

Office of the Deputy Prime Minister

**Local Government  
Finance (England)**

**The Local Government  
Finance Report  
(England)  
2006/2007**

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Report by the  
First Secretary of State  
under section 78A of 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 Report is made by the First Secretary of State, and laid before the House of Commons, under section 78A of the Local Government Finance Act 1988 (“the 1988 Act”), as inserted by paragraph 10 of Schedule 10 to the Local Government Finance Act 1992 (“the 1992 Act”). It applies to England.
- 1.2 This Report sets out the First Secretary of State's determination for the year 2006/2007, made under section 78 of the 1988 Act (as amended by paragraph 9 of Schedule 10 to the 1992 Act), of the amount of Revenue Support Grant for that year, what amount of the grant he proposes to pay to receiving authorities and what amount of the grant he proposes to pay to each specified body. The Report also sets out 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 2006/2007.
- 1.3 Before making the determination under section 78 of the 1988 Act, the First Secretary of State consulted such representatives of local government as appeared to him to be appropriate and obtained the Treasury's consent. He also took into account estimates of the expenses of the Commission for Local Administration in England together with any observations thereon made and submitted to him in accordance with paragraph 7 of Schedule 4 to the Local Government Act 1974, as substituted by section 24 of the Local Government and Housing Act 1989 (“the 1989 Act”).
- 1.4 This Report also sets out the First Secretary of State's specification of the amount arrived at under paragraph 9 of Schedule 8 to the 1988 Act, the distributable amount for the year 2006/2007. It also specifies, under paragraph 10 of that Schedule, the basis on which the First Secretary of State proposes to distribute among receiving authorities the distributable amount for the year 2006/2007. Part III of Schedule 8 to the 1988 Act was substituted by paragraph 7 of Schedule 10 to the 1992 Act.
- 1.5 Before making this 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 basis of distribution of Revenue Support Grant and the general nature of the basis of distribution of the distributable amount for the year 2006/2007.

## 2 Revenue Support Grant

- 2.1 Pursuant to section 78(3)(a) of the 1988 Act, the First Secretary of State hereby determines that the amount of Revenue Support Grant for 2006/2007 is £3,442,866,134.
- 2.2 Pursuant to section 78(3)(b) of the 1988 Act, he hereby determines that the amount of the grant he proposes to pay to receiving authorities is £3,378,123,134. A receiving authority is any billing authority<sup>1</sup> or major precepting authority<sup>2</sup>.
- 2.3 Pursuant to section 78(3)(c) of the 1988 Act, the First Secretary of State hereby determines as the amount of the grant he proposes to pay to each specified body the amount shown against its name in Annex A. Specified bodies are generally bodies which provide services for local authorities and are specified in regulations made by the First Secretary of State under section 76(4) of the 1988 Act or similar provisions in earlier legislation. The Commission for Local Administration in England is to be treated for this purpose as a specified body by virtue of paragraph 6 of Schedule 4 to the Local Government Act 1974 (as substituted by section 24 of the 1989 Act).

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1 Each of the following is a billing authority:

- i) a district council;
- ii) a London borough council;
- iii) the Common Council of the City of London;
- iv) the Council of the Isles of Scilly; and
- v) a county council which has the functions of a district council.

2 Each of the following is a major precepting authority:

- i) a county council which does not have the functions of a district council;
- ii) a police authority in England whose police area is listed in Schedule 1 to the Police Act 1996;
- iii) a metropolitan county fire and civil defence authority;
- iv) a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies (a “combined fire and rescue authority”); and
- v) the Greater London Authority.

## **3 The Distributable Amount**

- 3.1 Pursuant to paragraph 9 of Schedule 8 to the 1988 Act, the First Secretary of State hereby specifies that the amount arrived at under that paragraph, the distributable amount for 2006/2007, is £17,500 million.

# 4 The calculation of Relative Needs Formulae

## Introduction

- 4.1 A Relative Needs Formula ('RNF') is calculated for each receiving authority. RNFs are built up from the relevant elements for the following seven major service blocks:

<b>I</b>	<b>Children's Services</b>
<b>II</b>	<b>Adults Personal Social Services</b>
<b>III</b>	<b>Police</b>
<b>IV</b>	<b>Fire and Rescue</b>
<b>V</b>	<b>Highway Maintenance</b>
<b>VI</b>	<b>Environmental, Protective and Cultural Services</b>
<b>VII</b>	<b>Capital Financing</b>

- 4.2 The purpose of the RNFs is to distribute Formula Grant. Formula Grant is compiled of Revenue Support Grant, the Distributable Amount and Police Grant.
- 4.3 Each of the following parts of this section describes the calculation of the RNF element or elements for one of the seven major service 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 generally specified in terms of the sum of a series of 'amounts' multiplied by 'indicators'. The indicators are given labels which appear in **BOLD CAPITALS** in the text. A full description of each indicator is given either in Annex D or in this section. Indicators are items of information which are available for each relevant authority. Examples of the types of indicators used are the size of the client group (e.g. numbers of pupils), a ratio (such as proportion of pensioners living alone) or some other relevant factor (such as density of population).
- 4.4 The sum of the RNF elements for individual authorities is constrained to equal the control total for the relevant service block or sub-block given in Annex E. To achieve this, generally the result for each authority of applying one of the formulae to its indicator data is multiplied by a scaling factor. The scaling factor for each relevant RNF element is given in Annex F and is equivalent to the ratio of the control total for the relevant service element (given in Annex E) to the sum across all relevant authorities of the results of applying the formula to their indicator data.

# I Children's Services

4.5 There are four sub-blocks within the Children's Services service block. The calculation of the RNF elements for each of these reflects different client groups and associated unit costs. The sub-blocks are *Youth and Community*, *Local Authority Central Education Functions*, *Children's Social Care* and *Children's Social Care Damping*. The calculation of the RNF elements for each of these sub-blocks is described in turn.

4.6 The RNF element for each sub-block of the Children's Services service block is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
county councils,  
London borough councils,  
Common Council of the City of London,  
metropolitan district councils,  
Council of the Isles of Scilly.

## ***Youth and Community***

4.7 The client group for the *Youth and Community* sub-block is the projected population aged 13 to 19 years. Cost adjustments are incorporated in the formula to reflect the increased costs associated with deprivation and differences in the costs of provision between areas.

4.8 The *Youth and Community* element for a particular authority consists of a basic amount per person aged 13 to 19 and top-ups for deprivation, ethnicity and area costs:

### ***Basic amount***

<b>YOUTH AND COMMUNITY BASIC AMOUNT</b>	13.2270
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### ***Top-ups***

<b>YOUTH AND COMMUNITY DEPRIVATION TOP-UP</b>	49.9461 multiplied by <b>CHILDREN OF INCOME SUPPORT /INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS ABOVE THRESHOLD</b>
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<b>YOUTH AND COMMUNITY ETHNICITY TOP-UP</b>	15.5218 multiplied by <b>SECONDARY LOW ACHIEVING ETHNIC GROUPS ABOVE THRESHOLD</b>
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The full formula used to calculate the Youth and Community element is:

<b>Youth and Community</b>	
(a)	<b>PROJECTED POPULATION AGED 13 TO 19 IN 2006</b> multiplied by the result of: <b>YOUTH AND COMMUNITY BASIC AMOUNT</b> ; plus <b>YOUTH AND COMMUNITY DEPRIVATION TOP-UP</b> ; plus <b>YOUTH AND COMMUNITY ETHNICITY TOP-UP</b>
(b)	The result of (a) is multiplied by <b>AREA COST ADJUSTMENT FOR EDUCATION</b> ;
(c)	The result of (b) is then multiplied by the scaling factor given in Annex F for the <i>Youth and Community Services</i> sub-block.
(d)	The result of (c) is then divided by 10,000,000,000.

### **Local Authority Central Education Functions**

4.9 The client groups for the *Local Authority Central Education Functions* sub-block are pupils aged 3 to 18, including those in school sixth-forms and academies and resident pupils aged 3 to 18. Cost adjustments are incorporated in the formula to reflect the increased costs associated with deprivation, sparsity and differences in the costs of provision between areas.

4.10 The *Local Authority Central Education Functions* element for a particular authority consists of a basic amount per pupil, a basic amount per resident pupil, a fixed cost amount, a residual pensions element and top-ups for deprivation, sparsity and area costs:

#### **Basic amounts**

**PUPILS BASIC AMOUNT** 18.7241

**RESIDENT PUPILS BASIC AMOUNT** 18.6128

#### **Top-ups**

**PUPILS DEPRIVATION TOP-UP** 31.7795 multiplied by **CHILDREN OF INCOME SUPPORT /INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS ABOVE THRESHOLD**

**SPARSITY TOP-UP** 24.7067 multiplied by **WARD SPARSITY**

**RESIDENT PUPILS DEPRIVATION TOP-UP** 31.7795 multiplied by 0.66 multiplied by **CHILDREN OF INCOME SUPPORT /INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS ABOVE THRESHOLD**

#### **Fixed cost amount**

**CEF FIXED COST AMOUNT** 67,777.7415

The full formula used to calculate the *Local Authority Central Education Functions* element is:

<b>Local Authority Central Education Functions</b>	
(a)	<b>PUPILS AGED 3 TO 18</b> multiplied by the result of: <b>PUPILS BASIC AMOUNT</b> ; plus <b>PUPILS DEPRIVATION TOP-UP</b>
(b)	<b>RESIDENT PUPILS AGED 3 TO 18</b> multiplied by the result of: <b>RESIDENT PUPILS BASIC AMOUNT</b> ; plus <b>SPARSITY TOP-UP</b> ; plus <b>RESIDENT PUPILS DEPRIVATION TOP-UP</b>
(c)	The result of (a) and (b) is multiplied by <b>AREA COST ADJUSTMENT FOR EDUCATION</b> ;
(d)	The result of (c) is then added to the <b>CEF FIXED COST AMOUNT</b> ;
(e)	The result of (d) is then multiplied by the scaling factor given in Annex F for the <i>Local Authority Central Education Functions</i> sub-block.
(f)	The result of (e) is then divided by 10,000,000,000

## **Children's Social Care**

4.11 This sub-block covers the provision of social care for children. The client group for *Children's Social Care* is the projected population aged less than 18 years. Variations in cost per person aged under 18 are built into the formula to reflect social and health conditions and differences in the costs of provision between areas.

4.12 The element for *Children's Social Care* for a particular authority consists of a basic amount per person aged 0-17 and top-ups for deprivation, foster costs and area costs:

### **Basic amount**

**CHILDREN'S SOCIAL CARE BASIC AMOUNT**      17.1171

### **Top-up**

**CHILDREN'S SOCIAL CARE DEPRIVATION TOP-UP**      207.5551 multiplied by **CHILDREN WITHOUT GOOD HEALTH**; plus  
117.5758 multiplied by **INCOME SUPPORT/INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS AGED 18 TO 64 YEARS**; plus  
146.6310 multiplied by **CHILDREN OF INCOME SUPPORT/INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS**; plus  
79.1110 multiplied by **CHILDREN IN BLACK ETHNIC GROUPS**; minus  
17.9130

The full formula used to calculate the *Children's Social Care* element is:

<b>Children's Social Care</b>	
(a)	<b>PROJECTED POPULATION AGED 0-17 IN 2006</b> multiplied by the result of: <b>CHILDREN'S SOCIAL CARE BASIC AMOUNT</b> ; plus <b>CHILDREN'S SOCIAL CARE DEPRIVATION TOP-UP</b> ;
(b)	The result of (a) is multiplied by <b>FOSTER COST ADJUSTMENT</b> ;
(c)	The result of (b) is multiplied by <b>AREA COST ADJUSTMENT FOR CHILDREN AND YOUNGER ADULTS PSS</b> ;
(d)	The result of (c) is then multiplied by the scaling factor given in Annex F for the <i>Children's Social Care</i> sub-block.
(e)	The result of (d) is then divided by 10,000,000,000.

### **Children's Social Care Damping**

4.13 This is designed to ensure that every authority receives at least a minimum increase of 2.7% in its Children's Social Care sub-block. This is financed by a scaling factor applied to the increase above the floor.

4.14 To determine whether an authority is subject to the floor or scaling factor, an amount **A** is first calculated for each authority as follows:

$$\frac{B}{C}$$

where:

**B** is the Children's Social Care RNF for 2006/07 as defined in paragraph 4.12 of this Report.

**C** is the Social Services for Children FSS for 2005/06 as defined in paragraph 4.34 of The Local Government Finance Report (England) 2005/2006: Amending Report 2006, after adjusting for transfers in funding and function and for additional resource equalisation divided by the Control Total for Total FSS as defined in Annex E of The Local Government Finance Report (England) 2005/2006: Amending Report 2006.

4.15 If the amount **A** calculated under paragraph 4.14 is less than 1.027, then an amount **D** is set to zero, otherwise **D** is calculated as follows:

$$(A - 1.027) \times E$$

where:

**E** is a factor which reduces that part of the year-on-year increase which is above the floor to fund the cost of the floor, is 0.4905977553.

4.16 The Children's Social Care Damping block is calculated as follows:

***Children's Social Care Damping***

- (a) The result of **D**, defined in paragraph 4.15 of this report, *plus* 1.027
- (b) The result of (a) is *multiplied by* **C**, defined in paragraph 4.14 of this Report

## II Adults' Personal Social Services

- 4.17 There are three sub-blocks within the Adults' Personal Social Services (PSS) service block. The calculation of the RNF elements for each of these reflects the different client groups and associated unit costs. The sub-blocks are *Social Services for Older People*, *Social Services for Younger Adults* (that is, services provided for adults under 65 years of age) and *Younger Adults' Damping*. The calculation of the RNF elements for each of these sub-blocks is described in turn.
- 4.18 The RNF element for each sub-block of the Personal Social Services block is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 metropolitan district councils,  
 Council of the Isles of Scilly.

### ***Social Services for Older People***

- 4.19 This sub-block covers the provision of personal social services for older people. The client group is the number of people aged 65 and over in households plus residents aged 65 and over who are supported in care homes by the local authority. Cost adjustments are built into the formula to reflect differences in the costs of provision between areas and authorities' varying capacities to raise income from charges.
- 4.20 The element for *Social Services for Older People* for a particular authority consists of a basic amount per person aged 65 and over and top-ups for age, deprivation, sparsity, low income and area costs:

#### ***Basic amount***

<b>OLDER PEOPLE PSS BASIC AMOUNT</b>	66.7151
--	---------

#### ***Top-ups***

<b>OLDER PEOPLE PSS AGE TOP-UP</b>	<b>HOUSEHOLD AND SUPPORTED RESIDENTS AGED 90 YEARS AND OVER</b> <i>divided by</i> <b>HOUSEHOLD AND SUPPORTED RESIDENTS AGED 65 AND OVER</b> , rounded to 4 decimal places and <i>multiplied by</i> 802.3908; <i>minus</i> 20.5412
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**OLDER PEOPLE PSS DEPRIVATION TOP-UP**      231.7570 *multiplied by* **OLDER PEOPLE RECEIVING ATTENDANCE ALLOWANCE; plus**  
 44.8184 *multiplied by* **OLDER PEOPLE IN RENTED ACCOMMODATION; plus**  
 60.0297 *multiplied by* **OLDER PEOPLE LIVING IN ONE PERSON HOUSEHOLDS; plus**  
 180.2493 *multiplied by* **OLDER PEOPLE RECEIVING PENSION CREDIT GUARANTEE/INCOME BASED JOBSSEEKER'S ALLOWANCE; minus**  
 60.0612

The full formula used to calculate the *Social Services for Older People* element is:

<b><i>Social Services for Older People</i></b>	
(a)	<b>HOUSEHOLD AND SUPPORTED RESIDENTS AGED 65 YEARS AND OVER</b> <i>multiplied by</i> the result of: <b>OLDER PEOPLE PSS BASIC AMOUNT; plus</b> <b>OLDER PEOPLE PSS AGE TOP-UP; plus</b> <b>OLDER PEOPLE PSS DEPRIVATION TOP-UP;</b>
(b)	The result of (a) is <i>multiplied by</i> <b>LOW INCOME ADJUSTMENT;</b>
(c)	The result of (b) is <i>multiplied by</i> <b>SPARSITY ADJUSTMENT FOR PEOPLE AGED 65 AND OVER;</b>
(d)	The result of (c) is <i>multiplied by</i> <b>AREA COST ADJUSTMENT FOR OLDER PEOPLE'S PSS;</b>
(e)	The result of (d) is then <i>multiplied by</i> the scaling factor given in Annex F for the <i>Social Services for Older People</i> sub-block.
(f)	The result of (e) is then <i>divided by</i> 10,000,000,000.

## ***Social Services for Younger Adults***

4.21 This sub-block covers the provision of personal social services for people aged 18 to 64 years. The client group for *Social Services for Younger Adults* 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 social and health conditions and differences in the costs of provision between areas.

4.22 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:

### ***Basic amount***

**YOUNGER ADULTS PSS BASIC AMOUNT**      8.1050

**Top-up**

**YOUNGER ADULTS PSS DEPRIVATION TOP-UP** 241.9375 multiplied by **PEOPLE AGED 18 TO 64 RECEIVING DISABILITY LIVING ALLOWANCE**; plus 65.4588 multiplied by **PEOPLE AGED 18 TO 64 WHO ARE LONG TERM UNEMPLOYED OR HAVE NEVER WORKED**; plus 22.1425 multiplied by **PEOPLE AGED 18 TO 64 WHO WORK IN ROUTINE OR SEMI ROUTINE OCCUPATIONS**; plus 18.5033 multiplied by **HOUSEHOLDS WITH NO FAMILY**; minus 12.5737

The full formula used to calculate the *Social Services for Younger Adults* element is:

<b>Social Services for Younger Adults</b>	
(a)	<b>PROJECTED POPULATION AGED 18-64 IN 2006</b> multiplied by the result of: <b>YOUNGER ADULTS PSS BASIC AMOUNT</b> ; plus <b>YOUNGER ADULTS PSS DEPRIVATION TOP-UP</b> ;
(b)	The result of (a) is multiplied by <b>AREA COST ADJUSTMENT FOR CHILDREN AND YOUNGER ADULTS PSS</b> ;
(c)	The result of (b) is then multiplied by the scaling factor given in Annex F for the <i>Social Services for Younger Adults</i> sub-block.
(d)	The result of (c) is then divided by 10,000,000,000.

**Younger Adults' Damping**

4.23 This is designed to ensure that every authority receives at least a minimum increase of 2.7% in its Social Services for Younger Adults sub-block. This is financed by a scaling factor applied to the increase above the floor. To determine whether an authority is subject to the floor or scaling factor, an amount **A** is first calculated for each authority as follows:

<b>B/C</b>
------------

where:

- B** is the Social Services for Younger Adults RNF for 2006/07 as defined in paragraph 4.22 of this Report.
- C** is the Social Services for Younger Adults FSS for 2005/06 as defined in paragraph 4.38 of The Local Government Finance Report (England) 2005/2006, after adjusting for transfers in funding and function and for additional resource equalisation *divided by* the Control Total for Total FSS as defined in Annex E of The Local Government Finance Report (England) 2005/2006: Amending Report 2006.

