of any Supplementary Credit Approvals expected to have effect for 1990/91, or part of 1990/91, and of the part of any such Supplementary Credit Approval which will be used in 1990/91, by the authority. Credit Approvals for Waste Authorities, Passenger Transport Authorities and Combined Police Authorities are divided between their constituent authorities as a common amount per head of population, i.e. in proportion to **ADULTS**.

Annex B

Control Totals for Standard Spending Assessments

<i>Service Block</i>		<i>Control Total £m</i>	
Education	Primary Education	5,091.3	
	Secondary Education	5,777.1	
	Post-16 Education	2,466.3	
	Under 5 Education	661.8	
	Other Education	<u>756.0</u>	
	<i>Total Education</i>		14,752.5
Personal Social Services	Children	1,275.1	
	Elderly:		
	Residential Care	754.3	
	Domiciliary Care	869.3	
	Other Social Services	<u>693.2</u>	
<i>Total Personal Social Services</i>		3,591.9	
Police	Receiver	613.875	
	Rest of Police	<u>1,510.625</u>	
	<i>Total Police</i>		2,124.5
Fire and Civil Defence	<i>Total</i>	876.6	
Highway Maintenance	<i>Total</i>	1,578.0	
All Other Services	Services provided predominantly by non-metropolitan district councils	3,891.0	
	Services provided predominantly by county councils,	1,159.3	
	<i>of which:</i>		
	Expenditure on Probation and Magistrates' Courts by the Receiver	15.241	
	Expenditure on School Crossing Patrols by the Receiver	3.016	
	Public Transport Support for Rail Services	77.0	
	Flood Defence	160.5	
	Coast Protection	6.5	
	Interest Receipts	<u>-792.2</u>	
	<i>Total All Other Services</i>		4,502.1
	Capital Financing	Debt Charges	2,186.0
Interest on Capital Receipts		-190.5	
Capital Expenditure charged to Revenue Account		<u>384.2</u>	
<i>Total Capital Financing</i>			2,379.7
<i>Total of SSAs</i>		29,805.3	

Annex C

Public Transport Support for Rail Services in Metropolitan Areas

A figure of £77 million has been set aside from within the All Other Services block for distribution to the six English metropolitan county areas in view of their responsibility for supporting local rail services.

This is distributed as follows, in accordance with advice from the Secretary of State for Transport:

<i>Metropolitan county areas</i>	<i>£</i>
Greater Manchester	21,439,091
Merseyside	16,541,503
South Yorkshire	5,846,446
Tyne and Wear	7,718,594
West Midlands	12,791,437
West Yorkshire	12,662,929

Annex D

List of Services included in the All Other Services Block

Services included in this block which are provided predominantly by non-metropolitan district councils in non-metropolitan areas

Allotments	Museums and galleries
Building regulations	Parking
Cemeteries and crematoria	Planning control
Community charge collection	Planning implementation
Concessionary fares	Private housing
Economic development	Recreation
Environmental and port health	Refuse collection
Housing benefit	Registration of electors
Miscellaneous services	

Services included in this block which are provided predominantly by county councils in non-metropolitan areas

Consumer protection	Refuse disposal
Coroners courts	Registration of births, deaths and marriages
Libraries	School crossing patrols
Magistrates' courts	Sheltered employment
Probation	
Public transport support for buses	

Annex E

Metropolitan Police Fringe Area

Part I: Population

1. The Metropolitan Police District (MPD) extends outside London into parts of Essex, Hertfordshire and Surrey. That part of the MPD which is outside London is known as the fringe area. In order to calculate the grant entitlements of receiving authorities whose areas lie partly in and partly outside the MPD, it is necessary to calculate the population of those parts of their areas.

2. The population figure for the parts of each authority's area inside and outside the MPD has been calculated by the Secretary of State using information supplied by the authority on or before 8 December 1989. He has added to the number of persons in the area of each part entered on 1 December 1989 in the community charges register as subject to a personal community charge on that date and not eligible for relief for students under section 13 of the 1988 Act an adjustment reflecting the number of persons entered in the register on 1 December 1989 and shown as subject to a personal community charge in the area of that part on that date and eligible for that relief. The population calculated for each part is scaled by a common factor so that in aggregate the populations of the parts of an area equal the Secretary of State's estimate of the relevant population of the area to be calculated for 1990/91 in accordance with the provisions of the Population Report (England) in operation for that year. Where information was not supplied on or before 8 December 1989, the Secretary of State has used information supplied by the Registrar General to calculate the population of each part of an area and then scaled these figures as described above. The populations of the parts so calculated are rounded to the nearest whole number.

