

Department of the Environment

Local Government Finance (England)

Special Grant Report (No.16)

LONDON : HMSO

Department of the Environment

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Special Grant Report (No.16)

Report by the Secretary of State for the Environment under
section 88B of the Local Government Finance Act 1988

*Ordered by The House of Commons
to be printed on 29 January 1996*

LONDON : HMSO

Special Grants for 1996/97

Introduction

1. This Report is made by the Secretary of State for the Environment ('the Secretary of State') and laid before the House of Commons, under section 88B of the Local Government Finance Act 1988 ('the 1988 Act'), as substituted by paragraph 18 of Schedule 10 to the Local Government Finance Act 1992. It specifies determinations concerning special grants for two purposes which the Secretary of State proposes to pay to certain authorities in England.

2. This Report specifies the Secretary of State's determinations of the authorities to which the grants are to be paid, the purposes for which the grants are to be paid and the amounts to be paid to each of the authorities concerned. It also sets out such explanation as the Secretary of State considers desirable of the main features of these determinations.

3. Before making the determinations the Secretary of State obtained the consent of the Treasury.

The Purposes

4. Pursuant to section 88B(3)(b) of the 1988 Act, the Secretary of State hereby determines the following purpose for which special grants are to be paid:

to provide compensation ('SSA reduction grant (SSA Review)') to relevant local authorities in England whose entitlement to Revenue Support Grant for the financial year 1996/97 under the Local Government Finance Report (England) 1996/97 ('the 1996/97 Report') will be reduced by:

- (i) changes to the methodology for calculating standard spending assessments ('SSAs') (excluding the element for police) for 1996/97; or
- (ii) the incorporation of 1991 Census information and changes to the methodology for calculating SSAs for 1994/95.

5. Pursuant to section 88B(3)(b) of the 1988 Act, the Secretary of State hereby determines the following purpose for which special grants are to be paid:

to provide compensation ('SSA reduction grant (Police Funding Review)') to relevant authorities providing police services in England and the Receiver for the Metropolitan Police District whose entitlement to Revenue Support Grant for the financial year 1996/97 under the 1996/97 Report and to police grant for the financial year 1996/97 calculated for them under section 5 of the Police Grant Report (England and Wales) 1996/97 ('the 1996/97 Police Grant Report') would be reduced by:

- (i) changes to the methodology for calculating the police element of SSAs for 1996/97 and the amounts of police grant for 1996/97; or

- (ii) changes to the methodology for calculating the police element of SSAs for 1995/96 and the amounts of police grant for 1995/96.

Amounts Payable to Authorities

6. Pursuant to section 88B(3)(a) and (c) of the 1988 Act, the Secretary of State hereby determines as the authorities to which SSA reduction grants (SSA Review) are to be paid and the amount of each grant, the authorities whose areas are listed in Part I of Annex A and the amounts in respect of those authorities shown in Part I of that Annex.

7. Pursuant to section 88B(3)(a) and (c) of the 1988 Act, the Secretary of State hereby determines as the authorities to which SSA reduction grants (Police Funding Review) are to be paid and the amount of each grant, the authorities whose areas are listed in Part II of Annex A and the amounts in respect of those authorities shown in Part II of that Annex.

Main Features

8. Annexes B and C contain such explanation as the Secretary of State considers desirable of the main features of the determinations specified in this Report.

24 January 1996

John Selwyn Gummer
*Secretary of State
for the Environment*

The consent of the Treasury has been obtained to the making of the determinations specified in paragraphs 4 to 7 of, and in Annex A to, this Report.

25 January 1996

Derek Conway
Bowen Wells
*Two of the Lords Commissioners
of Her Majesty's Treasury*

Annex A

Amounts Payable to Authorities

Part I

Table: Amounts of SSA reduction grant (SSA Review)

Receiving authority areas	(£)
Hackney	13,788,913
Hammersmith and Fulham	12,344,709
Islington	1,251,008
Kensington and Chelsea	10,838,090
Lambeth	12,903,228
Southwark	75,964
Wandsworth	17,983,546
Westminster	893,452
Brent	8,052,312
Ealing	5,278,971
Haringey	4,621,417
Newham	2,523,610
Tyne and Wear Fire & Civil Defence Authority	223,125
West Midlands Fire & Civil Defence Authority	94,019
Wolverhampton	2,977,615
Alnwick	20,337
Amber Valley	37,701
Ashfield	40,306
Ashford	109,912
Aylesbury Vale	296,730
Babergh	7,042
Basildon	29,046
Bassetlaw	160,308
Berwick-upon-Tweed	65,436
Blaby	22,860
Blackburn	2,000,021
Boston	77,856
Bracknell Forest	27,987
Braintree	133,317
Brentwood	50,185

Part I (continued)

Table: Amounts of SSA reduction grant (SSA Review)