4.24 If the amount **A** calculated under paragraph 4.23 is less than 1.027, then an amount **D** is set to 0, otherwise, an amount **D** is calculated as follows:

<b>(A – 1.027) X E</b>
------------------------

where:

**E** is a factor which reduces that part of the year-on-year increase which is above the floor to fund the cost of the floor, is 0.1147585813.

4.25 The Younger Adults' Damping block is calculated as follows:

<b><i>Younger Adults' Damping</i></b>	
(a)	The result of <b>D</b> , defined in paragraph 4.24 of this Report, <i>plus</i> 1.027
(b)	The result of (a) is <i>multiplied by</i> <b>C</b> , defined in paragraph 4.23 of this Report

### III Police

4.26 The main determinant of the RNF for the Police service block is the projected population. Cost adjustments are built into the formula for the socio-economic and other characteristics of police force areas and for differences in the costs of provision between areas.

4.27 The RNF element for the Police service block is calculated for the following classes of authority:

Common Council of the City of London,  
 police authorities other than the Common Council of the City of London and the  
 Metropolitan Police Authority,  
 Greater London Authority.

4.28 The Police element for a particular authority consists of a basic amount per resident and a basic amount for special events, and top-ups for crime, incidents, fear of crime, traffic, sparsity, special events and area costs:

**Basic amounts**

**POLICE BASIC AMOUNT** 15.6269

**SPECIAL EVENTS BASIC AMOUNT** 0.9121

**Top-ups**

**POLICE CRIME TOP-UP 1** 2.5152 *multiplied by* **DAYTIME NET-INFLOW PER RESIDENT POPULATION**; *plus*  
 0.2805 *multiplied by* **LOG OF BARS PER 100 HECTARE**; *plus*  
 15.4062 *multiplied by* **INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS**; *plus*  
 32.4180 *multiplied by* **SINGLE PARENT HOUSEHOLDS**

**POLICE CRIME TOP-UP 2** 0.0256 *multiplied by* **POPULATION DENSITY**; *plus*  
 82.1325 *multiplied by* **LONG-TERM UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS**

**POLICE CRIME TOP-UP 3** 0.0609 *multiplied by* **LOG OF BARS PER 100 HECTARE**; *plus*  
 0.0067 *multiplied by* **POPULATION DENSITY**; *plus*  
 3.0576 *multiplied by* **RESIDENTS IN ROUTINE/SEMI ROUTINE OCCUPATIONS OR NEVER WORKED/LONG TERM UNEMPLOYED**; *plus*  
 7.5344 *multiplied by* **SINGLE PARENT HOUSEHOLDS**; *plus*  
 0.5697 *multiplied by* **DAYTIME NET-INFLOW PER RESIDENT POPULATION**

**POLICE CRIME TOP-UP 4** 0.1515 *multiplied by* **LOG OF BARS PER 100 HECTARE**; *plus*  
 0.9438 *multiplied by* **HARD PRESSED**; *plus*  
 20.6279 *multiplied by* **STUDENT HOUSING**; *plus*  
 6.6716 *multiplied by* **SINGLE PARENT HOUSEHOLDS**

<b>POLICE CRIME TOP-UP 5</b>	0.2854 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARE</b> ; <i>plus</i> 124.7123 <i>multiplied by</i> <b>YOUNG MALE UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS</b> ; <i>plus</i> 31.6950 <i>multiplied by</i> <b>STUDENT HOUSING</b>
<b>POLICE CRIME TOP-UP 6</b>	1.1814 <i>multiplied by</i> <b>LOG OF OVERCROWDED HOUSEHOLDS</b> ; <i>minus</i> 0.4625 <i>multiplied by</i> <b>LOG OF POPULATION SPARSITY</b> ; <i>plus</i> 5.0289 <i>multiplied by</i> <b>DAYTIME NET-INFLOW PER RESIDENT POPULATION</b>
<b>POLICE CRIME TOP-UP 7</b>	4.0978 <i>multiplied by</i> <b>DAYTIME NET-INFLOW PER RESIDENT POPULATION</b> ; <i>minus</i> 3.0493 <i>multiplied by</i> <b>WEALTHY ACHIEVERS</b> ; <i>plus</i> 25.7466 <i>multiplied by</i> <b>STUDENT HOUSING</b>
<b>POLICE INCIDENTS TOP-UP</b>	33.7667 <i>multiplied by</i> <b>INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS</b> ; <i>plus</i> 9.0061 <i>multiplied by</i> <b>RESIDENTS IN TERRACED ACCOMMODATION</b>
<b>POLICE FEAR OF CRIME TOP-UP</b>	0.2681 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARE</b> ; <i>plus</i> 1.9305 <i>multiplied by</i> <b>HARD PRESSED</b>
<b>POLICE TRAFFIC TOP-UP</b>	1.4409 <i>multiplied by</i> <b>POPULATION SPARSITY</b>
<b>POLICE SPARSITY TOP-UP</b>	0.8059 <i>multiplied by</i> <b>POPULATION SPARSITY</b>

The full formula used to calculate the Police element is:

**Police**

- (a) **PROJECTED POPULATION IN 2006** multiplied by the result of:  
**POLICE BASIC AMOUNT**; plus  
**POLICE CRIME TOP-UP 1**; plus  
**POLICE CRIME TOP-UP 2**; plus  
**POLICE CRIME TOP-UP 3**; plus  
**POLICE CRIME TOP-UP 4**; plus  
**POLICE CRIME TOP-UP 5**; plus  
**POLICE CRIME TOP-UP 6**; plus  
**POLICE CRIME TOP-UP 7**; plus  
**POLICE INCIDENTS TOP-UP**; plus  
**POLICE FEAR OF CRIME TOP-UP**; plus  
**POLICE TRAFFIC TOP-UP**; plus  
**POLICE SPARSITY TOP-UP**
- (b) **PROJECTED DAYTIME POPULATION IN 2006** multiplied by **SPECIAL EVENTS BASIC AMOUNT**;
- (c) The results of (a) and (b) are added together and the result is multiplied by **AREA COST ADJUSTMENT FOR POLICE**;
- (d) The result of (c) is then multiplied by the result of 1 minus **POLICE GRANT RATE**;
- (e) The result of (d) is then multiplied by the scaling factor given in Annex F for the Police service block.
- (f) The result of (e) is then divided by 10,000,000,000.

## IV Fire and Rescue

4.29 The main determinant of the RNF for the Fire and Rescue service block is projected population. Cost adjustments are made for the length of coastline, deprivation and high risk sites in terms of fire cover. Cost adjustments are also made for differences in the costs of provision between areas.

4.30 The RNF element for the Fire and Rescue service block is calculated for the following classes of authority:

county councils which have responsibility for the provision of fire and rescue services,  
Greater London Authority,  
metropolitan county fire and civil defence authorities,  
combined fire and rescue authorities,  
Council of the Isles of Scilly.

4.31 The Fire and Rescue 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:

### **Basic amounts**

**FIRE AND RESCUE  
BASIC AMOUNT** 1.4682

### **Top-ups**

**FIRE AND RESCUE  
COASTLINE  
TOP-UP** 0.6845 *multiplied by* **COASTLINE**

**FIRE AND RESCUE  
DEPRIVATION  
TOP-UP** 0.2044 *multiplied by* **RISK INDEX 1**

**HIGH RISK TOP-UP** 26,952.8624 *multiplied by* **COMAH SITES**

**PROPERTY AND  
SOCIETAL RISK  
TOP-UP** **PROPERTY AND SOCIETAL RISK**

**COMMUNITY FIRE  
SAFETY TOP-  
UP** **COMMUNITY FIRE SAFETY**

The full formula used to calculate the *Fire and Rescue* element is:

***Fire and Rescue***

- (a) **PROJECTED POPULATION IN 2006** *multiplied by* the result of:  
**FIRE AND RESCUE BASIC AMOUNT**; *plus*  
**FIRE AND RESCUE COASTLINE TOP-UP**; *plus*  
**FIRE AND RESCUE DEPRIVATION TOP-UP**; *plus*  
**HIGH RISK TOP-UP**; *plus*  
**PROPERTY AND SOCIETAL RISK TOP-UP**; *plus*  
**COMMUNITY FIRE SAFETY TOP-UP**
- (b) The result of (a) is then *multiplied by* **AREA COST ADJUSTMENT FOR FIRE**;
- (c) The result of (b) is then *multiplied by* the scaling factor given in Annex F for the Fire and Rescue service block.
- (d) The result of (c) is then *divided by* 10,000,000,000.

## V Highway Maintenance

4.32 The main determinants of the RNF 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, visitors and commuters and winter weather conditions. A cost adjustment is made to reflect differences in the costs of provision between areas.

4.33 The RNF for the Highway Maintenance block is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 metropolitan district councils,  
 Council of the Isles of Scilly.

4.34 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:

### **Basic amount**

**HIGHWAY BASIC AMOUNT**            65.4320

### **Top-ups**

**USAGE TOP-UP**            12.2599 *multiplied by* **TRAFFIC FLOW**; *plus*  
 0.8715 *multiplied by* **DAYTIME POPULATION PER KM**

**WINTER MAINTENANCE TOP-UP**            0.5025 *multiplied by* **DAYS WITH SNOW LYING**; *plus*  
 1.1317 *multiplied by* **PREDICTED GRITTING DAYS**

The full formula used to calculate the *Highway Maintenance* element is:

<b>Highway Maintenance</b>	
(a)	<b>WEIGHTED ROAD LENGTHS</b> <i>multiplied by</i> the result of: <b>HIGHWAY BASIC AMOUNT</b> ; <i>plus</i> <b>USAGE TOP-UP</b> ; <i>plus</i> <b>WINTER MAINTENANCE TOP-UP</b> ;
(b)	The result of (a) is <i>multiplied by</i> <b>AREA COST ADJUSTMENT FOR HIGHWAY MAINTENANCE</b> ;
(c)	The result of (b) is then <i>multiplied by</i> the scaling factor given in Annex F for the Highway Maintenance service block.
(d)	The result of (c) is then <i>divided by</i> 10,000,000,000.

## VI Environmental, Protective and Cultural Services

4.35 This block includes services provided by local authorities other than those specifically covered elsewhere in this section of the Report. The RNF 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 G). There are also further adjustments, for example, for flood defence and coast protection. These further adjustments are described below.

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

4.36 The client group for these services is the total projected population in an area. There are cost adjustments for population density, social and economic conditions, the sparsity of population in an area, and differences in the cost of provision between areas.

4.37 The RNF element for these services is calculated for the following classes of authority:

district councils,  
county councils which have the functions of district councils,  
London borough councils,  
Common Council of the City of London,  
Council of the Isles of Scilly.

4.38 The RNF element for a particular authority consists of a basic amount per resident and top-ups for density, sparsity, additional population, deprivation and area costs:

#### ***Basic amount***

<b>DISTRICT SERVICES EPCS BASIC AMOUNT</b>	11.5424
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#### ***Top-ups***

<b>DISTRICT SERVICES EPCS DENSITY TOP-UP</b>	0.8756 <i>multiplied by</i> <b>POPULATION DENSITY</b>
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<b>DISTRICT SERVICES EPCS SPARSITY TOP- UP</b>	6.2512 <i>multiplied by</i> <b>POPULATION SPARSITY</b>
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<b>DISTRICT SERVICES EPCS ADDITIONAL POPULATION TOP-UP</b>	4.6563 <i>multiplied by</i> <b>NET IN-COMMUTERS</b> ; plus 3.9530 <i>multiplied by</i> <b>DAY VISITORS</b>
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<b>DISTRICT SERVICES EPCS DEPRIVATION TOP-UP</b>	<p>37.4247 <i>multiplied by</i> <b>INCAPACITY BENEFIT AND SEVERE DISABLEMENT ALLOWANCE; plus</b></p> <p>25.3006 <i>multiplied by</i> <b>INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS; plus</b></p> <p>37.4247 <i>multiplied by</i> <b>OLDER PEOPLE ON INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT; plus</b></p> <p>25.3006 <i>multiplied by</i> <b>UNEMPLOYMENT RELATED BENEFIT CLAIMANTS; plus</b></p> <p>3.4112 <i>multiplied by</i> <b>COUNTRY OF BIRTH OF RESIDENTS</b></p>
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The full formula used to calculate the RNF element for these services is:

<b>Services provided predominantly by non-metropolitan district councils in non-metropolitan areas</b>	
(a)	<b>PROJECTED POPULATION IN 2006</b> <i>multiplied by</i> the result of: <b>DISTRICT SERVICES EPCS BASIC AMOUNT; plus</b> <b>DISTRICT SERVICES EPCS DENSITY TOP-UP; plus</b> <b>DISTRICT SERVICES EPCS SPARSITY TOP-UP;</b>
(b)	<b>DISTRICT SERVICES EPCS ADDITIONAL POPULATION TOP-UP; plus</b> <b>DISTRICT SERVICES EPCS DEPRIVATION TOP-UP</b>
(c)	The result of (a) and (b) are added together and the result is then <i>multiplied by</i> <b>AREA COST ADJUSTMENT FOR ENVIRONMENTAL, PROTECTIVE AND CULTURAL SERVICES;</b>
(d)	The result of (c) is then <i>multiplied by</i> the scaling factor given in Annex F for these services;
(e)	The result of (d) is then divided by 10,000,000,000.

### **Services provided predominantly by county councils in non-metropolitan areas**

4.39 The client group for these services is the total projected population in an area. There are adjustments for population density, social and economic conditions and differences in the cost of provision between areas. The calculations reflect the fact that responsibility for public transport support in London lies with Transport for London. Adjustments are also made to take account of the provision of some services by the Greater London Authority which were formerly provided by the Common Council of the City of London and London borough councils (this adjustment is described in (d) of paragraph 4.41 below).

4.40 The RNF element for these services is calculated for the following classes of authority:

- non-metropolitan district councils which have functions of county councils,
- metropolitan district councils,
- county councils
- London borough councils,
- Common Council of the City of London,
- Council of the Isles of Scilly.

4.41 The RNF element for these services for a particular authority consists of a basic amount per resident and top-ups for density, additional population, deprivation and area costs:

**Basic amount**

**COUNTY SERVICES  
EPCS BASIC  
AMOUNT** 7.7112

**Top-ups**

**COUNTY SERVICES  
EPCS DENSITY  
TOP-UP** 0.1878 *multiplied by* **POPULATION DENSITY**

**COUNTY SERVICES  
EPCS  
ADDITIONAL  
POPULATION  
TOP-UP** 4.9232 *multiplied by* **NET IN-COMMUTERS**; *plus*  
8.2036 *multiplied by* **DAY VISITORS**

**COUNTY SERVICES  
EPCS  
DEPRIVATION  
TOP-UP** 29.5325 *multiplied by* **UNEMPLOYMENT RELATED BENEFIT  
CLAIMANTS**; *plus*  
22.9699 *multiplied by* **INCOME SUPPORT/ INCOME BASED  
JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF  
PENSION CREDIT CLAIMANTS**; *plus*  
11.4842 *multiplied by* **INCAPACITY BENEFIT AND SEVERE  
DISABLEMENT ALLOWANCE** ; *plus*  
4.1493 *multiplied by* **COUNTRY OF BIRTH OF RESIDENTS**

The full formula used to calculate the *RNF* element for these services is:

**Services provided predominantly by county councils in non-metropolitan areas**

- (a) **PROJECTED POPULATION IN 2006** *multiplied by* the result of:  
**COUNTY SERVICES EPCS BASIC AMOUNT**; *plus*  
**COUNTY SERVICES EPCS DENSITY TOP-UP**;
- (b) **COUNTY SERVICES EPCS ADDITIONAL POPULATION TOP-UP**; *plus*  
**COUNTY SERVICES EPCS DEPRIVATION TOP-UP**
- (c) The result of (a) and (b) is added together and the result is then *multiplied by* **AREA  
COST ADJUSTMENT FOR ENVIRONMENTAL, PROTECTIVE AND  
CULTURAL SERVICES**;
- (d) For London boroughs and the Common Council of the City of London, the result of  
(c) is then *multiplied by* 0.81134
- (e) The result of (d) is then *multiplied by* the scaling factor given in Annex F for these  
services;
- (f) The result of (e) is then divided by 10,000,000,000.

## **Fixed Costs**

4.42 An RNF element for *Fixed Costs* 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.

4.43 The *Fixed Costs* element for a particular authority is calculated as follows:

<b>Fixed Costs</b>	
(a)	<b>£325,000.00</b> is multiplied by the scaling factor given in Annex F for <i>Fixed Costs</i> .
(b)	The result of (a) is then divided by 10,000,000,000.

## **Flood Defence**

4.44 An RNF 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.

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

<b>Flood Defence</b>	
(a)	<b>FLOOD DEFENCE EXPENDITURE</b>
(b)	The result of (a) is multiplied by the scaling factor given in Annex F for <i>Flood Defence</i> .
(c)	The result of (b) is divided by 10,000,000,000.

## **Continuing Environment Agency Levies**

4.46 An RNF element for *Continuing Environment Agency Levies* is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
metropolitan district councils,  
county councils,  
London borough councils,  
Common Council of the City of London,  
Council of the Isles of Scilly.

4.47 The *Continuing Environment Agency Levies* element for a particular authority is calculated as follows:

***Continuing Environment Agency Levies***

- (a) **ENVIRONMENT AGENCY (ENGLAND) LEVY** is *multiplied by* the scaling factor given in Annex F for *Continuing Environment Agency Levy*.
- (b) The result of (a) is then divided by 10,000,000,000.

### ***Coast Protection***

4.48 An RNF 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.

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

***Coast Protection***

- (a) **COAST PROTECTION EXPENDITURE** is *multiplied by* the scaling factor given in Annex F for *Coast Protection*
- (b) The result of (a) is then divided by 10,000,000,000.

## VII Capital Financing

4.50 This service block covers the cost of financing capital expenditure incurred in providing all local authority services, other than those accounted for within the Housing Revenue Account.

4.51 An RNF element for *Capital Financing* is calculated for the following classes of authority:

district councils,  
county councils,  
London borough councils,  
Common Council of the City of London,  
Greater London Authority,  
police authorities other than the Common Council of the City of London and the  
Metropolitan Police Authority,  
metropolitan county fire and civil defence authorities,  
combined fire and rescue authorities,  
Council of the Isles of Scilly.

4.52 The main determinant of the assumed cost of financing capital expenditure incurred prior to 1990/91 is the assumed level of outstanding debt at the beginning of the 1990/91 financial year. This is the larger of a notional debt figure, based on elements of the grant-related expenditure assessments for the financial year 1989/90 which relate to the cost of financing capital expenditure for the authority and/or its predecessors, or an estimate of actual debt, based principally on the adjusted initial credit ceiling<sup>1</sup> for the authority and/or its predecessors.

4.53 For capital expenditure incurred on or after 1 April 1990 and before 1 April 2004 the main determinant of the assumed cost of financing capital expenditure is an estimate of Basic and Supplementary Credit Approvals for the authority and/or its predecessors, or in the case of the Greater London Authority, aggregate and additional credit approvals.