3. These population figures are calculated by the Secretary of State as follows:

<i>County</i>	<i>District</i>	<i>Population of Part of District within MPD</i>
Hertfordshire	Broxbourne	40,507
Surrey	Elmbridge	46,787
Essex	Epping Forest	55,605
Hertfordshire	Hertsmere	65,043
Surrey	Reigate and Banstead	34,956
Hertfordshire	Welwyn Hatfield	4,202

The population of the complementary parts of the areas of these districts (that is, the parts of their areas outside the MPD) is calculated as the relevant population for the district less the population of the part of the district as specified above.

Part II: General and Special Expenses

4. All expenditure incurred by local authorities is treated as general expenses for the purposes of grant distribution except those types of expenditure described below which are treated as special expenses.

5. Essex, Hertfordshire and Surrey County Councils are responsible for the provision of police services and school crossing patrols only in those parts of the areas of their respective counties outside the MPD. Their expenditure on police services is treated as special expenses.

6. The Receiver provides the following services in addition to services covered by his Police SSA:

- (i) probation and magistrates' courts in inner London only;
- (ii) school crossing patrols.

7. Expenditure by the Receiver on probation and magistrates' courts is treated as his special expenses. For Essex, Hertfordshire and Surrey County Councils expenditure on school crossing patrols in the parts of their counties falling outside the MPD is treated as special expenses.

8. For the purposes of grant distribution the amounts treated as special expenses of the Receiver and of Essex, Hertfordshire and Surrey County Councils are apportioned between certain receiving authorities in their areas on the basis of relevant population, where a service as described above is provided for the whole of the area of the receiving authority. Where a service is provided only for part of an area then the special expenses are apportioned between certain receiving authorities in their areas on the basis of the population of that part of an area calculated as described in paragraphs 2 and 3 above.

9. The amounts of SSA treated as special expenses are as follows:

<i>Authority</i>	<i>Police</i> £	<i>School Crossing Patrols</i> £	<i>Probation and Magistrates' Courts</i> £
The Receiver			15,241,000
Essex CC	49,255,463	619,244	
Hertfordshire CC	29,916,662	348,623	
Surrey CC	30,103,085	322,508	

The School Crossing Patrol elements for Essex, Hertfordshire and Surrey County Councils are calculated for each as the product of the Receiver's SSA element for School Crossing Patrols and the ratio of their population outside the MPD to the population of the MPD.

Annex F

Area Cost Adjustment Factors

	<i>Education</i>	<i>Personal Social Services General</i>	<i>Personal Social Services Domiciliary</i>	<i>Police</i>	<i>Fire and Civil Defence</i>	<i>Highway Maintenance</i>	<i>All Other Services</i>
City of London	1.340560	1.319275	1.425700	1.361845		1.212850	1.276705
Inner London Boroughs	1.169040	1.158475	1.211300			1.105650	1.137345
Outer London Boroughs	1.118880	1.111450	1.148600			1.074300	1.096590
London Fire & Civil Defence Authority					1.144755		
Inner Fringe Districts							1.096720
Outer Fringe Districts							1.064480
Other South East Districts							1.032240
Bedfordshire CC	1.039680	1.037200	1.049600	1.042160	1.042160	1.024800	1.032240
Berkshire CC	1.062320	1.058425	1.077900	1.055845	1.066215	1.038950	1.050635
Buckinghamshire CC	1.052800	1.049500	1.066000	1.055845	1.056100	1.033000	1.042900
East Sussex CC	1.039680	1.037200	1.049600	1.044710	1.042160	1.024800	1.032240
Essex CC	1.056480	1.052950	1.070600	1.061540	1.060010	1.035300	1.045890
Hampshire CC	1.039680	1.037200	1.049600	1.042160	1.042160	1.024800	1.032240
Hertfordshire CC	1.085040	1.079725	1.106300	1.095030	1.090355	1.053150	1.069095
Isle of Wight CC	1.039680	1.037200	1.049600	1.042160	1.042160	1.024800	1.032240
Kent CC	1.046560	1.043650	1.058200	1.049470	1.049470	1.029100	1.037830
Oxfordshire CC	1.039680	1.037200	1.049600	1.055845	1.042160	1.024800	1.032240
Surrey CC	1.094240	1.088350	1.117800	1.103190	1.100130	1.058900	1.076570
West Sussex CC	1.044480	1.041700	1.055600	1.044710	1.047260	1.027800	1.036140
Isles of Scilly	1.750000	1.000000	1.000000	1.000000	2.000000	1.000000	1.500000

Notes

1. Inner London Boroughs, Outer London Boroughs, Inner Fringe Districts, Outer Fringe Districts and Other South East Districts are defined in the Appendix to this Annex.
2. The area cost adjustment factor for all other authorities is 1.