Receiving authority areas	(£)
Bridgnorth	48,384
Bromsgrove	141,447
Broxbourne	20,620
Burnley	648,081
Cambridge	162,707
Cannock Chase	46,038
Caradon	2,881
Castle Morpeth	74,379
Charnwood	205,032
Chelmsford	46,772
Cheltenham	352,974
Chesterfield	4,908
Chichester	76,991
Congleton	46,043
Cotswold	84,856
Craven	62,773
Crawley	89,204
Crewe and Nantwich	491,608
Dacorum	85,013
Daventry	109,494
Derby	285,680
Derbyshire Dales	177,184
Durham	46,876
East Devon	1,415
East Hampshire	104,099
East Hertfordshire	101,450
East Lindsey	148,032
East Northamptonshire	120,425
East Staffordshire	623,780
Eden	108,869
Epping Forest	63,868
Fareham	10,475
Forest Heath	96,819
Forest of Dean	89,400
Gloucester	161,353
Guildford	96,306

Part I (continued)

Table: Amounts of SSA reduction grant (SSA Review)

Receiving authority areas	(£)
Harborough	114,971
Harlow	142,829
Hinckley and Bosworth	22,980
Horsham	114,829
Huntingdonshire	83,277
Hyndburn	363,920
Ipswich	192,823
Kennet	196,434
Kettering	434,947
King's Lynn and West Norfolk	130,244
Leicester	6,995,603
Leominster	54,249
Lichfield	164,450
Luton	1,427,369
Maidstone	50,298
Maldon	7,279
Malvern Hills	256,323
Melton	61,064
Mid Bedfordshire	215,652
Mid Devon	31,757
Mid Suffolk	158,152
Mole Valley	278,732
New Forest	92,709
Newark and Sherwood	127,037
Newcastle-under-Lyme	84,307
North Cornwall	64,252
North Dorset	103,019
North East Derbyshire	158,109
North Hertfordshire	14,556
North Kesteven	197,412
North Shropshire	77,284
North Warwickshire	24,889
North West Leicestershire	174,328
North Wiltshire	209,809
Northampton	152,844
Oadby and Wigston	4,373
Oswestry	21,334
Oxford	640,847

Part I (continued)

Table: Amounts of SSA reduction grant (SSA Review)

Receiving authority areas	(£)
Pendle	464,057
Plymouth	166,152
Preston	1,063,442
Purbeck	38,053
Redditch	197,174
Reigate and Banstead	38,443
Restormel	42,462
Ribble Valley	61,193
Richmondshire	146,684
Rossendale	34,992
Runnymede	305,286
Rushcliffe	3,937
Rushmoor	84,792
Rutland	99,056
Salisbury	224,808
Sedgefield	84,798
Selby	72,450
Slough	1,964,700
South Bedfordshire	87,690
South Cambridgeshire	310,545
South Derbyshire	63,395
South Hams	20,294
South Herefordshire	135,802
South Holland	110,932
South Kesteven	55,462
South Lakeland	58,042
South Norfolk	59,324
South Northamptonshire	153,508
South Oxfordshire	283,916
South Shropshire	135,252
South Somerset	85,514
South Staffordshire	311,798
St Albans	147,312
St Edmundsbury	104,212
Stafford	232,038
Staffordshire Moorlands	370,319
Stoke-on-Trent	89,727
Stratford-on-Avon	260,460
Stroud	76,430

Part I (continued)

Table: Amounts of SSA reduction grant (SSA Review)

Receiving authority areas	(£)
Tamworth	45,115
Tandridge	188,847
Teesdale	5,088
Test Valley	170,954
Tewkesbury	201,735
The Wrekin	53,229
Three Rivers	114,506
Thurrock	52,439
Tynedale	87,509
Uttlesford	154,974
Vale Royal	224,389
Vale of White Horse	159,417
Wansbeck	12,398
Watford	95,925
Waverley	129,735
Wealden	174,407
Welwyn Hatfield	116,836
West Lancashire	181,922
West Lindsey	146,153
West Oxfordshire	11,145
Winchester	124,152
Windsor and Maidenhead	262,911
Woking	47,818
Wokingham	81,179
Wychavon	247,526
Wycombe	326,852
Wyre Forest	94,165
Isles of Scilly	23,047

Part II

Table: Amounts of SSA reduction grant (Police Funding Review)

Receiving police authority areas and the Metropolitan Police District	(£)
City of London	5,110,533
Metropolitan Police District	81,770,618
Lincolnshire	615,018
Surrey	4,870,483

Annex B

SSA Reduction Grant (SSA Review)

1. Under the 1996/97 Report authorities' SSAs for the financial year 1996/97 would be affected by changes to the methodology for calculating SSAs. These changes would affect the amount falling to be paid to them by way of Revenue Support Grant for 1996/97.