4.54 For capital expenditure incurred on or after 1 April 2004 the main determinant of the assumed cost of financing capital expenditure is an estimate of Supported Capital Expenditure (Revenue) ('SCE(R)'), defined in Annex D, for the authority.

4.55 The assumed cost of financing capital expenditure comprises interest charges and repayments of debt. Interest charges are calculated by applying a notional pool rate of interest to each authority's assumed mid-year outstanding debt. Repayments of debt are calculated as 4 per cent of assumed outstanding debt at the end of the preceding financial year.

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<sup>1</sup> The adjusted initial credit ceiling has the same meaning as it had in regulation 24 of the Local Authorities (Capital Finance) Regulations 1990 (S.I. 1990/432).

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

**Capital Financing**

- (a) **DEBT I**; *plus*  
**SUPPORTED CAPITAL EXPENDITURE (REVENUE)** *multiplied by 0.5*; *minus*  
**DEBT I** *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 I** *multiplied by 0.04*;
- (d) The result of (c) is then *multiplied by* the scaling factor given in Annex F for *Debt charges*.
- (e) The result of (d) is then divided by 10,000,000,000.

4.57 The sum of various RNF elements then produces a further two combined RNF elements as follows.

### ***Upper-tier services***

4.58 A combined RNF element for *Upper-tier services* is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 metropolitan district councils,  
 Council of the Isles of Scilly.

4.59 The full formula used to calculate the *Upper-tier services* element is:

<b><i>Upper-tier services</i></b>	
(a)	The sum of the following elements:
(i)	the Youth and Community RNF as defined in paragraph 4.8 of this Report, plus
(ii)	the Local Authority Central Education Functions RNF as defined in paragraph 4.10 of this Report, plus
(iii)	the Children's Social Care RNF as defined in paragraph 4.12 of this Report, plus
(iv)	the Children's Social Care Damping RNF as defined in paragraph 4.16 of this Report, plus
(v)	the Social Services for Older People RNF as defined in paragraph 4.20 of this Report, plus
(vi)	the Social Services for Younger Adults RNF as defined in paragraph 4.22 of this Report, plus
(vii)	the Younger Adults Damping RNF as defined in paragraph 4.25 of this Report, plus
(viii)	the Highway Maintenance RNF as defined in paragraph 4.34 of this Report, plus
(ix)	the County-Level EPCS RNF as defined in paragraph 4.41 of this Report, plus
(x)	the Continuing Environment Agency Levies RNF as defined in paragraph 4.47 of this Report

## ***Mixed-tier services***

4.60 A combined RNF element for *Mixed-tier services* 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.

4.61 The full formula used to calculate the *Mixed-tier* element is:

### ***Mixed-tier***

- (a) The sum of the following elements:
- (i) the Fixed Costs RNF as defined in paragraph 4.43 of this Report, *plus*
  - (ii) the Flood Defence RNF as defined in paragraph 4.45 of this Report, *plus*
  - (iii) the Coast Protection RNF as defined in paragraph 4.49 of this Report

## 5 Distribution of Formula Grant

- 5.1 This section specifies the basis on which the First Secretary of State proposes to distribute among receiving authorities the amount of Formula Grant for the year 2006/2007. Formula Grant is composed of Revenue Support Grant, the Distributable Amount and Police Grant.
- 5.2 ODPM Formula Grant is composed of Revenue Support Grant and the Distributable Amount. The amount of Revenue Support Grant available for receiving authorities is defined in Section 2 of this Report. The Distributable Amount is defined in Section 3 of this Report.
- 5.3 In order to calculate the amount of grant to be paid to each receiving authority, the Secretary of State will first calculate the Relative Needs Formulae (RNFs) for that authority. The method by which RNFs are to be calculated is set out in detail in section 4 of this Report. The calculation makes use of information reflecting the demographic, physical and social characteristics of each area.
- 5.4 The distribution of Formula Grant also takes into account the council tax base for Revenue Support Grant purposes (“the taxbase”) for the area of an authority, calculated in accordance with Annex C of this Report. Since in all areas of England council services are supplied by more than one type of local authority the council tax has to be divided between the authorities supplying services in an area. In calculating Formula Grant a share of the council tax base is assumed for each tier of authority services. These shares are specified in Annex B of this Report. The indicator Projected Population in 2006 is defined in Annex D of this Report.

### Part A – Relative Needs Amount

- 5.5 From the total of ODPM Formula Grant which the Secretary of State proposes to pay to receiving authorities, which is £20,878,123,134, he proposes to pay 70.99% or £14,821,379,613 with respect to the relative needs of authorities.
- 5.6 The Relative Needs Amount is calculated as follows.

For the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 metropolitan district councils,  
 Council of the Isles of Scilly:

- (a) **Upper-tier services RNF**, as defined in paragraph 4.58 of this Report, *multiplied by 1,000,000 and divided by PROJECTED POPULATION IN 2006;*
- (b) The minimum for all authorities of the result of (a);
- (c) The result of (a) *minus* the result of (b)

For the following classes of authority:

Common Council of the City of London,  
police authorities other than the Common Council of the City of London and the  
Metropolitan Police Authority,  
Greater London Authority:

- (d) **Police RNF**, as defined in paragraph 4.28 of this Report, *multiplied by* 1,000,000 and *divided by* **PROJECTED POPULATION IN 2006**;
- (e) The minimum for all authorities of the result of (d);
- (f) The result of (d) *minus* the result of (e)

For the following classes of authority:

county councils which have responsibility for the provision of fire services,  
Greater London Authority,  
metropolitan county fire and civil defence authorities,  
combined fire and rescue authorities,  
Council of the Isles of Scilly:

- (g) **Fire and Rescue RNF**, as defined in paragraph 4.31 of this Report, *multiplied by* 1,000,000 and *divided by* **PROJECTED POPULATION IN 2006**;
- (h) The minimum for all authorities of the result of (g);
- (i) The result of (g) *minus* the result of (h)

For the following classes of authority:

district councils,  
county councils which have the functions of district councils,  
London borough councils,  
Common Council of the City of London,  
Council of the Isles of Scilly:

- (j) **District-Level EPCS RNF**, as defined in paragraph 4.38 of this Report, *multiplied by* 1,000,000 and *divided by* **PROJECTED POPULATION IN 2006**;
- (k) The minimum for all authorities of the result of (j);
- (l) The result of (j) *minus* the result of (k)

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:

- (m) **Mixed-tier services RNF**, as defined in paragraph 4.61 of this Report, *multiplied by 1,000,000 and divided by PROJECTED POPULATION IN 2006*;
- (n) The minimum for all authorities of the result of (m);
- (o) The result of (m) *minus* the result of (n)

For the following classes of authority:

district councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 Greater London Authority,  
 police authorities other than the Common Council of the City of London and the  
     Metropolitan Police Authority,  
 metropolitan county fire and civil defence authorities,  
 combined fire and rescue authorities,  
 Council of the Isles of Scilly:

- (p) **Capital Financing RNF**, as defined at paragraph 4.56 of this Report, *multiplied by 1,000,000 and divided by PROJECTED POPULATION IN 2006*;
- (q) The minimum for all authorities of the result of (p);
- (r) The result of (p) *minus* the result of (q)
- (s) The sum of:
  - the result of (c) *plus*
  - the result of (f) *plus*
  - the result of (i) *plus*
  - the result of (l) *plus*
  - the result of (o) *plus*
  - the result of (r)
 where appropriate.
- (t) The result of (s) *divided by 1,000,000 and multiplied by PROJECTED POPULATION IN 2006*
- (u) The sum for all authorities of the result of (t)
- (v) The result of (t) *divided by the result of (u) multiplied by £14,821,379,613*

## Part B – Relative Resource Amount

5.7 From the total of ODPM Formula Grant which the Secretary of State proposes to pay to receiving authorities, he proposes to adjust the amount payable by -24.57% or -£5,129,754,854 with respect to the relative resources of authorities.

5.8 The Relative Resource Amount is calculated as follows.

For the following classes of authority:

non-metropolitan district councils which have functions of county councils,  
county councils,  
London borough councils,  
Common Council of the City of London,  
metropolitan district councils,  
Council of the Isles of Scilly:

- (a) **Taxbase multiplied by Upper-tier Share of Taxbase divided by PROJECTED POPULATION IN 2006;**
- (b) The minimum for all authorities of the result of (a);
- (c) The result of (a) *minus* the result of (b)

For the following classes of authority:

Common Council of the City of London,  
police authorities other than the Common Council of the City of London and the Metropolitan Police Authority,  
Greater London Authority:

- (d) **Taxbase multiplied by Police Share of Taxbase divided by PROJECTED POPULATION IN 2006;**
- (e) The minimum for all authorities of the result of (d);
- (f) The result of (d) *minus* the result of (e)

For the following classes of authority:

county councils which have responsibility for the provision of fire services,  
Greater London Authority,  
metropolitan county fire and civil defence authorities,  
combined fire and rescue authorities,  
Council of the Isles of Scilly:

- (g) **Taxbase multiplied by Fire and Rescue Share of Taxbase divided by PROJECTED POPULATION IN 2006;**
- (h) The minimum for all authorities of the result of (g);
- (i) The result of (g) *minus* the result of (h)

For the following classes of authority:

district councils,  
 county councils which have the functions of district councils,  
 London borough councils,  
 Common Council of the City of London,  
 Council of the Isles of Scilly:

- (j) **Taxbase multiplied by Lower-Tier Share of Taxbase divided by PROJECTED POPULATION IN 2006;**
- (k) The minimum for all authorities of the result of (j);
- (l) The result of (j) *minus* the result of (k)

For the following classes of authority:

district councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 Greater London Authority,  
 police authorities other than the Common Council of the City of London and the  
 Metropolitan Police Authority,  
 metropolitan county fire and civil defence authorities,  
 combined fire and rescue authorities,  
 Council of the Isles of Scilly:

- (m) The sum of:  
     the result of (c) *plus*  
     the result of (f) *plus*  
     the result of (i) *plus*  
     the result of (l)  
 where appropriate.
- (n) The result of (m) *multiplied by* **PROJECTED POPULATION;**
- (o) The sum for all authorities of the result of (n);
- (p) The result of (n) *divided by* the result of (o) multiplied by -£5,129,754,854

## Part C – Central Allocation

5.9 From the total of ODPM Formula Grant which the Secretary of State proposes to pay to receiving authorities, he proposes to pay £11,186,498,375 with respect to the central allocation.

5.10 The Central Allocation is calculated as follows.

For the following classes of authority:

district councils,  
 county councils,  
 London borough councils,  
 Common Council of the City of London,  
 Greater London Authority,

police authorities other than the Common Council of the City of London and the Metropolitan Police Authority,  
metropolitan county fire and civil defence authorities,  
combined fire and rescue authorities,  
Council of the Isles of Scilly:

- (a) The sum of:
  - the result of (b) from paragraph 5.6 of this Report *plus*
  - the result of (e) from paragraph 5.6 of this Report *plus*
  - the result of (h) from paragraph 5.6 of this Report *plus*
  - the result of (k) from paragraph 5.6 of this Report *plus*
  - the result of (n) from paragraph 5.6 of this Report *plus*
  - the result of (q) from paragraph 5.6 of this Reportwhere appropriate;
- (b) The result of (a) *divided by* the result of (u) from paragraph 5.6 of this Report *multiplied by* £14,821,379,613 *multiplied by* 1,000,000;
- (c) The sum of:
  - the result of (b) from paragraph 5.8 of this Report *plus*
  - the result of (e) from paragraph 5.8 of this Report *plus*
  - the result of (h) from paragraph 5.8 of this Report *plus*
  - the result of (k) from paragraph 5.8 of this Reportwhere appropriate;
- (d) The result of (c) *divided by* the result of (o) from paragraph 5.8 of this Report *multiplied by* -£5,129,754,854;
- (e) The sum of the results of (b) *plus* (d);
- (f) The result of (e) *multiplied by* **PROJECTED POPULATION**;
- (g) The sum for all authorities of the result of (f);
- (h) The result of (f) *divided by* the result of (g) *multiplied by* £11,205,498,375;
- (i) The result of (h) is adjusted to reflect the transfer of responsibility for Critical Ordinary Watercourses to the Environment Agency;
- (j) The result of (i) is adjusted to reflect the recouping of the Fire Modernisation grant<sup>1</sup> paid to authorities in 2004/05.

## Part D – Floor Damping

5.11 The results from the Part A, Part B and Part C when added together with Police Grant form Formula Grant before floor damping. In order to ensure that authorities receive at least a minimum grant increase (called the ‘floor’) we adjust the results.

5.12 The floor damping calculations are given below.

### Authorities with Education and Social Service Responsibilities

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<sup>1</sup> The Transitional Funding and Pay Verification Grant Determination 2004 No 31/17

5.13 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 final amount of Formula Grant for each authority for 2006/07 is calculated as follows:

- (a) which represents the previous year's grant support, is the sum of the following items:

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

- (b) 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 2004/2005 as approved by the House of Commons on 5 February 2004, 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 original Police Grant Report (England and Wales) 2004/2005 as approved by the House of Commons on 5 February 2004.
- (c) 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 2004/2005: Amending Report 2006, 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) 2004/2005: Amending Report 2006/2007.
- (d) either:  
     (b) *minus* (c)  
 or zero, whichever is the greater.
- (e) 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 2005/2006 as approved by the House of Commons on 2 February 2005, and 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 original Police Grant Report (England and Wales) 2005/2006 as approved by the House of Commons on 2 February 2005.

- (f) 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 2005/2006: Amending Report 2006, and 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.
- (g) either:  
(e) *minus* (f)  
or zero, whichever is the greater.
- (h) the sum of the results of:  
(a) *plus*  
(d) *plus*  
(g)  
multiplied by 1.02
- (i) the sum of the following items:  
  
the Relative Needs Amount as defined in paragraph 5.6 of this Report;  
*plus*  
  
the Relative Resource Amount as defined in paragraph 5.8 of this Report; *plus*  
  
the Central Allocation as defined in paragraph 5.10 of this Report; *plus*  
  
the Principal Formula Police Grant as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2006/2007.
- (j) the result of:  
(i) *minus*  
(h)  
multiplied by 0.15500479; *plus*  
the result of (h)
- (k) either the result of (h) or the result of (j), whichever is the greater.

## Police Authorities

- 5.14 For police authorities other than the Common Council of the City of London and the Metropolitan Police Authority, the final amount of Formula Grant for each such authority for 2006/2007 is calculated as in paragraph 5.13 above, substituting 1.031 for 1.02 in (h) and 0.02836451 for 0.1550047 in (j).

## Fire and Rescue Authorities

- 5.15 For the metropolitan county fire and civil defence authorities and the combined fire and rescue authorities the final amount of Formula Grant for each such authority for 2006/2007 is calculated as in paragraph 5.13 above, substituting 1.015 for 1.02 in (h) and 0.12824803 for 0.1550047 in (j).

## The Greater London Authority

5.16 The amount of Revenue Support Grant for the Greater London Authority (GLA) consists of the sum of an amount in respect of police services and an amount in respect of fire and rescue services. 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 and rescue amount is determined using the same floor and scaling factor as for the metropolitan county fire and civil defence authorities and the combined fire and rescue 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 area<sup>2</sup>.

5.17 The amount for police services is calculated as follows:

(a) 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 2005/2006: 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 2005/2006: 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 2005/2006 calculated in accordance with section 5 of the Police Grant Report (England and Wales) 2005/2006: 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.

(b) the sum of the First Secretary of State's estimate of that part of the GLA'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 GLA'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 2004/2005 as approved by the House of Commons on 5 February 2004, 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 original Police Grant Report (England and Wales) 2004/2005 as approved by the House of Commons on 5 February 2004.

(c) the sum of the First Secretary of State's estimate of that part of the GLA's share of Revenue Support Grant which is attributable to police services and the authority's share of the First Secretary of State's estimate of that part of the GLA'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 2004/2005: Amending Report 2006, 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

<sup>2</sup> 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.

(England and Wales) 2004/2005: Amending Report 2006/2007.

- (d) either:  
(b) *minus* (c)  
or zero, whichever is the greater.
- (e) the sum of the First Secretary of State's estimate of that part of the GLA'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 GLA'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 2005/2006 as approved by the House of Commons on 2 February 2005, and 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 original Police Grant Report (England and Wales) 2005/2006 as approved by the House of Commons on 2 February 2005.
- (f) the sum of the First Secretary of State's estimate of that part of the GLA's share of Revenue Support Grant which is attributable to police services and the authority's share of the First Secretary of State's estimate of that part of the GLA'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 2005/2006: Amending Report 2006, and 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.
- (g) either:  
(e) *minus* (f)  
or zero, whichever is the greater.
- (h) the sum of the results of:  
(a) *plus*  
(d) *plus*  
(g)  
multiplied by 1.031
- (i) the sum of the following items:  
  
the Relative Needs Amount with respect to police services as defined in paragraph 5.6 of this Report; *plus*  
  
the Relative Resource Amount with respect to police services as defined in paragraph 5.8 of this Report; *plus*  
  
the Central Allocation with respect to police services as defined in paragraph 5.10 of this Report; *plus*  
  
the Principal Formula Police Grant as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2006/2007.
- (j) the result of:  
(i) *minus*  
(h)  
multiplied by 0.02836451; *plus*  
the result of (h)

- (k) either the result of (h) or the result of (j), whichever is the greater.

5.18 The amount for fire and rescue services is calculated as follows:

- (a) 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 2005/2006: 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 2005/2006: Amending Report 2006, after adjusting for changes in the functions of councils or the financing of particular services.
- (b) the sum of the First Secretary of State's estimate of that part of the GLA'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 GLA'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 2004/2005 as approved by the House of Commons on 5 February 2004.
- (c) the sum of the First Secretary of State's estimate of that part of the GLA's share of Revenue Support Grant which is attributable to fire services and the authority's share of the First Secretary of State's estimate of that part of the GLA'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 2004/2005: Amending Report 2006.
- (d) either:
- (b) *minus* (c)
- or zero, whichever is the greater.
- (e) the sum of the First Secretary of State's estimate of that part of the GLA'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 GLA'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 2005/2006 as approved by the House of Commons on 2 February 2005.
- (f) the sum of the First Secretary of State's estimate of that part of the GLA's share of Revenue Support Grant which is attributable to fire services and the authority's share of the First Secretary of State's estimate of that part of the GLA'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 2005/2006: Amending Report 2006.
- (g) either:
- (e) *minus* (f)
- or zero, whichever is the greater.

- (h) the sum of the results of:
  - (a) *plus*
  - (d) *plus*
  - (g)multiplied by 1.015
  
- (i) the sum of the following items:
  - the Relative Needs Amount with respect to fire and rescue services as defined in paragraph 5.6 of this Report; *plus*
  
  - the Relative Resource Amount with respect to fire and rescue services as defined in paragraph 5.8 of this Report; *plus*
  
  - the Central Allocation with respect to fire and rescue services as defined in paragraph 5.10 of this Report.
  