Appendix to Annex F

Inner London Boroughs

Camden
Greenwich
Hackney
Hammersmith and Fulham
Islington
Kensington and Chelsea

Lambeth
Lewisham
Southwark
Tower Hamlets
Wandsworth
Westminster

Outer London Boroughs

Barking and Dagenham
Barnet
Bexley
Brent
Bromley
Croydon
Ealing
Enfield
Haringey
Harrow

Havering
Hillingdon
Hounslow
Kingston-upon-Thames
Merton
Newham
Redbridge
Richmond-upon-Thames
Sutton
Waltham Forest

Inner Fringe Districts

Broxbourne
Dartford
Elmbridge
Epping Forest
Epsom and Ewell
Hertsmere

Reigate and Banstead
Slough
South Bucks
Spelthorne
Three Rivers
Watford

Outer Fringe Districts

Basildon
Bracknell
Brentwood
Chiltern
Crawley
Dacorum
East Hertfordshire
Guildford
Harlow
Mole Valley

Runnymede
Sevenoaks
St Albans
Surrey Heath
Tandridge
Thurrock
Waverley
Welwyn Hatfield
Windsor and Maidenhead
Woking

Other South East Districts

Adur
Arun
Ashford
Aylesbury Vale
Basingstoke and Deane
Braintree
Brighton
Canterbury
Castle Point
Chelmsford
Cherwell
Chichester
Colchester
Dover
East Hampshire
Eastbourne
Eastleigh
Fareham
Gillingham
Gosport
Gravesham
Hart
Hastings
Havant
Horsham
Hove
Lewes
Luton
Maidstone
Maldon
Medina
Mid Bedfordshire
Mid Sussex

Milton Keynes
New Forest
Newbury
North Bedfordshire
North Hertfordshire
Oxford
Portsmouth
Reading
Rochester upon Medway
Rochford
Rother
Rushmoor
Shepway
South Bedfordshire
South Oxfordshire
South Wight
Southampton
Southend-on-Sea
Stevenage
Swale
Tendring
Test Valley
Thanet
Tonbridge and Malling
Tonbridge Wells
Uttlesford
Vale of White Horse
Wealden
West Oxfordshire
Winchester
Wokingham
Worthing
Wycombe

Annex G

Boundary Changes

These are boundary changes pursuant to the following orders made on or before 8 December 1989. The size of each population transfer has been generally taken from the Explanatory Note to the appropriate Statutory Instrument (SI).

1 April 1989 Boundary Changes

- SI 1988/2180 The Cleveland and Durham (County Boundaries) Order 1988**
Transfer of population from Stockton-on-Tees to Sedgfield
Transfer of population from Cleveland CC to Durham CC
- SI 1988/2179 The Cumbria and Lancashire (County Boundaries) Order 1988**
Transfer of population from South Lakeland to Lancaster
Transfer of population from Cumbria CC to Lancashire CC
- SI 1989/133 The Cambridgeshire, Essex, Hertfordshire and Lincolnshire (County Boundaries) Order 1989**
Transfer of population from Peterborough to South Holland
Transfer of population from Peterborough to South Kesteven
Transfer of population from Cambridgeshire CC to Lincolnshire CC
Transfer of population from Uttlesford to South Cambridgeshire
Transfer of population from Essex CC to Cambridgeshire CC
Transfer of population from South Cambridgeshire to North Hertfordshire
Transfer of population from Cambridgeshire CC to Hertfordshire CC
- SI 1989/210 The Lincolnshire and Nottinghamshire (County Boundaries) Order 1989**
Transfer of population from Newark and Sherwood to West Lindsey
Transfer of population from Nottinghamshire CC to Lincolnshire CC

1 October 1989 Boundary Change

- SI 1989/1546 The Essex (District Boundaries) Order 1989**
Transfer of population from Epping Forest to Harlow

1 April 1990 Boundary Changes

- SI 1989/1213 The Berkshire, Dorset and Wiltshire (County Boundaries) Order 1989**
Transfer of population from Kennet to Newbury
Transfer of population from Wiltshire CC to Berkshire CC
- SI 1989/2097 The Cumbria, Northumberland and North Yorkshire (County Boundaries) Order 1989**
Transfer of population from Tynedale to Carlisle
Transfer of population from Northumberland CC to Cumbria CC

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