2. Grant is to be paid to compensate any authority whose SSA for 1996/97 will be more than 2 per cent. below the amount of its SSA for that year if it had been calculated on the basis of the methodology set out in section 4 of the Local Government Finance Report (England) 1995/96 as approved by the House of Commons on 1 February 1995 ('the 1995/96 Report'), adjusted for certain factors.

3. Under the Local Government Finance Report (England) 1994/95 as approved by the House of Commons on 3 February 1994 ('the 1994/95 Report'), authorities' SSAs for the financial year 1994/95 were affected by the incorporation of 1991 Census information and by changes to the methodology for calculating SSAs resulting from the review of SSAs for 1994/95. This affected the amounts falling to be paid to them by way of Revenue Support Grant for 1994/95.

4. Grant was paid in 1994/95 to compensate any authority whose SSA for 1994/95 was more than 2 per cent. below the amount of its SSA for that year if it had been calculated on the basis of the methodology set out in section 4 of the Local Government Finance Report (England) 1993/94 as approved by the House of Commons on 3 February 1993, adjusted for certain factors.

5. For 1995/96 a grant was paid to compensate authorities whose SSAs for 1994/95 as calculated under the 1994/95 Report were affected by the incorporation of 1991 Census information and by changes to the methodology for calculating SSAs resulting from the review of SSAs for 1994/95. This grant provided further compensation to authorities who continued to receive less Revenue Support Grant as a result of these changes.

6. For 1996/97 further grant will be paid to compensate authorities whose SSAs for 1994/95 as calculated under the 1994/95 Report were affected by the incorporation of 1991 Census information and by changes to the methodology for calculating SSAs resulting from the review of SSAs for 1994/95. This grant provides further compensation to authorities who continue to receive less Revenue Support Grant as a result of these changes.

7. To determine if grant is payable in 1996/97, an amount is first calculated for each authority as follows:

$$\frac{B - A}{B}$$

where:

A is the Secretary of State's estimate of the SSA for the authority which would be calculated for it under section 4 of the 1996/97 Report;

B is the amount calculated for the authority under the following formula:

$$C + D$$

where:

C is the Secretary of State's estimate of the SSA for the authority for 1996/97 if calculated for authorities at 1 April 1996 on the basis of the methodology set out in section 4 of the 1995/96 Report, except that in the calculation -

(i) the methodology for the SSA elements for *Under 5 Education, Social Services for the Elderly, Police, Highway Maintenance, Public Transport Support for Rail Services* and *Capital Financing* for 1996/97 replaces that for 1995/96;

(ii) the relevant indicators are updated wherever possible in accordance with Annex D to the 1996/97 Report;

(iii) the value of x in paragraph 4.50 of the 1995/96 Report for the groups of authority listed in that paragraph is as follows -

for (i) $x = 0.17893$;

for (ii) $x = 0.41054$;

for (iii) $x = 0.06053$; and

for (iv) $x = 0.35$;

(iv) the control totals given in Annex E to the 1996/97 Report are used in the calculation instead of those given in Annex E to the 1995/96 Report, except that:

(a) those for *Rent Allowance Payments, Rent Allowance Administration* and *National Parks* are excluded; and

(b) the control total for *Services provided predominantly by non-metropolitan district councils* is £5,720.8 million;

(v) the scaling factors described in paragraph 4.3 of, and set out in Annex F to, the 1995/96 Report are recalculated to take account of:

- (a) the methodology changes referred to in (i) above;
- (b) the updating of the SSA indicators referred to in (ii) above;
- (c) changes to the value of x referred to in (iii) above; and
- (d) the control totals referred to in (iv) above; and

(vi) the boundary change adjustment referred to in paragraph 4.51 of the 1995/96 Report is applied to the boundary changes set out in Annex J to the 1996/97 Report, except that for the SSA elements for *Highway Maintenance*, *Secondary Education* and *Post-16 Education* the adjustment is made only in respect of the boundary change for 1 April 1996 set out in Annex J to the 1996/97 Report;

D is the amount of any SSA reduction grant (SSA Review) payable to the authority for 1995/96 in accordance with the Special Grant Report (No.12) made on 26 January 1995. For this purpose an authority which is a reorganised receiving authority, as defined in Annex D to the 1996/97 Report, has been assigned an amount of any SSA reduction grant (SSA Review) payable during the financial year 1995/96 to the authority or authorities whose area on 31 March 1996 is wholly or partly contained within the area of the reorganised authority on 1 April 1996, as the Secretary of State considers appropriate.

8. Grant is payable where the amount calculated under paragraph 7 is greater than **0.02**. The amount of grant is calculated in accordance with the following formula:

$$B \times \left[\left(\frac{B - A}{B} \right) - 0.02 \right]$$

where:

A and **B** have the same meaning as in paragraph 7.