- (i) the result of:
  - (i) *minus*
  - (h)multiplied by 0.12824803; *plus*  
the result of (h)
  
- (k) either the result of (h) or the result of (j), whichever is the greater.

### **Shire Districts without Education and Social Service Responsibilities**

- 5.19 For non-metropolitan district councils which do not have functions of county councils the final amount of Formula Grant for each such authority for 2005/2006 is calculated as in paragraph 5.13 above, substituting 1.03 for 1.02 in (h) and 0.49038101 for 0.1550047 in (j).

# 6 Distribution of Revenue Support Grant

6.1 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 2006/2007.

6.2 The share of Revenue Support Grant for each receiving authority, other than the Greater London Authority, is to be calculated by applying the formula:

$$\frac{I}{(I+J)} \times (K - L)$$

where:

- I** is the amount of Revenue Support Grant that the First Secretary of State proposes to pay to receiving authorities, as specified in section 2 of this Report;
- J** is the distributable amount, as specified in section 3 of this Report;
- K** is the authority's share of Formula Grant for 2006/07 calculated in accordance with Section 5 of this Report; and
- L** is the amount of any Principal Formula Police Grant for the authority for 2006/07 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2006/2007.

6.3 The share of Revenue Support Grant for the Greater London Authority is to be calculated by applying the formula:

$$\left( \frac{I}{(I+J)} \times (K1 - L1) \right) + \left( \frac{I}{(I+J)} \times K2 \right)$$

where:

- I** and **J** have the same meanings as in paragraph 6.2;
- K1** is the share of Formula Grant for police services, for 2006/2007 calculated in accordance with Section 5 of this Report;
- L1** is the amount of Principal Formula Police Grant for the authority for 2006/2007 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2006/2007; and

**K2** is the share of Formula Grant for fire and rescue services, for 2006/2007 calculated in accordance with Section 5 of this Report.

# 7 Distribution of the Distributable Amount

7.1 This section specifies the basis on which the First Secretary of State proposes to distribute among receiving authorities the distributable amount for the year 2006/2007.

7.2 The share of the distributable amount for each receiving authority, other than the Greater London Authority, is to be calculated by applying the formula:

$$\frac{J}{(I+J)} \times (K - L)$$

where:

- I** is the amount of Revenue Support Grant that the First Secretary of State proposes to pay to receiving authorities, as specified in section 2 of this Report;
- J** is the distributable amount, as specified in section 3 of this Report;
- K** is the authority's share of Formula Grant for 2006/07 calculated in accordance with Section 5 of this Report; and
- L** is the amount of any Police Grant for the authority for 2006/07 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2006/2007.

7.3 The share of the distributable amount for the Greater London Authority is to be calculated by applying the formula:

$$\left( \frac{J}{(I+J)} \times (K1 - L1) \right) + \left( \frac{J}{(I+J)} \times K2 \right)$$

where:

- I** and **J** have the same meanings as in paragraph 6.2;
- K1** is the share of Formula Grant for police services, for 2006/2007 calculated in accordance with Section 5 of this Report;
- L1** is the amount of Police Grant for the authority for 2006/2007 as shown in column (a) of the table contained in paragraph 3.1 of the Police Grant Report (England and Wales) 2006/2007; and
- K2** is the share of Formula Grant for fire and rescue services, for 2006/2007 calculated in accordance with Section 5 of this Report.

## 8 Conclusion

- 8.1 This Report is made by the First Secretary of State under section 78A of the Local Government Finance Act 1988. It is laid before the House of Commons in accordance with that section.
- 8.2 The financial year for which the Report is to operate is that beginning on 1 April 2006. This Report may be amended by a report made under section 84A of the 1988 Act (as inserted by paragraph 15 of Schedule 10 to the 1992 Act) or under paragraph 13 of Schedule 8 to the 1988 Act (as substituted by paragraph 7 of Schedule 10 to the 1992 Act).

Signed by authority of the First Secretary of State.

24 January 2006

Phil Woolas  
*Minister of State for Local Government*  
*Office of the Deputy Prime Minister*

The consent of the Treasury has been obtained to the making of the determinations specified in paragraphs 2.1 to 2.3 of this Report.

24 January 2006

Joan Ryan  
Vernon Coaker  
*Two of the Lords Commissioners*  
*of Her Majesty's Treasury*

# Annex A

## Amounts of Grant for Specified Bodies

The First Secretary of State has determined as the amount of Revenue Support Grant which he proposes to pay to each specified body the amount shown against its name below:

	£
Improvement and Development Agency for Local Government	31,678,000
Employers' Organisation for Local Government (includes funds for the Educational Psychologists grant scheme)	7,554,000
The Fire Services Examination Board	0
The National Foundation for Educational Research in England and Wales	1,311,000
The National Institute of Adult Continuing Education	694,000
The Local Government International Bureau	1,797,000
The Local Authorities Co-ordinators for Regulatory Services	2,580,000
Public Private Partnerships Programme	4,447,000
National Youth Agency	1,461,000
The Commission for Local Administration in England	13,221,000
<b>TOTAL</b>	<b>64,743,000</b>

## Annex B

### Shares of the Council Tax Base used in Calculating an Authority's Share of Formula Grant

- 1 The distribution of Formula Grant takes into account the council tax base of an authority. Since in all areas of England council services are supplied by more than one type of local authority the council tax has to be divided between the authorities supplying services in an area. In calculating Formula Grant a share of the council tax base is assumed for each tier of authority services.
- 2 The table below shows the share of tax base for each tier of authority services.

<i>Tier of Service</i>	<i>Share of council tax base</i>
Upper-tier services	0.72103328
Police services	0.08672247
Fire and rescue services	0.03378238
Lower-tier services	0.15846187

# Annex C

## The Council Tax Base for Revenue Support Grant purposes

- 1 This Annex contains rules for calculating the council tax base for Revenue Support Grant purposes (“the taxbase”), for the area of each receiving authority.
- 2 The First Secretary of State will calculate the taxbase for each receiving authority's area using information which billing authorities have submitted to him in writing in accordance with the notice dated 26 September 2005 issued under section 139A of the 1988 Act and section 68 of the 1992 Act which has been received by the Secretary of State on or before 21 October 2005. The information submitted should generally<sup>1</sup> have been on the basis of information available to billing authorities on 10 October 2005. If an authority has failed to provide the information in accordance with the notice, the First Secretary of State will exercise his powers under section 139A(3) of the 1988 Act, namely, he may assume the information required to be such as he sees fit. He may also take into account any other information available to him.
- 3 The taxbase for a billing authority's area as at 10 October 2005 will be equal to -

<b>Council Tax Base for Revenue Support Grant Purposes</b>	
(a)	<p>the total of the amounts calculated by applying the following formula in relation to dwellings shown on 19 September 2005 in each valuation band (“the band”) in the valuation list compiled under section 22 of the 1992 Act except for band A -</p> $\left\{ R - (S + T + U - V + W + XA + XB + XC) + (0.75 \times W) \right. \\ \left. + (0.5 \times XA) + (0.5 \times XB) + \left( \left( 1 - \frac{AP}{100} \right) \times XC \right) \right\} \times \frac{Y}{Z}$ <p><i>plus</i></p>
(b)	<p>the total of the amounts calculated by applying the following formula in relation to dwellings shown on 19 September 2005 for valuation band A in the valuation list compiled under section 22 of the 1992 Act -</p> $\left\{ R - (S + T + U1 - V1 + W1 + X1A + X1B + X1C) + (0.75 \times W1) \right. \\ \left. + (0.5 \times X1A) + (0.5 \times X1B) + \left( \left( 1 - \frac{AP}{100} \right) \times X1C \right) \right\} \times \frac{6}{9}$ $+ \left\{ (U1 - W2 - X2) + (0.75 \times W2) + (0.5 \times X2) \right\} \times \frac{5}{9}$ <p><i>plus</i></p>
(c)	<p>the amount of the taxbase element for dwellings situated in the authority's area which are exempt dwellings by virtue of falling within Class O of the Exempt Dwellings Order, calculated by the authority in accordance with the notice dated 26 September 2005 referred to in paragraph 2.</p>

where -

<sup>1</sup> However, more recent figures for discounts and exemptions applicable as at 10 October 2005 were acceptable if numbers changed significantly in light of information received after 10 October 2005 (for example, class N exemptions for students).

- R** is the number of dwellings shown in the band in the valuation list;
- S** is the number of dwellings shown in the band in the valuation list which were also, on 10 October 2005 exempt dwellings by virtue of falling within Classes A to W of the Council Tax (Exempt Dwellings) Order 1992 (S.I. 1992/558), as amended by the Council Tax (Exempt Dwellings) (Amendment) Order 1992 (S.I. 1992/2941), the Council Tax (Exempt Dwellings) (Amendment) Order 1993 (S.I. 1993/150), the Council Tax (Exempt Dwellings) (Amendment) Order 1994 (S.I. 1994/539), the Council Tax (Discount Disregards and Exempt Dwellings)(Amendment) Order 1995 (S.I. 1995/619), the Housing Act 1996 (Consequential Amendments) Order 1997 (S.I. 1997/74), the Council Tax (Chargeable Dwellings, Exempt Dwellings, and Discount Disregards)(Amendment) Order 1997 (S.I. 1997/656), the Council Tax (Exempt Dwellings and Discount Disregards) (Amendment) Order 1998 (S.I. 1998/291), the Council Tax (Exempt Dwellings) (Amendment) Order 1999 (S.I. 1999/536); the Council Tax (Exempt Dwellings) (Amendment) (England) Order 2000 (S.I. 2000/424) (“the Exempt Dwellings Order”); and the Council Tax (Chargeable Dwellings, Exempt Dwellings and Discount Disregards) (Amendment) (England) Order 2003 (S.I. 2003/3121);
- T** is the number of dwellings, shown in the band in the valuation list, not included in S above which were also -
- (i) dwellings which, on 10 October 2005, had in the opinion of the authority, ceased to exist; or
  - (ii) dwellings which were not, in the opinion of the authority, within the area of the authority on 10 October 2005;

And where for dwellings shown in the bands **B** to **H** in the valuation list on 19 September 2005:

- U** is the number of dwellings shown in the band in the valuation list, in respect of which the amount of council tax payable on 10 October 2005 was calculated by reference to the valuation band which appears in the Table in section 5(2) of the 1992 Act immediately above the band, by virtue of the Council Tax (Reductions for Disabilities) Regulations 1992 (S.I. 1992/554), as amended by the Council Tax (Reductions for Disabilities) Regulations 1993 (S.I. 1993/195) and the Council Tax (Reductions for Disabilities) Regulations 1999 (S.I. 1999/1004) (“the Reductions for Disabilities Regulations”);
- V** is the number of dwellings shown in the valuation band which appears in the Table in section 5(2) of the 1992 Act immediately below the band, in respect of which the amount of council tax payable on 10 October 2005 was calculated by reference to the band, by virtue of the Reductions for Disabilities Regulations;
- W** is the number of dwellings shown in the band in the valuation list, in respect of which the amount of council tax payable on 10 October 2005 was subject to a 25 per cent discount by virtue of section 11(1) of the 1992 Act,

*Less*

the number of such dwellings in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated by reference to the valuation band which appears in the Table in section 5(2) of the 1992 Act immediately above the band by virtue of the Reductions for Disabilities Regulations,

*Plus*

the number of dwellings shown in the valuation band which appears in the Table in section 5(2) of the 1992 Act immediately below the band, in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated by reference to the band, by virtue of the Reductions for Disabilities Regulations;

**XA** is the number of dwellings shown in the band in the valuation list in respect of which the amount of council tax payable on 10 October 2005 was subject to a 50 per cent discount by virtue of section 11(2) of the 1992 Act,

*Less*

the number of such dwellings in respect of which the amount of council tax payable on 1 November 2004 -

- (i) was subject to a 50 per cent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated by reference to the valuation band which appears in the Table in section 5(2) of the 1992 Act immediately above the band by virtue of the Reductions for Disabilities Regulations,

*Plus*

the number of dwellings shown in the valuation band which appears in the Table in section 5(2) of the 1992 Act immediately below the band in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 50 per cent. Discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated by reference to the band by virtue of the Reductions for Disabilities Regulations;

- XB** is the number of dwellings shown in the band in the valuation list in respect of which the amount of council tax payable on 10 October 2005 was subject to a discount of less than 50% by reason of a determination, if any, made by the authority under section 11A(3) of the 1992 Act;
- XC** is the number of dwellings shown in the band in the valuation list in respect of which the amount of council tax payable on 10 October 2005 was subject to a discount of less than 50% by reason of a determination, if any, made by the authority under section 11A(4) of the 1992 Act;
- AP** is the appropriate percentage, ie the percentage discount given by the authority to long-term empty homes in its determination, if any, made under section 11A(4) of the 1992 Act, in relation to the financial year 2005/06;
- Y** is the number which, in the proportion set out in paragraph 4, is applicable to dwellings shown in the band in the valuation list;
- Z** is 9, that is, the number which, in the proportion set out in paragraph 4, is applicable to dwellings in valuation band D.

And where for dwellings shown in band **A** in the valuation list on 19 September 2005:

- U1** is the number of dwellings shown in band **A** in the valuation list, in respect of which the amount of council tax payable on 10 October 2005 was calculated as 5/9 the band **D** amount by virtue of the Reduction for Disabilities Regulations;
- V1** is the number of dwellings shown in valuation band **B** in respect of which the amount of council tax payable on 10 October 2005 was calculated by reference to band **A**, by virtue of the Reductions for Disabilities Regulations;
- W1** is the number of dwellings shown in band **A** in the valuation list, in respect of which the amount of council tax payable on 10 October 2005 was subject to a 25 per cent. discount by virtue of section 11(1) of the 1992 Act,

*Less*

the number of such dwellings in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated as 5/9 of the band **D** amount by virtue of the Reductions for Disabilities Regulations,

*Plus*

the number of dwellings shown in band B in the valuation list which appears in the Table in section 5(2) of the 1992 Act immediately below the band, in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated by reference to band A, by virtue of the Reductions for Disabilities Regulations;

**X1A** is the number of dwellings shown in band A in the valuation list in respect of which the amount of council tax payable on 10 October 2005 was subject to a 50 per cent discount by virtue of section 11(2) of the 1992 Act,

*Less*

the number of such dwellings in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 50 per cent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated as 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations.

*Plus*

the number of dwellings shown in valuation band B in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 50 per cent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated by reference to band A by virtue of the Reductions for Disabilities Regulations;

**X1B** Is the number of dwellings shown in band A in the valuation list in respect of which the amount of council tax payable on 10 October 2005 was subject to a discount of less than 50% by reason of a determination, if any, made by the authority under section 11A(3) of the 1992 Act;

**X1C** Is the number of dwellings shown in band A in the valuation list in respect of which the amount of council tax payable on 10 October 2005 was subject to a discount of less than 50% by reason of a determination, if any, made by the authority under section 11A(4) of the 1992 Act;

**W2** Is the number of dwellings shown in valuation band A in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated as 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations;

**X2** is the number of dwellings shown in valuation band A in respect of which the amount of council tax payable on 10 October 2005 -

- (i) was subject to a 50 per cent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated as 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations.

4 For the purposes of the definitions of Y and Z in paragraph 3, the proportion is the proportion set out in section 5(1) of the 1992 Act, namely, -

**7 : 8 : 9 : 11 : 13 : 15 : 18**

where 7 is for dwellings listed in valuation band B, 8 is for dwellings listed in valuation band C, and so on.

5 The taxbase for a billing authority's area for 2006/07 is the taxbase for a billing authority's area as at 10 October 2005, as calculated at paragraph 3, increased by the First Secretary of State's estimate of the average annual increase in the taxbase for the authority between:

(i) 1 November 2003, on the basis of information submitted to him in writing in accordance with the notice dated 24 October 2003 issued under section 139A of the 1988 Act and section 68 of the 1992 Act; and

(ii) 10 October 2005, on the basis of information submitted to him in writing in accordance with the notice dated 26 September 2005 issued under section 139A of the 1988 Act and section 68 of the 1992 Act.

6 Subject to paragraph 7, the taxbase for the area of each major precepting authority will be calculated as the total of the taxbase figures for 2006/07 for the area of each billing authority to which the major precepting authority has the power to issue a precept.

7 The taxbase for the whole of the Greater London Authority's area will be calculated as the total of the taxbase figures for the London borough councils and Common Council of the City of London. The taxbase for that part of the Greater London Authority's area for which the Greater London Authority makes budgetary provision for police services, will be calculated as the total of the taxbase figures for the London borough councils.

8 The figure for the taxbase for an area calculated under the above rules will be rounded to the nearest whole number in the following manner:

- (a) where (apart from this sub-paragraph and after taking into account each whole number) the figure would include an excess of 0.5 or more, the excess shall be made up to 1; and
- (b) where (apart from this sub-paragraph and after taking into account each whole number) the figure would include an excess of less than 0.5, the excess shall not be taken into account.

# Annex D

## Definition of Indicators Used for Each Authority in the Calculation of Relative Needs Formulae

### Introduction

Unless otherwise stated, data used to construct indicators for the calculation of Relative Needs Formulae (RNF) are those available to the First Secretary of State on 3 October 2005 concerning the authorities relevant to the calculation of specific RNF elements.

Data used to construct indicators for this purpose for receiving authorities which are reorganised authorities comprise such data available, unless otherwise stated, on 3 October 2005 concerning the predecessor authorities, or parts of the predecessor authorities, as the First Secretary of State considers appropriate. A reorganised authority is an authority subject to a structural, or a structural and boundary change, which came into effect on 1 April 1995, 1 April 1996, 1 April 1997, 1 April 1998 or 1 April 2000 and which is made by an order under section 17 of the Local Government Act 1992 or under section 323 of the Greater London Authority Act 1999. Reorganised authorities for this purpose are listed in Annex I.

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

## I Children's Services

**PROJECTED  
POPULATION AGED  
13 TO 19 IN 2006**

The projected number of residents aged 13-19 years in 2006, as estimated by the Registrar General.

**CHILDREN OF  
INCOME SUPPORT/  
INCOME BASED  
JOBSEEKER'S  
ALLOWANCE  
CLAIMANTS ABOVE  
THRESHOLD**

*Either:*

**CHILDREN OF INCOME SUPPORT / INCOME BASED JOBSEEKER'S ALLOWANCE CLAIMANTS** (as defined below) *minus* 0.0916

*or zero*, whichever is the greater.

**CHILDREN OF  
INCOME SUPPORT/  
INCOME BASED  
JOBSEEKER'S  
ALLOWANCE  
CLAIMANTS**

The average number of dependent children of claimants receiving Income Support/Income based Jobseeker's Allowance, over a period between August 2000 and August 2002, using 100% scan of claimants made in August of each year as estimated by the Secretary of State for Work and Pensions; *divided* by the number of resident children under 18 years of age at 30 June 2003 as estimated by the Registrar General.

The number of dependent children of claimants receiving Income Support/Income Based Jobseeker's Allowance has been adjusted by the First Secretary of State (formerly the Secretary of State for Transport, Local Government and the Regions) to take account of negative effects of seasonality as estimated by the Office for National Statistics on the basis of 3 years of quarterly information.

