

Office of the Deputy Prime Minister

**Local Government
Finance (England)**

**The Local Government
Finance Report (England)
2001/2002:
Amending Report 2003**

Report by the First Secretary of State under section 84A of the Local
Government Finance Act 1988

*Ordered by The House of Commons
to be printed on 3 February 2003*

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1. Introduction

- 1.1** This Amending Report is made by the First Secretary of State, and laid before the House of Commons, under section 84A of the Local Government Finance Act 1988 (“the 1988 Act”), as inserted by section 104 of, and paragraph 15 of Schedule 10 to, the Local Government Finance Act 1992 (“the 1992 Act”). It applies to England, and contains amendments to the basis of distribution specified in The Local Government Finance Report (England) 2001/2002 (“the Finance Report”).
- 1.2** Before making this Amending Report, the First Secretary of State notified to such representatives of local government as appeared to him to be appropriate the general nature of the amendments which he proposed to make.

2 Amendments

- 2.1 The First Secretary of State amends the basis of distribution specified in the Finance Report by (i) substituting for the estimates of the Secretary of State for the Environment, Transport and the Regions of traffic flows above threshold level a new determination of those flows by the First Secretary of State based upon more accurate data, and (ii) substituting for the estimates of the Secretary of State for the Environment, Transport and the Regions of assumed outstanding debt at April 2001 a new determination of assumed outstanding debt by the First Secretary of State based upon more accurate data. Consequential changes are made in the grant scaling factor in paragraph 3.5 on page 7 of the Finance Report, in the Standard Tax Elements for Calculating Revenue Support Grant Entitlements (as determined in Annex B of the Finance Report), and in the Scaling Factors for Standard Spending Assessments (as determined in Annex F of the Finance Report).
- 2.2 The Local Government Finance Report (England) 2001/2002 is amended as follows.
- 2.3 In paragraph 3.5, for the value of 0.960756630148 in the definition of N there is substituted the figure **0.960668559312**.
- 2.4 In Annex B ("Standard Tax Elements for Calculating Revenue Support Grant Entitlements"), all of the figures in the second column of the table are amended. The amendments are shown in bold print and underlined in the text of the table as follows:

<i>Class of Authority</i>	Standard Tax Element (£)
Common Council of the City of London	706.339108 <u>155016</u>
Inner London Borough Councils ¹	651.171166 <u>508807</u>
Outer London Borough Councils ¹	651.171166 <u>508807</u>
Greater London Authority	
Police services	55.208509 <u>586420</u>
Non-police services	24.532743 <u>043361</u>
Metropolitan District Councils	652.9209 <u>50632732</u>
Metropolitan County Fire & Civil Defence Authorities	22.781672 <u>209517</u>
County Councils which do not have the functions of district councils	585.532989 <u>494241</u>
Non-Metropolitan District Councils which do not have the functions of county Councils	90.219187 <u>322595</u>
County Councils which have the functions of district councils	675.68588 <u>2569363</u>
Non-Metropolitan District Councils which have the functions of county councils	675.68588 <u>2569363</u>
Council of the Isles of Scilly	675.68588 <u>2569363</u>
Police Authorities (excluding the Common Council of the City of London and the Metropolitan Police Authority)	55.208509 <u>586420</u>

2.5 In Annex D ("Definition of indicators Used for Each Authority in the Calculation of Standard Spending Assessments"), for the item "Traffic flow above threshold", which appears on page 70 of the Finance Report, there is substituted the following:

**TRAFFIC FLOW
ABOVE
THRESHOLD
LEVEL**

For the Common Council of the City of London and London borough councils:

either the result of:

(i) The annual average flow of all motor vehicles (in millions) during 1999 on principal roads for which the authority is the highway authority on 31 March 2000, as estimated by the First Secretary of State *plus*

(ii) 12 *multiplied by* the annual average flow of heavy goods vehicles, buses and coaches (in millions) during 1999 on principal roads for which the authority is the highway authority on 31 March 2000, as estimated by the First Secretary of State *minus*

(iii) 5,

or zero, whichever is the greater.

For all other authorities:

either the result of:

(i) The annual average flow of all motor vehicles (in millions) during 1999 on principal roads for which the authority is the highway authority, as estimated by the First Secretary of State *plus*

(ii) 12 *multiplied by* the annual average flow of heavy goods vehicles, buses and coaches (in millions) during 1999 on principal roads for which the authority is the highway authority, as estimated by the First Secretary of State *minus*

(iii) 5,

or zero, whichever is the greater.

For all authorities, the First Secretary of State 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 other than under section 14A of the Highways Act 1980 (as inserted by section 260 of the Greater London Authority Act 1999) for which the authority was the highway authority in the financial year beginning 1 April 1999 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.

In calculating i) and ii) for Hertfordshire the First Secretary of State has taken account of the traffic flow on the A505 at Royston between the A1198 and the A10(T). This flow was known at the time of the original calculations but not included in the previous estimate of traffic flows for Hertfordshire.

2.6 In Annex D, for the first paragraph of the item "Debt I", which appears on page 79 of the Finance Report, there is substituted the following:

DEBT I Assumed outstanding debt at 1 April 2001, as calculated by the First Secretary of State. Assumed outstanding debt at 1 April 2001 is based generally on assumed outstanding debt at 1 April 1990, credit approvals for the financial years 1990/91 to 2000/2001 and assumed capital repayments.

2.7 In Annex D, for the seventh paragraph of the item "Debt I", which appears on page 80 of the Finance Report, there is substituted the following:

DEBT I Applying this process to each of the financial years for the period 1991/92 to 2000/2001 yields assumed outstanding debt at 1 April 2001. In applying this process for 1999/2000 the First Secretary of State has taken account of a Supplementary Credit Approval (SCA) for Haringey of £700,000 in respect of the Alexandria Palace and other pressures, a revised estimate of the education SCAs for Haringey of £357,000, and a SCA for Watford of £1,693,000 in respect of the Capital Challenge programme. All these items were known to the Government at the time of the original calculations but were not included.

2.8 In Annex F (Scaling Factors for Standard Spending Assessments), for the scaling factor for Highway Maintenance, 0.99997231186478, there is substituted the figure 0.99995606180793.

2.9 In Annex F, for the scaling factor for Debt Charges, 0.91710018799537, there is substituted the figure 0.91701799518736.

2.10 In Annex F, the scaling factors for Other interest receipts (for the groups of authorities set out in paragraph 4.65) are amended. The amendments are shown in bold print and underlined in the text of the table as follows:

<i>Service Block</i>	<i>Sub-block (where relevant)</i>	<i>Scaling Factor</i>
	<i>Other interest receipts (for the groups of authorities set out in paragraph 4.65)</i>	
	(i)	-0.03009263061914
	(ii)	-0.00940878401123
	(iii)	-0.01245208679437
	(iv)	-0.00870099204363

3. Conclusion

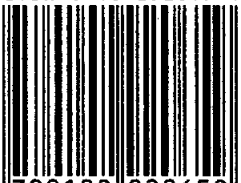
- 3.1 This Report is made by the First Secretary of State under section 84A of the Local Government Finance Act 1988. It is laid before the House of Commons in accordance with that section.

Signed by authority of the First Secretary of State.

27 January 2003

Nick Raynsford
Minister of State for Local Government and the Regions
Office of the Deputy Prime Minister

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