Annex C

SSA Reduction Grant (Police Funding Review)

1. Under the 1996/97 Report and the 1996/97 Police Grant Report, the SSA element for Police and the entitlement to police grant for the financial year 1996/97 for police authorities in England and for the Receiver for the Metropolitan Police District would be affected by the changes to the methodology for calculating the SSA element for Police and the police grant. These changes would affect the amounts falling to be paid by way of Revenue Support Grant and police grant for 1996/97. Grant is to be paid to compensate any police authority, which for this purpose includes the Receiver for the Metropolitan Police District, for whom the sum of its SSA and police grant entitlement for 1996/97 will be reduced by more than 2 per cent. as a result of the changes outlined above. This grant will also provide further compensation to certain police authorities in England and to the Receiver for the Metropolitan Police District as a result of changes to the methodology for calculating the SSA element for Police and the police grant for 1995/96.

2. To determine if grant is payable, an amount is first calculated for each police authority as follows:

$$\frac{B - A}{B}$$

where:

A is the sum of:

- (i) the Secretary of State's estimate of the SSA element for Police for the authority which would be calculated for it under section 4 of the 1996/97 Report, adjusted for boundary changes in accordance with paragraph 4.57 of that Report; and
- (ii) the estimate of the Secretary of State for the Home Department ('the Home Secretary') of the police grant entitlement for 1996/97 for the authority which would be calculated for it under section 5 of the 1996/97 Police Grant Report; and
- (iii) in the case of the Receiver for the Metropolitan Police District, the special payment referred to in section 4 of the 1996/97 Police Grant Report.

B is the amount calculated for the police authority under the following formula:

$$\mathbf{C + D + E}$$

where:

C is the Home Secretary's estimate of the amount of police grant for the police authority for 1996/97 if calculated on the basis of the methodology set out in the Police Grant Report (England and Wales) 1995/96 ('the 1995/96 Police Grant Report'), except that in the calculation -

- (i) the relevant indicators for police areas are updated wherever possible in accordance with Annex A to the 1996/97 Police Grant Report;
- (ii) the coefficients in the formula given in paragraph 5.5 of the 1995/96 Police Grant Report have been recalculated to take account of:
 - (a) the aggregate amount of grants to be allocated under sections 5 and 6 of the 1996/97 Police Grant Report; and
 - (b) the updating of the indicators for **PENSIONS EXPENDITURE** and **SECURITY EXPENDITURE** referred to in (i) above.
- (iii) the scaling factor described in paragraph 5.4 of, and set out in Annex B to, the 1995/96 Police Grant Report is recalculated to take account of:
 - (a) the updating of the indicators referred to in (i) above;
 - (b) the recalculation of the coefficients referred to in (ii) above; and
 - (c) changing the aggregate amount of grants allocated by means of the formula in section 5 of the 1995/96 Police Grant Report to the aggregate amount of grants to be allocated under sections 5 and 6 of the 1996/97 Police Grant Report.

The amount **C** is adjusted for boundary changes in accordance with Annex C to the 1996/97 Police Grant Report.

D is the Secretary of State's estimate of the SSA element for Police for the police authority for 1996/97 if calculated on the basis of the methodology set out in section 4 of the 1995/96 Report, except that in the calculation -

- (i) the relevant indicators for police areas are updated wherever possible in accordance with Annex D to the 1996/97 Report;

- (ii) the coefficients in the formula given in paragraph 4.26 of the 1995/96 report have been recalculated to take account of:
 - (a) the control total for Police given in Annex E to the 1996/97 Report; and
 - (b) the updating of the indicators for **PENSIONS EXPENDITURE** and **SECURITY EXPENDITURE** referred to in (i) above.
- (iii) the scaling factor described in paragraph 4.3 of, and set out in Annex F to, the 1995/96 Report is recalculated to take account of:
 - (a) the updating of the indicators referred to in (i) above;
 - (b) the recalculation of the coefficients referred to in (ii) above; and
 - (c) changing the control total for the Police set out in Annex E to the 1995/96 Report to that given in Annex E to the 1996/97 Report.

The amount **D** is adjusted for boundary changes in accordance with paragraph 4.57 of the 1996/97 Report.

E The amount of any SSA Reduction Grant (Police Funding Review) payable to the police authority or to the Receiver for the Metropolitan Police District for 1995/96 in accordance with the Special Grant Report (No.12) made under section 88B of the 1988 Act by the Secretary of State on 26 January 1995.

3. Grant is payable where the amount calculated under paragraph 2 is greater than **0.02**. The amount of grant is calculated in accordance with the following formula:

$$B \times \left[\left(\frac{B - A}{B} \right) - 0.02 \right]$$

where:

A and **B** have the same meaning as in paragraph 2.

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