**SECONDARY LOW  
ACHIEVING ETHNIC  
GROUPS ABOVE  
THRESHOLD**

*Either:*

**PUPILS OF SECONDARY SCHOOL AGE IN LOW ACHIEVING ETHNIC GROUPS** (as defined below); *minus* 0.0062

*or zero*, whichever is the greater.

**PUPILS OF  
SECONDARY  
SCHOOL AGE IN LOW  
ACHIEVING ETHNIC  
GROUPS**

The number of pupils in secondary schools who are from ethnic groups which are considered by the Secretary of State for Education and Skills to be low achieving *divided* by the number of pupils in secondary schools who had an ethnic group recorded, based on a count at the beginning of the spring term 2005, as estimated by the Secretary of State for Education and Skills.

The low achieving ethnic groups comprise of the ethnic categories:

- Gypsy/Roma and Travellers of Irish Heritage
- White and Black African
- White and Black Caribbean
- Pakistani
- Bangladeshi
- Black Caribbean
- Black African
- Any 'other Black' background
- Any 'other ethnic' group

**PUPILS AGED 3 TO 18**

The full-time equivalent number of pupils aged 3 to 18, calculated as

The sum of:

- (i) **PUPILS AGED 3** (as defined below) *divided by 2; plus*
- (ii) **PUPILS AGED 4** (as defined below); *plus*
- (iii) **PUPILS AGED 5 AND OVER** (as defined below).

***Pupils at independent schools becoming maintained schools***

Numbers of pupils aged 3 and over have been adjusted, as the Secretary of State for Education and Skills considers appropriate, to reflect:

- (i) the estimated number of children in independent schools in respect of which the Secretary of State for Education and Skills had approved by 3 October 2005 proposals under section 212 of the Education Act 1996 for such schools to be maintained by a local education authority during the 2006/2007 financial year; and
- (ii) the estimated number of children in independent schools in respect of which the Secretary of State for Education and Skills had approved by 3 October 2005 proposals under section 41 of the Education Act 1996 for such schools to be maintained by a local education authority during the 2006/2007 financial year.

**PUPILS AGED 3**

The sum of:

- (i) The part-time equivalent number of pupils aged 4 at 31 December 2004 but aged 3 at 31 August 2004 in maintained schools; *plus*
- (ii) The part-time equivalent number of pupils aged 4 at 31 December 2004 but aged 3 at 31 August 2004 in private, voluntary and independent settings in receipt of a place funded by the local education authority; *plus*

*Either:*

- (iii) The part-time equivalent number of pupils aged 3 at 31 December 2004 in maintained schools; *plus*
- (iv) The part-time equivalent number of pupils aged 3 at 31 December 2004 in private, voluntary and independent settings funded by the local education authority;

*or*

- (v) the resident population aged 3 at 30 June 2004, as estimated by the Registrar General, *multiplied by 0.90,*

*Whichever is the greater.*

Part-time equivalent numbers of pupils aged 3 at 31 December 2004 and part-time equivalent numbers of pupils aged 4 at 31 December 2004 but aged 3 at 31 August 2004 in the maintained sector are estimated by the Secretary of State for Education and Skills, mainly on the basis of a count at the beginning of the spring term 2005. Pupils in the count are those who were registered at academies, nursery, community, foundation or voluntary schools or community or foundation special schools maintained by the authority. This also includes pupils registered at independent schools, or schools not maintained by an authority and approved by the Secretary of State for Education and Skills as special schools under Section 342 of the Education Act 1996, and in respect of whom the tuition fees are paid in full by the authority. In calculating the part-time equivalent number of pupils, both part time pupils and full time pupils are counted as one part-time equivalent pupil.

Part-time equivalent numbers of pupils aged 3 at 31 December 2004, and part-time equivalent numbers of pupils aged 4 at 31 December 2004 but aged 3 at 31 August 2004, in the private, voluntary or independent sectors are estimated by the Secretary of State for Education and Skills on the basis of a count at the beginning of the spring term 2005. Pupils in the count are those who are receiving nursery education, which is funded by the local education authority and provided in the private, voluntary or independent sectors by a person other than a local education authority. This also includes pupils educated in local authority provision outside nursery or maintained schools but not in private, voluntary or independent settings and for whom funding is provided by the local education authority. In calculating the part-time equivalent number of pupils, five sessions or above are calculated to be the equivalent of a part-time pupil. Pupils attending for less than five sessions are counted pro-rata to the number of sessions attended; for example a pupil attending one session a week will be counted as one fifth of a part-time equivalent pupil.

#### **PUPILS AGED 4**

The sum of:

- (i) The full-time equivalent number of pupils who had attained the age of 4 and had not attained the age of 5 in schools maintained by the authority at 31 August 2004; *plus*
- (ii) The full-time equivalent number of pupils who had attained the age of 4 and had not achieved the age of 5 at 31 August 2004 in private, voluntary and independent settings and in receipt of a place funded by the local education authority.

Full-time equivalent numbers of pupils aged 4 in maintained schools are estimated by the Secretary of State for Education and Skills, mainly on the basis of a count at the beginning of the spring term 2005. Pupils in the count are those who were registered at academies, nursery, community, foundation or voluntary schools or community or foundation special schools maintained by the authority. This also includes pupils registered at independent schools, or schools not maintained by an authority and approved by the Secretary of State for Education and Skills as special schools under Section 342 of the Education Act 1996, and in respect of whom the tuition fees are paid in full by the authority. In calculating the

full-time equivalent number of pupils, part-time pupils have been calculated as half the value of full-time pupils.

Full-time equivalent numbers of pupils who had attained the age of 4 and had not attained the age of 5 as at 31 August 2004, in the private, voluntary or independent sectors are estimated by the Secretary of State for Education and Skills on the basis of a count at the beginning of the spring term 2005. Pupils in the count are those who are receiving nursery education, which is funded by the local education authority and provided in the private, voluntary or independent sectors by a person other than a local education authority. This also includes pupils educated in local authority provision outside nursery or maintained schools but not in private, voluntary or independent settings and for whom funding is provided by the local education authority. In calculating the full-time equivalent number of pupils, ten sessions are calculated to be the equivalent of a full-time pupil and pupils attending sessions below this are counted pro-rata to the number of sessions attended, for example a pupil attending one session a week will count as one tenth of a full-time equivalent pupil.

**PUPILS AGED 5 AND OVER**

The number of pupils aged 5 and over at 31 August 2004, as estimated by the Secretary of State for Education and Skills mainly on the basis of a count at the beginning of the spring term 2005.

Pupils in the count are those at schools maintained by the authority or grant maintained schools in the area of the authority, sixth forms, academies, Pupil Referral Units and pupils educated otherwise than in maintained schools under arrangements made by the authority.

**RESIDENT PUPILS AGED 3 TO 18**

The number of pupils aged 3 to 18 resident in the Local Authority area at 31 August 2004, as estimated by the Secretary of State for Education and Skills based mainly on a count at the beginning of the spring term 2005.

**WARD SPARSITY**

The sum of:

- (i) 3.5 *multiplied by* the resident population of those wards within the area of the authority at the 2001 Census with 0.5 or less residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census; *and*
- (ii) The resident population of those wards within the area of the authority at the 2001 Census with more than 0.5 but less than or equal to 4 residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census.

**PROJECTED POPULATION AGED 0 TO 17 IN 2006**

The projected number of residents under 18 years of age in 2006, as estimated by the Registrar General.

**CHILDREN WITHOUT GOOD HEALTH**

The proportion of children aged 0 to 18 in fairly good health or bad health, calculated using the information from the 2001 Census.

<b>INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS AGED 18 TO 64 YEARS</b>	The number of Income Support/Income based Jobseekers Allowance/ Guarantee Element of Pension Credit claimants aged between 18 to 64 inclusive, over a period between August 2001 and August 2004, using annual scans made at the end of August of each year, as estimated by the Secretary of State for Work and Pensions, <i>divided by</i> the Resident population aged between 18 to 64 years at 30 June 2004, as estimated by the Registrar General.
<b>CHILDREN IN BLACK ETHNIC GROUPS</b>	The proportion of children aged 0 to 15 in black ethnic groups (Black Caribbean, Black African or other Black ethnicity), calculated using the information from the 2001 Census.
<b>FOSTER COST ADJUSTMENT</b>	<p>A factor to reflect differences in the cost of providing foster care. This is calculated as:</p> <ul style="list-style-type: none"> <li>(i) 14.459 <i>multiplied by</i> <b>PEOPLE IN OTHER ETHNIC GROUPS</b> (as defined below); <i>plus</i></li> <li>(ii) 34.342 <i>multiplied by</i> <b>PEOPLE IN MIXED ETHNIC GROUPS</b> (as defined below); <i>plus</i></li> <li>(iii) 14.062 <i>multiplied by</i> <b>PEOPLE AGED 16 TO 74 WHOSE HIGHEST QUALIFICATION ATTAINED WAS LEVEL 1 OR 2</b> (as defined below); <i>plus</i></li> <li>(iv) 6.211 <i>multiplied by</i> <b>PEOPLE AGED 16 TO 74 WHOSE HIGHEST QUALIFICATION ATTAINED WAS LEVEL 4 OR 5</b> (as defined below); <i>plus</i></li> <li>(v) 20.171 <i>multiplied by</i> <b>FEMALES AGED 16 TO 74 LOOKING AFTER HOME AND/OR FAMILY</b> (as defined below); <i>minus</i></li> <li>(vi) 4.864</li> </ul> <p>The result of the above is <i>divided by</i> 4.4404, <i>multiplied by</i> 0.2, and then <i>added to</i> 0.8.</p> <p>The indicator is the result of the above calculation <i>divided by</i> 0.9350 calculated to 4 decimal places.</p>
<b>PEOPLE IN OTHER ETHNIC GROUPS</b>	The proportion of people in other ethnic groups (Chinese or other ethnic group), calculated using information from the 2001 Census.
<b>PEOPLE IN MIXED ETHNIC GROUPS</b>	The proportion of people in mixed ethnic groups (White and black Caribbean, white and black African, white and Asian or other mixed ethnicity), calculated using information from the 2001 Census.
<b>PEOPLE AGED 16 TO 74 WHOSE HIGHEST QUALIFICATION ATTAINED WAS LEVEL 1 OR 2</b>	The proportion of people aged 16 to 74 whose highest qualification attained was level 1 or 2. Level 1 qualification is one or more 'O' level pass, any CSE or GCSE grade, an NVQ level 1 or a foundation GNVQ. Level 2 qualification is five or more 'O' level passes, five or more CSEs (grade 1), five or more GCSEs (grade A to C), a School Certificate, one plus 'A' or 'AS' Level, an NVQ level 2 or an intermediate GNVQ, calculated using information from the 2001 Census.

<b>PEOPLE AGED 16 TO 74 WHOSE HIGHEST QUALIFICATION ATTAINED WAS LEVEL 4 OR 5</b>	The proportion of people aged 16 to 74 with their highest qualification being level 4 or 5. Levels 4 or 5 are a first degree, higher degree, NVQ levels 4 and 5. HNC, HND or Qualified Teacher, Medical Doctor, Dentist, Nurse, Midwife or Health Visitor Status, calculated using information from the 2001 Census.
<b>FEMALES AGED 16 TO 74 LOOKING AFTER HOME AND/OR FAMILY</b>	The proportion of females aged 16 to 74 whose economic activity is looking after the home and/or the family, calculated using information from the 2001 Census.
<b>AREA COST ADJUSTMENT FOR EDUCATION</b>	A factor calculated to reflect differences in the cost of providing education services across the country. The factor is given in Annex H. It is generally based on information derived from the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Base Estimate Returns 1992/93; Subjective Analysis Return 2003/04; the 2005 Revaluation of Local Authority Schools undertaken by the Valuation Office and the total resident population at 30 June 2004, as estimated by the Registrar General.
<b>AREA COST ADJUSTMENT FOR CHILDREN'S SOCIAL CARE AND YOUNGER ADULTS' PERSONAL SOCIAL SERVICES</b>	A factor calculated to reflect differences in the cost of providing children's social care and younger adults' personal social services across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; and the total resident population as at 30 June 2004, as estimated by the Registrar General.

## II Adults' Personal Social Services

### **PROJECTED HOUSEHOLD AND SUPPORTED RESIDENTS AGED 65 AND OVER IN 2006**

The projected number of residents aged 65 years and over who are residents in households *plus* the number of Local Authority supported residents in permanent care homes, calculated as:

- (i) The projected resident population aged 65 years and over in 2006, as estimated by the Registrar General; *multiplied by*
- (ii) The household population aged 65 years and over, using information from the 2001 Census; and then *divided by*
- (iii) The resident population aged 65 years and over, using information from the 2001 Census.

The result of the above calculation is *added* to the number of Local Authority supported residents in permanent care homes aged 65 years and over as at 31 March 2004, as estimated by the Secretary of State for Health.

### **HOUSEHOLD AND SUPPORTED RESIDENTS AGED 90 AND OVER**

An estimate of the number of residents aged 90 years and over who are residents in households *plus* the number of Local Authority supported residents in permanent care homes, calculated as:

- (i) The resident population aged 90 years and over at 30 June 2004, as estimated by the Registrar General; *multiplied by*
- (ii) The household population aged 90 years and over, using information from the 2001 Census; and then *divided by*
- (iii) The resident population aged 90 years and over, using information from the 2001 Census.

The result of the above calculation is *added* to the number of Local Authority supported residents in permanent care homes aged 90 years and over as at 31 March 2004, as estimated by the Secretary of State for Health.

### **HOUSEHOLD AND SUPPORTED RESIDENTS AGED 65 AND OVER**

An estimate of the number of residents aged 65 years and over who are residents in households *plus* the number of Local Authority supported residents in permanent care homes, calculated as:

- (i) The resident population aged 65 years and over at 30 June 2004, as estimated by the Registrar General; *multiplied by*
- (ii) The household population aged 65 years and over, using information from the 2001 Census; and then *divided by*
- (iii) The resident population aged 65 years and over, using information from the 2001 Census.

The result of the above calculation is *added* to the number of Local Authority supported residents in permanent care homes aged 65 years and over as at 31 March 2004, as estimated by the Secretary of State for Health.

**OLDER PEOPLE RECEIVING ATTENDANCE ALLOWANCE**

The average number of people, aged 65 or over, in receipt of attendance allowance over a period between May 2003 and May 2005, using an annual scan at the end of May each year as estimated by the Secretary of State for Work and Pensions *divided by* the resident population aged 65 years and over at 30 June 2004, as estimated by the Registrar General.

**OLDER PEOPLE IN RENTED ACCOMMODATION**

The proportion of people aged 65 or over living in rented accommodation, calculated using information from the 2001 Census.

**OLDER PEOPLE LIVING IN ONE PERSON HOUSEHOLDS**

The proportion of people aged 65 or over who are living alone, calculated using information from the 2001 Census.

**OLDER PEOPLE ON INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT**

The average number of persons who are, or whose partner is, aged 60 years and over and in receipt of Income Support/ Income Based Jobseeker's Allowance/ the Guarantee element of Pension Credit, over a period between August 2001 and August 2004, using annual scans made at the end of August of each year, as estimated by the Secretary of State for Work and Pensions, *divided by* the Resident population aged 65 and over at 30 June 2004, as estimated by the Registrar General.

**LOW INCOME ADJUSTMENT**

The sum of:

- (i) 0.274 *minus*
- (ii) 0.133 *multiplied by* **OLDER PEOPLE IN RENTED ACCOMODATION** (as defined above)

The sum of the above is then divided by the **AREA COST ADJUSTMENT FOR OLDER PEOPLES PSS** (as defined below) and *subtracted from* 1.

The indicator is the result of the above calculation *divided by* 0.745152 and calculated to 4 decimal places.

<b>SPARSITY ADJUSTMENT FOR PEOPLE AGED 65 AND OVER</b>	<p>The sum of:</p> <ul style="list-style-type: none"> <li>(i) <i>2 multiplied by</i> the resident population aged 65 years and over of those Lower Super Output Areas within the area of the authority at the 2001 Census with 0.08 or fewer residents per hectare, <i>divided by</i> the total resident population aged 65 years and over of the authority, calculated using information from the 2001 Census; <i>and</i></li> <li>(ii) The resident population aged 65 years and over of those Lower Super Output Areas within the area of the authority at the 2001 Census with more than 0.08 but less than or equal to 0.64 residents per hectare, <i>divided by</i> the total resident population aged 65 years and over of the authority, calculated using information from the 2001 Census.</li> </ul> <p>The sum is then <i>divided by</i> 0.203006, <i>multiplied by</i> 0.0043, and then added to 0.9957.</p> <p>The indicator is the result of the above calculation <i>divided by</i> 0.9957, calculated to 4 decimal places.</p>
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Output Areas were introduced by the Office for National Statistics as the smallest units of output for the 2001 census. In England and Wales they have a minimum size of 100 residents and 40 households. They are based on census day postcodes and fit within the boundaries of 2003 statistical wards (and parishes).

<b>PROJECTED POPULATION AGED 18 TO 64 IN 2006</b>	The projected number of residents aged between 18 and 64 years in 2006, as estimated by the Registrar General.
<b>PEOPLE AGED 18 TO 64 RECEIVING DISABILITY LIVING ALLOWANCE</b>	The average number of people aged 18 to 64, in receipt of disability living allowance over a period between May 2003 and May 2005, using an annual scan at the end of May each year as estimated by the Secretary of State for Work and Pensions <i>divided by</i> the resident population aged 18 to 64 at 30 June 2004, as estimated by the Registrar General.
<b>PEOPLE AGED 18 TO 64 WHO ARE LONG TERM UNEMPLOYED OR HAVE NEVER WORKED</b>	The proportion of people aged 18 to 64 who are long term unemployed or have never worked (National Statistics – Socio Economic Classification 8 (NS-SEC 8)), calculated using information from the 2001 Census.
<b>PEOPLE AGED 18 TO 64 WHO WORK IN ROUTINE OR SEMI ROUTINE OCCUPATIONS</b>	The proportion of people aged 18 to 64 who work in routine or semi routine occupations (NS-SEC 6 and 7), calculated using information from the 2001 Census.
<b>HOUSEHOLDS WITH NO FAMILY</b>	The proportion of households with no family (married couple, cohabiting couple or lone parent family), calculated using information from the 2001 Census.

**AREA COST  
ADJUSTMENT FOR  
OLDER PEOPLE'S  
PERSONAL SOCIAL  
SERVICES**

A factor calculated to reflect differences in the cost of providing older people's personal social services across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; and the total resident population as at 30 June 2004, as estimated by the Registrar General.

**AREA COST  
ADJUSTMENT FOR  
CHILDREN'S SOCIAL  
CARE AND YOUNGER  
ADULTS' PERSONAL  
SOCIAL SERVICES**

A factor calculated to reflect differences in the cost of providing children's social care and younger adults' personal social services across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; and the total resident population as at 30 June 2004, as estimated by the Registrar General.

### III Police

In this section a reference to “the authority’s area” is to be read, in the case of the Greater London Authority, as a reference to the area of the Metropolitan Police District.

<b>PROJECTED POPULATION IN 2006</b>	For English authority areas, the projected total resident population in 2006, as estimated by the Registrar General. For Welsh authority areas, the projected total resident population in 2006, as estimated by the First Secretary of State using information from the National Assembly for Wales and the Registrar General.
<b>DAYTIME NET-INFLOW PER RESIDENT POPULATION</b>	<b>THE DAYTIME NET-INFLOW</b> (as defined below) <i>divided by</i> the total resident population of the authority, calculated using information from the 2001 Census.
<b>DAYTIME NET-INFLOW</b>	The number of persons working but not resident in the authority’s area <i>minus</i> the number of persons resident in but working outside the authority's area, as estimated by the First Secretary of State using information from the 2001 Census.
<b>LOG OF BARS PER 100 HECTARES</b>	The natural logarithm <sup>1</sup> of:  The number of units that are bars ( <i>defined as Standard Industrial Classification (SIC) 55.4 - BARS</i> ), as estimated by the First Secretary of State, based on information provided by the Office for National Statistics from the 2003 Annual Business Inquiry; <i>divided by</i> the number of hectares, using information from the 2001 Census; the result is then <i>multiplied by</i> 100.
<b>INCOME SUPPORT/ INCOME BASED JOBSEEKER’S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS</b>	The number of Income Support/ Income based Jobseekers Allowance/ Guarantee Element of Pension Credit claimants, over a period between August 2001 and August 2004, using annual scans made at the end of August of each year, as estimated by the Secretary of State for Work and Pensions, <i>divided by</i> the resident population at 30 June 2004, as estimated by the Registrar General.
<b>SINGLE PARENT HOUSEHOLDS</b>	The proportion of households which are lone parent households with dependant children, calculated using information from the 2001 Census.
<b>POPULATION DENSITY</b>	The resident population at 30 June 2004, as estimated by the Registrar General, <i>divided by</i> the area of the authority in hectares, using information from the 2001 Census.

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<sup>1</sup> The natural logarithm is also known as the Napierian log or log to the base e

**LONG-TERM  
UNEMPLOYMENT-  
RELATED BENEFIT  
CLAIMANTS**

The number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, with a duration of unemployment of more than one year, averaged over the period between May 2002 and April 2005, calculated using monthly information provided by the Office for National Statistics through NOMIS, *divided by* the sum of the number of resident males aged 18-64 years and the number of resident females aged 18-59 years at 30 June 2004, as estimated by the Registrar General.

**RESIDENTS IN  
ROUTINE/ SEMI-  
ROUTINE  
OCCUPATIONS OR  
NEVER WORKED/  
LONG-TERM  
UNEMPLOYED**

The proportion of residents in routine or semi-routine occupations or who have never worked or are long-term unemployed (National Statistics – Socio Economic Classifications (NS-SEC) 6, 7 and 8), calculated using information from the 2001 Census.

**STUDENT HOUSING**

The proportion of households that contain all students, calculated using information from the 2001 Census.

**HARD PRESSED  
POPULATION**

The proportion of household residents living in areas classified as ACORN category 'Hard Pressed', as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and the updated ACORN classification released at the end of 2004.

**YOUNG MALE  
UNEMPLOYMENT-  
RELATED BENEFIT  
CLAIMANTS**

The number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, who were male and aged under 25 years, averaged over the period between May 2002 and April 2005, calculated using monthly information provided by the Office for National Statistics through NOMIS, *divided by* the sum of the number of resident males aged 18-64 years and the number of resident females aged 18-59 years at 30 June 2004, as estimated by the Registrar General.

**LOG OF POPULATION  
SPARSITY**

The natural logarithm of **POPULATION SPARSITY** (as defined below).

**POPULATION  
SPARSITY**

The population sparsity of each authority measured at Output Area level. The sum of:

- (i) *2 multiplied by* the resident population of those Output Areas within the area of the authority at the 2001 Census with 0.5 or less residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census; *and*
- (ii) The resident population of those census Output Areas within the area of the authority at the 2001 Census with more than 0.5 but less than or equal to 4 residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census.

Output Areas were introduced by the Office for National Statistics as the smallest units of output for the 2001 census. In England and Wales they have a minimum size of 100 residents and 40 households. They are based on census day postcodes and fit within the boundaries of 2003 statistical wards (and parishes).

<b>LOG OF OVERCROWDED HOUSEHOLDS</b>	<p>The natural logarithm of:</p> <p>The proportion of overcrowded households with an occupancy rating of “-1 or less”, calculated using information from the 2001 Census.</p>
<b>WEALTHY ACHEIVERS POPULATION</b>	<p>The proportion of household residents living in areas classified as ACORN category 'Wealthy Achievers', as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and the updated ACORN classification released at the end of 2004.</p>
<b>TERRACED HOUSEHOLDS</b>	<p>The proportion of households which are terraced, including end terraced, calculated using information from the 2001 Census.</p>
<b>PROJECTED DAYTIME POPULATION IN 2006</b>	<b>PROJECTED POPULATION IN 2006</b> (as defined above) <i>plus</i> <b>DAYTIME NET-INFLOW</b> (as defined above).
<b>POLICE GRANT RATE</b>	<p>The proportion of police revenue expenditure in England and Wales for 2006/2007, as estimated by the Secretary of State for the Home Department, which is to be met directly by the aggregate of police grant calculated under section 5 of the Police Grant Report (England and Wales) 2006/2007.</p>
<b>AREA COST ADJUSTMENT FOR POLICE</b>	<p>A factor calculated to reflect differences in the costs of providing police services across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2005 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2004; gross non-domestic rates and increases and reductions in rate yields, as supplied by authorities to the First Secretary of State on the National Non-Domestic Rates Provisional Contributions Return 2005/06; and the total resident population as at 30 June 2004, as estimated by the Registrar General.</p>

## IV Fire and Rescue

**PROJECTED POPULATION IN 2006** The projected total resident population in 2006, as estimated by the Registrar General.

**COASTLINE** The length of coastline (to the nearest 1000 metres) at low water, as estimated by the First Secretary of State generally using information on 1991 administrative areas from the Boundary Line Product provided by Ordnance Survey, *divided by* the total resident population at 30 June 2004, as estimated by the Registrar General.

**RISK INDEX** The sum of the following factors, (each calculated to 4 decimal places):

- (i) **CHILDREN OF INCOME SUPPORT/ INCOME BASED JOBSSEEKER'S ALLOWANCE CLAIMANTS** (as defined below) *minus* 0.1932 and *divided by* 0.0681 *plus* 3; and
- (ii) **HOUSEHOLDS NOT CONTAINING A COUPLE WITH NO CHILDREN** (as defined below) *minus* 0.7217 and *divided by* 0.0415 *plus* 3; and
- (iii) **PEOPLE IN RENTED ACCOMMODATION** (as defined below) *minus* 0.2624 and *divided by* 0.0649 *plus* 2; and
- (iv) **ABSENCES IN PUPILS OF PRIMARY SCHOOL AGE** (as defined below) *minus* 21.7564 and *divided by* 1.4539 *plus* 3; and
- (v) **AVERAGE NUMBER OF ROOMS PER HOUSEHOLD RESIDENT** (as defined below) *minus* 2.2577 and *divided by* 0.1391 *plus* 2; and
- (vi) **ACORN TYPES 50 AND 53** (as defined below) *minus* 0.0216 and *divided by* 0.0113 *plus* 2.

**CHILDREN OF INCOME SUPPORT/ INCOME BASED JOBSSEEKER'S ALLOWANCE CLAIMANTS** The average number of dependent children of claimants receiving Income Support/ Income based Jobseeker's Allowance, over a period between August 2000 and August 2002, using annual scans made at the end of August of each year as estimated by the Secretary of State for Work and Pensions; *divided by* the number of residents under 18 years of age at 30 June 2003, as estimated by the Registrar General.

The number of dependent children of claimants receiving Income Support/ Income based Jobseeker's Allowance has been adjusted, as the First Secretary of State considers appropriate, to take account of the effects of seasonality as estimated by the Office for National Statistics on the basis of quarterly information.

**HOUSEHOLDS NOT CONTAINING A COUPLE WITH NO CHILDREN** The proportion of households other than those containing a married or cohabiting couple who have no children and no others, averaged over the period between Autumn 2002 and Spring 2005, as estimated by the First Secretary of State, based on information from the Labour Force Survey provided by the Office for National Statistics.

<b>PEOPLE IN RENTED ACCOMMODATION</b>	The proportion of people in accommodation that is rented, averaged over the period of 2001/2002 to 2003/2004, as estimated by the First Secretary of State, based on information from the Labour Force Survey provided by the Office for National Statistics.
<b>ABSENCES IN PUPILS OF PRIMARY SCHOOL AGE</b>	The average number of absences (both authorised and unauthorised) of pupils of primary school age, over the period 2002/2003 to 2004/2005, as estimated by the First Secretary of State, using information from the Secretary of State for Education and Skills.
<b>AVERAGE NUMBER OF ROOMS PER HOUSEHOLD RESIDENT</b>	The average number of rooms per household resident, calculated using information from the 2001 Census.
<b>ACORN TYPES 50 AND 53</b>	The proportion of household residents in ACORN Type 50 (Single parents and pensioners, council terraces) and Acorn Type 53 (Old people, high rise flats), as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and the updated ACORN classification released at the end of 2004.
<b>COMAH SITES</b>	The number of top tier Control of Major Accident Hazards (COMAH) sites, as estimated by the First Secretary of State using information extracted on 3 October 2005 by the Health and Safety Executive, <i>divided by</i> the total resident population at 30 June 2004, as estimated by the Registrar General.
<b>PROPERTY AND SOCIETAL RISK</b>	<p>The property and societal risk to a Fire and Rescue Authority, as estimated by the First Secretary of State, based on buildings information from the Valuation Office Agency and risk frequency information from FDR1 forms (1996 to 2000).</p> <p>The result of the above is <i>multiplied by</i> 837.5988 <i>divided by</i> the projected total resident population in 2006, as estimated by the Registrar General.</p>
<b>COMMUNITY FIRE SAFETY</b>	<p>The sum of :</p> <p>(i) 5 <i>multiplied by</i> the number of pupils in maintained and independent schools who had attained the age of 5 and had not attained the age of 11 at 31 August 2004. Numbers of pupils aged 5-10 in maintained and independent schools are estimated by the Secretary of State for Education and Skills on the basis of a count at the beginning of the spring term 2005; <i>and</i></p>

- (ii) The proportion of residents living in areas with a greater need for fire safety education, as estimated by the First Secretary of State using information from ACORN classifications provided by CACI Limited, *multiplied by* the total resident population at 30 June 2004, as estimated by the Registrar General; *and*
- (iii) The resident population aged 65 years and over at 30 June 2004, as estimated by the Registrar General.

The result of the above is *multiplied by* 0.4000 *divided by* the projected total resident population in 2006, as estimated by the Registrar General.

**AREA COST  
ADJUSTMENT  
FOR FIRE AND  
RESCUE**

A factor calculated to reflect differences in the cost of providing fire and rescue services across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2005 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2004; gross non-domestic rates and increases and reductions in rate yields, as supplied by authorities to the First Secretary of State on the National Non-Domestic Rates Provisional Contributions Return 2005/06; and the total resident population as at 30 June 2004, as estimated by the Registrar General.

## V Highway Maintenance

### WEIGHTED ROAD LENGTHS

The sum of:

- (i) **Principal built-up roads** *multiplied by 2*; and
- (ii) **Principal non built-up roads**; and
- (iii) **Other built-up roads** *multiplied by 2*; and
- (iv) **Other non built-up roads**.

Each of the types of roads in (i) to (iv) above is as defined below for **UNWEIGHTED ROAD LENGTHS**.

### TRAFFIC FLOW

The result of:

- (i) The annual average flow of all motor vehicles (in millions) during 2002, 2003 and 2004 on principal roads for which the authority is the highway authority, except those roads that are funded under the Maintenance of Roads Grant Determination, as estimated by the Secretary of State for Transport. The flows in each year are then averaged; *plus*
- (ii) 100 *multiplied by* the annual average flow of heavy goods vehicles, buses and coaches (in millions) during 2002, 2003 and 2004 on principal roads for which the authority is the highway authority, except those roads that are funded under the Maintenance of Roads Grant Determination, as estimated by the Secretary of State for Transport. The flows in each year are then averaged.

For all authorities, the Secretary of State for Transport has also applied the above formula as he thinks appropriate to take account of traffic flows on substantial lengths of road which became principal roads for which the authority was the highway authority in the financial year beginning 1 April 2005 and in respect of which there was no significant change to the local road network or to the flow of traffic following the change in status of the road.

### DAY TIME POPULATION PER KM

The sum of:

- (i) The total resident population at 30 June 2004, as estimated by the Registrar General; *plus*
- (ii) *Either the result of:*  
The number of persons working but not resident in the authority's area *minus* the number of persons resident in but working outside the authority's area, as estimated by the First Secretary of State using information from the 2001 Census;  
*or zero*, whichever is the greater; *plus*
- (iii) The annual average number of nights stayed by domestic and foreign visitors in the authority's area, *divided by 365*, as estimated by the First Secretary of State; *plus*
- (iv) The annual number of day visitors to the authority's area, *divided by 365*, as estimated by the First Secretary of State using information provided by the Secretary of State for Culture, Media and Sport.

The result of the above is then divided by **UNWEIGHTED ROAD LENGTHS** (as defined below).

### *Overnight visitors*

The estimate at (iii) is generally based on information from the United Kingdom Tourism Surveys (1996 to 2004), for domestic visitors; and from the International Passenger Surveys (2002 to 2004) and the 1991 Census, for the apportionment only, of foreign visitors.

### *Day visitors*

The estimate at (iv) is based on research commissioned by the Department of National Heritage generally using information from the Leisure Day Visits Survey 1988/1989, the 1991 Census, the 1991 Survey of Visits to Tourist Attractions undertaken by the National Tourist Boards, the 1991 Census of Employment and other information about urban areas, National Parks, areas of outstanding natural beauty and official bathing beaches. The information used for this purpose is that available to the Secretary of State for National Heritage on 1 November 1993.

#### **UNWEIGHTED**

The sum of:

#### **ROAD LENGTHS**

**Principal built-up roads:** the length (in kilometres) of principal roads that are subject to a speed limit not exceeding 40 miles per hour and principal motorways; and

**Principal non built-up roads:** the length (in kilometres) of principal roads that are not subject to a speed limit of 40 miles per hour or less, but excluding principal motorways; and

**Other built-up roads:** the length (in kilometres) of all other roads that are subject to a speed limit not exceeding 40 miles per hour; and

**Other non built-up roads:** the length (in kilometres) of all other roads that are not subject to a speed limit of 40 miles per hour or less,

where the lengths of principal roads relate to the position at 1 April 2005, as estimated by the Secretary of State for Transport. The roads are those for which the authority is the highway authority. These road lengths exclude those roads that are funded under the Maintenance of Roads Grant Determination 2005: 31/102.

The lengths of roads have been adjusted, as the Secretary of State for Transport considers appropriate, to reflect any change in responsibility for the maintenance of roads between the local authority and the Department for Transport, between 1 April 2005 and 1 April 2006 which was agreed by the Secretary of State for Transport on or by 3 October 2005 and involves a net adjustment of at least one kilometre of road length for the local authority. These road lengths exclude those roads that are funded under the Maintenance of Roads Grant Determination 2005: 31/102.

#### **DAYS WITH SNOW LYING**

The annual average number of days with snow lying at 09.00 hours during 1978 to 1990 inclusive, as estimated by the First Secretary of State on the basis of information from the Meteorological Office.

#### **PREDICTED GRITTING DAYS**

The annual average number of days where gritting would have been predicted, using the Meteorological Office Open Road Index (MOORI), generally averaged over the 10 most recent winters up to and including 2001/02 where data are available, as estimated by the First Secretary of State.

**AREA COST  
ADJUSTMENT  
FOR HIGHWAY  
MAINTENANCE**

A factor calculated to reflect differences in the cost of highway maintenance across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2005 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2004; gross non-domestic rates and increases and reductions in rate yields, as supplied by authorities to the First Secretary of State on the National Non-Domestic Rates Provisional Contributions Return 2005/06; and the total resident population as at 30 June 2004, as estimated by the Registrar General.

## VI Environmental, Protective and Cultural Services

**PROJECTED POPULATION IN 2006** The projected total resident population in 2006, as estimated by the Registrar General.

**POPULATION DENSITY** The sum of the number of residents per hectare for each Output Area (OA) within the area of the authority at the 2001 Census *multiplied by* that OA's share of the total usually resident population in the authority for each authority. This sum is then *multiplied by* the ratio of the total resident population at 30 June 2004 (as estimated by the Registrar General) to the 2001 Census resident population. This result is then *divided by* 10.

Output Areas were introduced by the Office for National Statistics as the smallest units of output for the 2001 census. In England and Wales they have a minimum size of 100 residents and 40 households. They are based on census day postcodes and fit within the boundaries of 2003 statistical wards (and parishes).

**POPULATION SPARSITY** The population sparsity of each local authority measured at Output Area level. The sum of:

- (i) 2 *multiplied by* the resident population of those Output Areas within the area of the authority at the 2001 Census with 0.5 or less residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census; and
- (ii) The resident population of those census Output Areas within the area of the authority at the 2001 Census with more than 0.5 but less than or equal to 4 residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census.

**NET IN-COMMUTERS** *Either the result of:*  
The number of persons working but not resident in the authority's area *minus* the number of persons resident in but working outside the authority's area, as estimated by the First Secretary of State using information from the 2001 Census;  
*or zero*, whichever is the greater.

**DAY VISITORS** The annual number of day visitors to the authority's area, *divided by* 365, as estimated by the First Secretary of State using information provided by the Secretary of State for Culture, Media and Sport.

The estimate for day visitors is based on research commissioned by the Department of National Heritage generally using information from the Leisure Day Visits Survey 1988/89, the 1991 Census, the 1991 Survey of Visits to Tourist Attractions undertaken by the National Tourist Boards, the 1991 Census of Employment and other information about urban areas, National Parks, areas of outstanding natural beauty and official bathing beaches. The information used for this purpose is that available to the Secretary of State for National Heritage on 1 November 1993.

<b>INCAPACITY BENEFIT AND SEVERE DISABLEMENT ALLOWANCE</b>	The average number of people receiving Incapacity Benefit and Severe Disablement Allowance, over the period 2002 to 2004, using annual information, as estimated by the Secretary of State for Work and Pensions.
<b>INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS</b>	The number of Income Support/ Income based Jobseekers Allowance/ Guarantee Element of Pension Credit claimants, over a period between August 2001 and August 2004, using annual scans made at the end of August of each year, as estimated by the Secretary of State for Work and Pensions.
<b>OLDER PEOPLE ON INCOME SUPPORT/ INCOME BASED JOBSEEKER'S ALLOWANCE/ GUARANTEE ELEMENT OF PENSION CREDIT</b>	The average number of persons who are, or whose partner is, aged 60 years and over and in receipt of Income Support/ Income Based Jobseeker's Allowance/ the Guarantee element of Pension Credit, over a period between August 2001 and August 2004, using annual scans made at the end of August of each year, as estimated by the Secretary of State for Work and Pensions.
<b>UNEMPLOYMENT RELATED BENEFIT CLAIMANTS</b>	The average number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, over the period between May 2002 and April 2005, calculated using monthly information provided by the Office for National Statistics through NOMIS.
<b>COUNTRY OF BIRTH OF RESIDENTS</b>	The proportion of residents who were born outside the UK, the Republic of Ireland, Ireland (part not specified), Channel Islands and Isle of Man, EU Countries, Canada, USA, Australia and New Zealand, calculated using information from the 2001 Census. The figure is adjusted using the resident population at 30 June 2001, as estimated by the Registrar General and published on 9 September 2004.
<b>FLOOD DEFENCE EXPENDITURE</b>	<p>The sum of:</p> <ul style="list-style-type: none"><li>(i) The average of net current expenditure in 2001/02, 2002/03 and 2003/04 on flood defence, uprated to reflect 2005/2006 market prices, as estimated by the First Secretary of State. The estimate is generally derived from the authority's General Fund Revenue Accounts Returns ending 31 March 2002 (RO4), 31 March 2003 (RO4), and 31 March 2004 (RO5) and excluding for this purpose any levies payable to the Environment Agency (as successor body to the National Rivers Authority) or Internal Drainage Boards; and</li><li>(ii) The total of any special levies which are payable in the financial year 2005/2006 to Internal Drainage Boards in accordance with the Land Drainage Act 1991 and the Internal Drainage Boards (Finance) Regulations 1992 (S.I. 1992/3079), generally using</li></ul>

information provided in Part IX of the Annual Reports of Internal Drainage Boards for the year ended 31 March 2005 (form IDB1) to the Department for the Environment, Food and Rural Affairs.

**ENVIRONMENT  
AGENCY  
(ENGLAND) LEVY**

The total of any Environment Agency levies which are payable in the financial year 2005/2006 to English Regional Flood Defence Committees in accordance with the National Rivers Authority (Levies) Regulations 1993 (S.I. 1993/61), derived from the statements of levies on councils for the financial year 2005/2006 provided by the Environment Agency to the Department for the Environment, Food and Rural Affairs.

**COAST  
PROTECTION  
EXPENDITURE**

The average of net current expenditure in 2001/2002 and 2002/03, 2003/04 on coast protection, uprated to reflect 2005/2006 market prices, as estimated by the First Secretary of State. The estimate is generally derived from the authority's General Fund Revenue Accounts Returns ending 31 March 2002 (RO4), 31 March 2003 (RO4) and 31 March 2004 (RO5).

**AREA COST  
ADJUSTMENT FOR  
ENVIRONMENTAL,  
PROTECTIVE AND  
CULTURAL  
SERVICES**

A factor calculated to reflect differences in the cost of providing the relevant services across the country. The factor is given in Annex H. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2005 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2004; gross non-domestic rates and increases and reductions in rate yields, as supplied by authorities to the First Secretary of State on the National Non-Domestic Rates Provisional Contributions Return 2005/06; and the total resident population as at 30 June 2004, as estimated by the Registrar General.

## VII Capital Financing

**INTEREST RATE** A notional pool rate of interest calculated by the First Secretary of State using a 12 month average of short and long term interest rates up to September 2005. This is 6.0 per cent.

**DEBT I** Assumed outstanding debt at 1 April 2006, as calculated by the First Secretary of State. Assumed outstanding debt at 1 April 2006 is based generally on assumed outstanding debt at 1 April 1990, credit approvals for the financial years 1990/91 to 2003/2004, Supported Capital Expenditure (Revenue) amounts for 2004/2005 to 2006/2007 and assumed capital repayments.

Assumed outstanding debt at 1 April 1990 is the larger of a notional debt figure, based principally on the capital financing components of 1989/90 grant-related expenditure assessments, or an estimate of actual debt, based principally on the adjusted initial credit ceiling.

In deriving the notional debt figures, notional debt for the Inner London Education Authority has been reallocated to the City and the inner London boroughs and notional debt for the passenger transport authorities has been reallocated to the relevant metropolitan districts. Adjustments have been made to the notional debt figures for all London boroughs in respect of part of the debt (the “deemed debt”) of the former Greater London Council which was transferred to the London Residuary Body on 1 April 1986 (this adjustment covers the Housing Revenue Account part of debt associated with Thamesmead Housing, debt associated with Seaside and Country Homes, and debt associated with the 1971-73 Transfers).

The estimate of actual debt excludes HRA debt, estimated non-HRA debt associated with trading activities, and an estimate of debt associated with capital financing related grants. Adjustments have been made in respect of transfers made under the 1982 HRA Directions, the debts of former metropolitan county councils held by debt administering authorities designated under the Local Government Act 1985, the debt of the former Inner London Education Authority held by the London Residuary Body, parts of the “deemed debt” which were transferred from the Housing Revenue Account to the General Fund, and the debt held by Luton Borough Council for which Bedfordshire County Council is responsible.

Assumed outstanding debt at 1 April 1990 has been reallocated amongst the West Midlands districts to reflect their financing arrangements in respect of waste disposal. Assumed outstanding debt at 1 April 1990 has been reallocated amongst the West Yorkshire districts to reflect their financing arrangements in respect of waste disposal. For the Receiver for the Metropolitan Police District assumed outstanding debt at 1 April 1990 is estimated by the Secretary of State for Transport, Local Government and the Regions on the basis of 1989/90 expenditures.

Assumed outstanding debt at 31 March 1991 is calculated by subtracting the assumed capital repayment (4 per cent of the debt at 1 April 1990) and adding on approved new borrowing (obtained from the credit approvals for 1990/91, as estimated by the First Secretary of State in the manner described below in the definition of **CREDIT APPROVALS** but substituting “1990/91” for 2003/2004 and excluding any credit approvals for the London Waste Regulation Agency). Applying this process to each

of the financial years for the period 1991/92 to 2003/2004 yields assumed outstanding debt at 1 April 2004. Assumed outstanding debt at 1 April 2006 is then calculated by an analogous process but using **SUPPORTED CAPITAL EXPENDITURE (REVENUE)** amounts instead of **CREDIT APPROVALS**.

Adjustments have been incorporated in respect of assumed outstanding debt at 31 March 1993 in respect of which the Further Education Funding Council makes payments under section 38 of the Further and Higher Education Act 1992.

Where functions have been transferred to new or reorganised local authorities on 1 April in a financial year by or in consequence of an order under section 17 of the Local Government Act 1992 assumed outstanding debt at 31 March in the preceding financial year has been reallocated to the relevant new or reorganised authorities by applying the following principles:

- (i) where shire county and shire district functions for the whole of a county area are transferred to a single shire county council the debt of the predecessor districts is transferred to the county council;
- (ii) where shire county and shire district functions throughout a county council area are transferred to two or more shire district authorities the debt of the shire county council will be apportioned among the reorganised shire district authorities on the basis of taxbase<sup>1</sup>, and the debt of any predecessor shire districts will be transferred to the reorganised shire districts, distributed where necessary among two or more reorganised shire district authorities on the basis of taxbase<sup>1</sup>;
- (iii) where part of the area of one shire district is transferred to another shire district a portion of the debt of the first district, based on taxbase<sup>1</sup>, is transferred to the second district; and
- (iv) where county functions for part of the area of a shire county are transferred to a shire district a portion of the debt of the county, based on taxbase<sup>1</sup>, is transferred to that district, except in the following three cases concerning:
  - (a) Derbyshire County Council and Derby City Council where 25.54 per cent of the assumed outstanding debt of Derbyshire County Council at 31 March 1997 is transferred to Derby City Council;
  - (b) Bedfordshire County Council and Luton Borough Council where 29.06 per cent of the assumed outstanding debt of Bedfordshire County Council at 31 March 1997 is transferred to Luton Borough Council; and
  - (c) Hampshire County Council, Portsmouth City Council and Southampton City Council where 9.74 per cent of the assumed outstanding debt of Hampshire County Council

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<sup>1</sup> The taxbase used for apportioning debt is the Council Tax Base for Revenue Support Grant purposes for the financial year in which the new or reorganised authority takes on its new or additional functions.

at 31 March 1997 is transferred to Portsmouth City Council and 10.78 per cent of the assumed outstanding debt of Hampshire County Council at 31 March 1997 is transferred to Southampton City Council.

For the county councils of Bedfordshire, Cambridgeshire, Cheshire, Cleveland, Cumbria, Derbyshire, Dorset, Durham, Essex, Gloucestershire, Hampshire, Hertfordshire, Humberside, Kent, Lancashire, Leicestershire, Lincolnshire, Norfolk, Northamptonshire, North Yorkshire, Nottinghamshire, Staffordshire, Suffolk, Surrey, Warwickshire and Wiltshire assumed outstanding debt at 1 April 1995 is assumed outstanding debt at 31 March 1995 less an amount estimated by the Secretary of State for Transport, Local Government and the Regions in respect of police debt. This estimate of assumed outstanding police debt at 31 March 1995 forms the 1 April 1995 assumed outstanding debt for the police authority within whose police area the county council was situated (assumed outstanding police debt in respect of the county councils of Essex, Hertfordshire and Surrey forms the assumed outstanding debt for the Essex, Hertfordshire and Surrey police authorities, respectively).

For the Receiver of the Metropolitan Police District assumed outstanding debt at 31 March 2000 has been divided between police and non-police services, with the police element being transferred to the Greater London Authority. The Receiver's assumed outstanding non-police debt at 31 March 2001 has been re-allocated to the inner London boroughs.

For the London Fire and Civil Defence Authority assumed outstanding debt at 31 March 2000 has been transferred to the Greater London Authority.

For the combined fire authorities assumed outstanding debt at 1 April 2006 is based on credit approvals and Supported Capital Expenditure (Revenue) amounts issued to the relevant CFA since it came into existence.

## **SUPPORTED CAPITAL EXPENDITURE (REVENUE)**

Supported Capital Expenditure (Revenue) ('SCE(R)') for an authority for 2006/07 is estimated by the First Secretary of State on the basis of the aggregate of any amounts which the Secretary of State<sup>2</sup> has decided by 8 December 2005 is capital expenditure for that authority that should be supported by RSG or HRA subsidy<sup>3</sup>. Where the Secretary of State has not decided such an amount in relation to any area of his responsibility by that date, the First Secretary of State shall estimate the amount, if any, on the basis of information available to him on 8 December 2005 and shall use that estimate when calculating the aggregate of the amounts.

For housing authorities, reductions are made to the SCE(R) amount to take account of an assumed portion of the SCE(R) to be used in relation to local authority rented housing.

SCE(R) amounts for statutory waste authorities and the Lee Valley Regional Park Authority are divided between the relevant authorities in

<sup>2</sup> References to the Secretary of State may include more than one Secretary of State in relation to different areas of his responsibility.

<sup>3</sup> HRA subsidy means Housing Revenue Account subsidy payable to a local housing authority under section 79 of the Local Government and Housing Act 1989.

proportion to their **TAXBASE** (as defined below). For passenger transport authorities, SCE(R) amounts are divided between their constituent authorities as a common amount per head of the projected population in 2006, as estimated by the Registrar General.

The Spending Review 2004 determined the total amount of public sector capital expenditure that was prudent and how that national total (“the national total”) would be allocated by the Treasury between different Government Departments. For 2006/07, the Secretary of State for each of those Government Departments will decide firstly how his Department’s share of the national total, relevant to his Department’s responsibilities, will be allocated between local authorities and secondly how the amount allocated to each local authority should be split between capital expenditure supported by capital grants and capital expenditure supported by revenue grants. The Secretary of State for a Government Department will split that Department’s share of the national total between these different categories in proportions broadly similar to those in 2005/06.

For 2006/07, where a share of the national total has been allocated to a local authority by the Secretary of State and where he has decided that part of that share should be supported by revenue grants, he will then decide the amount, if any, of that part which he considers should attract support through RSG or HRA subsidy.

## CREDIT APPROVALS

Basic Credit Approvals (BCAs) for 2003/2004; plus Supplementary Credit Approvals (SCAs) so far as they apply to 2003/2004, as estimated by the First Secretary of State<sup>4</sup>. BCAs are those issued to authorities on or by 13 December 2002.

Estimates of SCAs are based on information available to the First Secretary of State on 8 December 2005 and relate to SCAs, or parts of SCAs, expected to have effect for 2003/2004, or part of 2003/2004, and to be issued to the authority for use in 2003/2004.

For both BCAs and SCAs, a reduction is made to take account of trading activities. Any SCAs issued as a result of receiving support from the European Regional Development Fund, or in respect of Specified Capital Grants, or credit approvals relating to local authority projects undertaken through the Private Finance Initiative<sup>5</sup>, or which are not expected to give rise to additional long-term borrowing, are excluded.

For housing authorities, reductions are made to the BCA to take account of any part of the BCA issued to cover Specified Capital Grants and of an assumed portion of the BCA to be used in relation to local authority rented housing. Any SCAs issued for services accounted for within the Housing Revenue Account are also excluded.

Credit Approvals for statutory waste authorities and the Lee Valley Regional Park Authority are divided between the relevant authorities in proportion to their **TAXBASE** (as defined below). For passenger transport

<sup>4</sup> Aggregate and Additional Credit Approvals for the Greater London Authority.

<sup>5</sup> The Private Finance Initiative (PFI) and its applicability to the local authority sector were originally explained in section 1 of the booklet *The Private Finance Initiative and Local Authorities – An Explanatory Note* published jointly by the Department of the Environment and the Welsh Office in October 1996. Current advice on the PFI and public/private partnerships is available on the Office’s web site at [www.local.odpm.gov.uk/pfi/index.htm](http://www.local.odpm.gov.uk/pfi/index.htm).

authorities, Credit Approvals are divided between their constituent authorities as a common amount per head of projected population in 2006 as estimated by the Registrar General.

**TAXBASE**

The council tax base for Revenue Support Grant purposes, as calculated in accordance with Annex C.

# Annex E

## Control totals for Relative Needs Formulae

<b>Service Block</b>	<b>Sub-block (where relevant)</b>	<b>Control total (£m)</b>
<b>Children's Services</b>		<b>0.12390258835693</b>
<i>composed of:</i>	<i>Youth and Community</i>	0.00949949453335
	<i>Local Authority Central Education Functions</i>	0.04155749372537
	<i>Children's Social Care</i>	0.07284560009822
	<i>Children's Damping</i>	0.00000000000000
<b>Adult Personal Social Services</b>		<b>0.16749768354618</b>
<i>composed of:</i>	<i>Social Services for Older People</i>	0.10185113911018
	<i>Social Services for Younger Adults</i>	0.06564654443600
	<i>Younger Adults Damping</i>	0.00000000000000
<b>Police</b>		<b>0.07728725407606</b>
<b>Fire and Rescue</b>		<b>0.02878762188720</b>
<b>Highway Maintenance</b>		<b>0.03199865082020</b>
<b>Environmental, Protective and Cultural Services</b>		<b>0.18720868168268</b>
<i>composed of:</i>	<i>Services provided predominantly by non-metropolitan district councils in non-metropolitan areas</i>	0.12182058078654
	<i>Services provided predominantly by county councils in non-metropolitan areas,</i>	0.06242460873999
	<i>Flood Defence</i>	0.00064970029089
	<i>Continuing Environment Agency Levies</i>	0.00015581090002
	<i>Coast Protection</i>	0.00019320551602
	<i>Fixed Costs</i>	0.00196477544922
<b>Capital Financing</b>		<b>0.06143061310333</b>
<b>TOTAL</b>		<b>0.67811309347259</b>

# Annex F

## Scaling factors for Formula Spending Shares

<b>Service Block</b>	<b>Sub-block (where relevant)</b>	<b>Scaling Factor</b>
<b>Children's Services</b>	<i>Youth and Community</i>	0.99999969839643
	<i>Local Education Authority Central Functions</i>	1.0000003569720
	<i>Social Services for Children</i>	1.00000019735442
<b>Adult Personal Social Services</b>	<i>Social Services for Older People</i>	0.9999999594300
	<i>Social Services for Younger Adults</i>	1.00000166332860
<b>Police</b>		0.99998904388061
<b>Fire and Rescue</b>		1.00008047137143
<b>Highway Maintenance</b>		1.00036808623759
<b>Environmental, Protective and Cultural Services</b>	<i>Services provided predominantly by non-metropolitan district councils in non-metropolitan areas</i>	1.00001023005825
	<i>Services provided predominantly by county councils in non-metropolitan areas</i>	1.00001038575364
	<i>Fixed Costs</i>	0.15581090001731
	<i>Flood Defence</i>	0.140226163287879
	<i>Continuing Environment Agency Levies</i>	0.06172561658797
	<i>Coast Protection</i>	0.15006253671570
<b>Capital Financing</b>		0.18034368806751

## Annex G

### Services Included in the Environmental, Protective and Cultural Services Block

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

Allotments	Parking
Building regulations	Performing Arts
Cemeteries and crematoria	Planning control
Council tax collection	Planning implementation
Concessionary fares	Private housing
Economic development	Recreation
Environmental and port health	Refuse collection
Miscellaneous services	Registration of electors
Museums and galleries	

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

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

# Annex H

## Area Cost Adjustment Factors

<i>ACA Area</i>	<i>Education</i>	<i>Children's SC &amp; Young Adults PSS</i>	<i>PSS Older People</i>	<i>Police</i>	<i>Fire</i>	<i>Highways</i>	<i>EPCS</i>
City of London	1.4655	1.4303	1.4876	1.5226		1.4079	1.4079
Inner London	1.2761	1.2527	1.2864			1.2322	1.2322
West Outer London	1.1543	1.1401	1.1588			1.1287	1.1287
Rest Outer London	1.0886	1.0785	1.0890			1.0754	1.0754
Surrey, Berkshire & West Sussex Fringe	1.1361	1.1250	1.1417	1.1520	1.1520	1.1186	1.1186
Hertfordshire & Buckinghamshire Fringe							1.0930
Kent & Essex Fringe	1.0854	1.0775	1.0878			1.0775	1.0775
Bedfordshire & Hertfordshire Non-Fringe	1.0558	1.0497	1.0563	1.0601	1.0601	1.0469	1.0469
Berkshire Non-Fringe	1.1367	1.1255	1.1423			1.1126	1.1126
Buckinghamshire Non-Fringe	1.0915	1.0832	1.0943			1.0759	1.0759
Essex Non-Fringe	1.0117	1.0083	1.0094			1.0110	1.0110
Kent Non-Fringe	1.0101	1.0068	1.0077			1.0097	1.0097
West Sussex Non-Fringe							1.0064
Avon	1.0400	1.0371	1.0420		1.0452	1.0353	1.0353
Cambridgeshire	1.0493	1.0458	1.0519	1.0551	1.0551	1.0429	1.0429
Cheshire	1.0169	1.0158	1.0180	1.0206	1.0206	1.0163	1.0163
East Sussex	1.0137	1.0103	1.0116		1.0154	1.0127	1.0127
Gloucestershire	1.0199	1.0183	1.0208	1.0240	1.0240	1.0191	1.0191
Greater Manchester	1.0190	1.0178	1.0201	1.0227	1.0227	1.0180	1.0180
Hampshire & Isle of Wight	1.0449	1.0395	1.0447	1.0485	1.0485	1.0380	1.0380
Leicestershire	1.0057	1.0050	1.0057	1.0000	1.0089	1.0075	1.0075
Northamptonshire	1.0189	1.0173	1.0196	1.0228	1.0228	1.0182	1.0182
Oxfordshire	1.0750	1.0677	1.0767		1.0805	1.0625	1.0625
Warwickshire	1.0209	1.0192	1.0217	1.0249	1.0249	1.0198	1.0198
West Midlands	1.0168	1.0154	1.0174	1.0206	1.0206	1.0165	1.0165
West Yorkshire	1.0074	1.0069	1.0079	1.0105	1.0105	1.0086	1.0086
Wiltshire	1.0265	1.0245	1.0278	1.0310	1.0310	1.0244	1.0244
<b>Authorities which cut across ACA areas</b>							
Buckinghamshire County Council	1.0957	1.0871	1.0987			1.0814	1.0814
Essex County Council	1.0358	1.0310	1.0351			1.0327	1.0327
Hertfordshire County Council	1.0953	1.0867	1.0982		1.1073	1.0842	1.0842
Kent County Council	1.0210	1.0171	1.0193			1.0196	1.0196
West Sussex County Council	1.0228	1.0188	1.0213		1.0260	1.0210	1.0210
Isles of Scilly Council	1.5000	1.5000	1.5000		1.5000	1.5000	1.5000
Avon & Somerset Constabulary				1.0300			
Essex Police Authority				1.0434			
Hertfordshire Constabulary				1.1073			
Kent County Constabulary				1.0221			
Sussex Police Authority				1.0207			
Thames Valley Police Authority				1.1137			
Greater London Authority				1.1910	1.1915		
Buckinghamshire & Milton Keynes Fire Authority					1.1025		
Essex Fire Authority					1.0434		
Kent and Medway Towns Fire Authority					1.0221		
Royal Berkshire Fire Authority					1.1488		

## Notes:

- 1 The authorities in each ACA area are defined in the Appendix to this Annex.
- 2 The area cost adjustment factors for all other English authorities are 1.

## Appendix to Annex H

### Inner London boroughs

Camden Borough Council  
Greenwich Borough Council  
Hackney Borough Council  
Hammersmith and Fulham Borough Council  
Islington Borough Council  
Kensington and Chelsea Borough Council

Lambeth Borough Council  
Lewisham Borough Council  
Southwark Borough Council  
Tower Hamlets Borough Council  
Wandsworth Borough Council  
Westminster City Council

### West Outer London

Barnet Borough Council  
Brent Borough Council  
Ealing Borough Council  
Harrow Borough Council  
Hillingdon Borough Council

Hounslow Borough Council  
Kingston upon Thames Borough Council  
Merton Borough Council  
Richmond upon Thames Borough Council  
Sutton Borough Council

### Rest of Outer London

Barking and Dagenham Borough Council  
Bexley Borough Council  
Bromley Borough Council  
Croydon Borough Council  
Enfield Borough Council

Haringey Borough Council  
Havering Borough Council  
Newham Borough Council  
Redbridge Borough Council  
Waltham Forest Borough Council

### Berkshire, Surrey and West Sussex Fringe

Surrey County Council  
Surrey Police Authority  
Bracknell Forest Borough Council  
Crawley Borough Council  
Elmbridge Borough Council  
Epsom and Ewell Borough Council  
Guildford Borough Council  
Mole Valley District Council  
Reigate and Banstead Borough Council

Runnymede Borough Council  
Slough Borough Council  
Spelthorne Borough Council  
Surrey Heath Borough Council  
Tandridge District Council  
Waverley District Council  
Windsor and Maidenhead Borough Council  
Woking Borough Council

### Hertfordshire and Buckinghamshire Fringe

Broxbourne Borough Council  
Chiltern District Council  
Dacorum Borough Council  
East Hertfordshire District Council  
Hertsmere Borough Council

South Buckinghamshire District Council  
St Albans City Council  
Three Rivers District Council  
Watford Borough Council  
Welwyn Hatfield District Council

### Kent and Essex Fringe

Basildon District Council  
Brentwood Borough Council  
Dartford Borough Council  
Epping Forest District Council

Harlow District Council  
Sevenoaks District Council  
Thurrock District Council

**Bedfordshire and Hertfordshire Non-Fringe**

Bedfordshire County Council  
 Bedfordshire Police Authority  
 Bedfordshire & Luton Combined Fire  
 Authority  
 Bedford Borough Council

Luton Borough Council  
 Mid Bedfordshire District Council  
 North Hertfordshire District Council  
 South Bedfordshire District Council  
 Stevenage Borough Council

**Berkshire Non-Fringe**

Reading Borough Council  
 West Berkshire District Council

Wokingham District Council

**Buckinghamshire Non-Fringe**

Aylesbury Vale District Council  
 Milton Keynes District Council

Wycombe District Council

**Essex Non-Fringe**

Braintree District Council  
 Castle Point District Council  
 Chelmsford Borough Council  
 Colchester Borough Council  
 Maldon District Council

Rochford District Council  
 Southend-on-Sea Borough Council  
 Tendring District Council  
 Uttlesford District Council

**Kent Non-Fringe**

Ashford Borough Council  
 Canterbury City Council  
 Dover District Council  
 Gravesham Borough Council  
 Maidstone Borough Council  
 Medway Borough Council

Shepway District Council  
 Swale Borough Council  
 Thanet District Council  
 Tonbridge and Malling Borough Council  
 Tunbridge Wells Borough Council

**West Sussex Non-Fringe**

Adur District Council  
 Arun District Council  
 Chichester District Council

Horsham District Council  
 Mid Sussex District Council  
 Worthing Borough Council

**Avon**

Avon Fire Authority  
 Bath & North East Somerset District Council  
 Bristol City Council

North Somerset District Council  
 South Gloucestershire District Council

**Cambridgeshire**

Cambridgeshire County Council  
 Cambridge Constabulary  
 Cambridgeshire & Peterborough Fire Authority  
 Cambridge City Council  
 East Cambridgeshire District Council

Fenland District Council  
 South Cambridgeshire District Council  
 Huntingdonshire District Council  
 Peterborough City Council

## **Cheshire**

Cheshire County Council  
Cheshire Constabulary  
Cheshire Fire Authority  
Chester City Council  
Congleton Borough Council  
Crewe and Nantwich Borough Council

Ellesmere Port and Neston Borough Council  
Halton Borough Council  
Macclesfield Borough Council  
Vale Royal Borough Council  
Warrington Borough Council

## **East Sussex**

East Sussex County Council  
East Sussex Fire Authority  
Brighton & Hove City Council  
Eastbourne Borough Council

Hastings Borough Council  
Lewes District Council  
Rother District Council  
Wealden District Council

## **Gloucestershire**

Gloucestershire County Council  
Gloucestershire Constabulary  
Cheltenham Borough Council  
Cotswold District Council

Forest of Dean District Council  
Gloucester City Council  
Stroud District Council  
Tewkesbury Borough Council

## **Greater Manchester**

Greater Manchester Police Authority  
Greater Manchester Fire & Civil Defence  
Authority  
Bolton District Council  
Bury District Council  
Manchester City Council  
Oldham District Council

Rochdale District Council  
Salford City Council  
Stockport District Council  
Tameside District Council  
Trafford District Council  
Wigan District Council

## **Hampshire and Isle of Wight**

Hampshire County Council  
Hampshire Constabulary  
Hampshire Fire and Rescue Authority  
Isle of Wight County Council  
Basingstoke and Deane Borough Council  
East Hampshire District Council  
Eastleigh Borough Council  
Fareham Borough Council  
Gosport Borough Council

Hart District Council  
Havant Borough Council  
New Forest District Council  
Portsmouth City Council  
Rushmoor Borough Council  
Southampton City Council  
Test Valley Borough Council  
Winchester City Council

## **Leicestershire**

Leicestershire County Council  
Leicestershire Combined Fire  
Leicestershire, Leicestershire and Rutland  
Police Authority  
Blaby District Council  
Charnwood Borough Council  
Harborough District Council

Hinckley & Bosworth Borough Council  
Leicester City Council  
Melton Borough Council  
North West Leicestershire District Council  
Oadby & Wigston Borough Council  
Rutland District Council

### **Northamptonshire**

Northamptonshire County Council  
Northamptonshire Police Authority  
Corby Borough Council  
Daventry District Council  
East Northamptonshire District Council

Kettering Borough Council  
Northampton Borough Council  
South Northamptonshire District Council  
Wellingborough Borough Council

### **Oxfordshire**

Oxfordshire County Council  
Cherwell District Council  
Oxford City Council

South Oxfordshire District Council  
Vale of White Horse District Council  
West Oxfordshire District Council

### **Warwickshire**

Warwickshire County Council  
Warwickshire Constabulary  
North Warwickshire Borough Council  
Nuneaton and Bedworth Borough Council

Rugby Borough Council  
Stratford-on-Avon District Council  
Warwick District Council

### **West Midlands**

West Midlands Police Authority  
West Midlands Fire and Civil Defence  
Authority  
Birmingham City Council  
Coventry City Council  
Dudley District Council

Sandwell District Council  
Solihull District Council  
Walsall District Council  
Wolverhampton City Council

### **West Yorkshire**

West Yorkshire Police Authority  
West Yorkshire Fire and Civil Defence  
Authority  
Bradford City Council

Calderdale District Council  
Kirklees District Council  
Leeds City Council  
Wakefield District Council

### **Wiltshire**

Wiltshire County Council  
Wiltshire Constabulary  
Wiltshire & Swindon Combined Fire  
Authority  
Kennet District Council

North Wiltshire District Council  
Salisbury District Council  
Swindon Borough Council  
West Wiltshire District Council

# Annex I

## Reorganised Authorities and Areas

These are authorities subject to a structural, or a structural and boundary, change which came into effect on 1 April 1995, 1 April 1996, 1 April 1997, 1 April 1998, or 1 April 2000, pursuant to the following orders made on or before 3 October 2001, or those where boundaries have been altered under section 323 of the Greater London Authority Act 1999.

### Part I Reorganised billing authorities and areas

#### (a) 1 April 1995

##### SI 1994/1210 The Isle of Wight (Structural Change) Order 1994

###### Predecessor billing authority

*The Council of:*  
 The Borough of Medina }  
 The Borough of South Wight }

###### Reorganised authority

*The Council of:*  
 The Isle of Wight

#### (b) 1 April 1996

##### SI 1995/187 The Cleveland (Structural Change) Order 1995

###### Predecessor billing authority

*The Council of:*  
 The Borough of Hartlepool  
 The Borough of Langbaugh-on-Tees  
 The Borough of Middlesbrough  
 The Borough of Stockton-on-Tees

###### Reorganised authority

*The Council of:*  
 The Borough of Hartlepool  
 The Borough of Redcar and Cleveland  
 The Borough of Middlesbrough  
 The Borough of Stockton-on-Tees

##### SI 1995/493 The Avon (Structural Change) Order 1995

###### Predecessor billing authority

*The Council of:*  
 The City of Bath }  
 The District of Wansdyke }

The City of Bristol

The District of Woodspring  
 The Borough of Kingswood }  
 The District of Northavon }

###### Reorganised authority

*The Council of:*  
 The District of Bath and  
 North East Somerset

The City of Bristol

The District of North Somerset  
 The District of South  
 Gloucestershire

**SI 1995/600                    The Humberside (Structural Change) Order 1995****Predecessor billing authority****Reorganised authority***The Council of:*

The Borough of Beverley                    }  
 The Borough of Boothferry (part)        }  
 The Borough of East Yorkshire           }  
 The Borough of Holderness                }

*The Council of:*

The District of the East Riding  
 of Yorkshire

The Borough of Great Grimsby           }  
 The Borough of Cleethorpes               }

The Borough of North East  
 Lincolnshire

The City of Kingston-upon-Hull

The City of Kingston-upon-Hull

The Borough of Glanford                   }  
 The Borough of Scunthorpe               }  
 The Borough of Boothferry (part)       }

The Borough of  
 North Lincolnshire

**SI 1995/610                    The North Yorkshire (District of York) (Structural and Boundary Changes) Order 1995****Predecessor billing authority****Reorganised authority***The Council of:*

The City of York                               }  
 The Borough of Harrogate (part)        }  
 The District of Ryedale (part)           }  
 The District of Selby (part)               }

*The Council of:*

The City of York

The Borough of Harrogate (part)  
 The District of Ryedale (part)  
 The District of Selby (part)

The Borough of Harrogate  
 The District of Ryedale  
 The District of Selby

**(c)    1 April 1997****SI 1995/1769                    The Buckinghamshire (Borough of Milton Keynes) (Structural Change) Order 1995****Predecessor billing authority****Reorganised authority***The Council of:*

The Borough of Milton Keynes

*The Council of:*

The Borough of Milton Keynes

**SI 1995/1770            The East Sussex (Boroughs of Brighton and Hove)  
(Structural Change) Order 1995**

**Predecessor billing authority**

*The Council of:*  
The Borough of Brighton            }  
The Borough of Hove                }

**Reorganised authority**

*The Council of:*  
The Borough of Brighton and Hove

**SI 1995/1771            The Dorset (Boroughs of Poole and Bournemouth)  
(Structural Change) Order 1995**

**Predecessor billing authority**

*The Council of:*  
The Borough of Bournemouth  
The Borough of Poole

**Reorganised authority**

*The Council of:*  
The Borough of Bournemouth  
The Borough of Poole

**SI 1995/1772            The Durham (Borough of Darlington) (Structural Change)  
Order 1995**

**Predecessor billing authority**

*The Council of:*  
The Borough of Darlington

**Reorganised authority**

*The Council of:*  
The Borough of Darlington

**SI 1995/1773            The Derbyshire (City of Derby) (Structural Change) Order  
1995**

**Predecessor billing authority**

*The Council of:*  
The City of Derby

**Reorganised authority**

*The Council of:*  
The City of Derby

**SI 1995/1774            The Wiltshire (Borough of Thamesdown) (Structural  
Change) Order 1995**

**Predecessor billing authority**

*The Council of:*  
The Borough of Thamesdown

**Reorganised authority**

*The Council of:*  
The Borough of Swindon

**SI 1995/1775      The Hampshire (Cities of Portsmouth and Southampton)  
(Structural Change) Order 1995**

**Predecessor billing authority**

*The Council of:*  
The City of Portsmouth  
The City of Southampton

**Reorganised authority**

*The Council of:*  
The City of Portsmouth  
The City of Southampton

**SI 1995/1776      The Bedfordshire (Borough of Luton) (Structural Change)  
Order 1995**

**Predecessor billing authority**

*The Council of:*  
The Borough of Luton

**Reorganised authority**

*The Council Of:*  
The Borough of Luton

**SI 1995/1779      The Staffordshire (City of Stoke-on-Trent) (Structural and  
Boundary Changes) Order 1995**

**Predecessor billing authority**

*The Council of:*  
The City of Stoke-on-Trent      }  
The Borough of Stafford (part)   }

The Borough of Stafford (part)

**Reorganised authority**

*The Council Of:*  
The City of Stoke-on-Trent

The Borough of Stafford

**SI 1996/507      The Leicestershire (City of Leicester and District of Rutland)  
(Structural Change) Order 1996**

**Predecessor billing authority**

*The Council of:*  
The City of Leicester  
The District of Rutland

**Reorganised authority**

*The Council of:*  
The City of Leicester  
The District of Rutland

**(d) 1 April 1998**

**SI 1996/1863      The Cheshire (Boroughs of Halton and Warrington)  
(Structural Change) Order 1996**

**Predecessor billing authority**

*The Council of:*  
The Borough of Halton  
The Borough of Warrington

**Reorganised authority**

*The Council of:*  
The Borough of Halton  
The Borough of Warrington



**SI 1996/1875      The Essex (Boroughs of Colchester, Southend-on-Sea and Thurrock and District of Tendring) (Structural, Boundary and Electoral Changes) Order 1996**

**Predecessor billing authority**

**Reorganised authority**

*The Council of:*

The Borough of Southend-on-Sea  
The Borough of Thurrock

*The Council of:*

The Borough of Southend-on-Sea  
The Borough of Thurrock

**SI 1996/1876      The Kent (Borough of Gillingham and City of Rochester upon Medway) (Structural Change) Order 1996**

**Predecessor billing authority**

**Reorganised authority**

*The Council of:*

The Borough of Gillingham                    }  
The City of Rochester upon Medway        }

*The Council of:*

The District of the Medway Towns (now Medway)

**SI 1996/1877      The Nottinghamshire (City of Nottingham) (Structural Change) Order 1996**

**Predecessor billing authority**

**Reorganised authority**

*The Council of:*

The City of Nottingham

*The Council of:*

The City of Nottingham

**SI 1996/1878      The Cambridgeshire (City of Peterborough) (Structural, Boundary and Electoral Changes) Order 1996**

**Predecessor billing authority**

**Reorganised authority**

*The Council of:*

The City of Peterborough (part)           }  
The District of Huntingdonshire (part)   }

*The Council of:*

The District of Huntingdonshire

The City of Peterborough (part)           }

The District of Huntingdonshire (part)   }

The City of Peterborough

**SI 1996/1879      The Berkshire (Structural Change) Order 1996**

**Predecessor billing authority**

*The Council of:*  
The Borough of Reading  
The Royal Borough of  
Windsor and Maidenhead  
The District of Newbury  
The Borough of Bracknell Forest  
The Borough of Slough  
The District of Wokingham

**Reorganised authority**

*The Council of:*  
The Borough of Reading  
The Royal Borough of  
Windsor and Maidenhead  
The District of Newbury (now West Berkshire)  
The Borough of Bracknell Forest  
The Borough of Slough  
The District of Wokingham

## **Part II Reorganised receiving authorities**

### **(a) 1 April 1995**

The reorganised receiving authority is the Isle of Wight Council.

### **(b) 1 April 1996**

Reorganised receiving authorities comprise all the reorganised billing authorities listed in **Part I(b)** above and the Council of the County of North Yorkshire.

### **(c) 1 April 1997**

Reorganised receiving authorities comprise all the reorganised billing authorities listed in **Part I(c)** above and the Councils of the Counties of Buckinghamshire, East Sussex, Dorset, Durham, Derbyshire, Wiltshire, Hampshire, Bedfordshire, Staffordshire and Leicestershire.

### **(d) 1 April 1998**

Reorganised receiving authorities comprise all the reorganised billing authorities listed in **Part I(d)** above and the Councils of the Counties of Cheshire, Devon, Shropshire, Lancashire, Kent, Worcestershire, Nottinghamshire, Essex and Cambridgeshire.

## **Part III Reorganised police areas**

### **1 April 2000**

The reorganised police authorities comprise the police authorities for Essex, Hertfordshire and Surrey and the Metropolitan Police District is a reorganised police area.

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