



# SCOTTISH EXECUTIVE

Development Department  
Local Government Division 1

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## Finance Circular No 3/2000

The Chief Executive  
Scottish Local Authorities

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Your ref:  
Our ref:

Date: 4 February 2000

Dear Chief Executive

### 2000-01 LOCAL GOVERNMENT FINANCE SETTLEMENT:

- A. NON-DOMESTIC RATE POUNDAGE
- B. GRANT AIDED EXPENDITURE (GAE) FIGURES
- C. AGGREGATE EXTERNAL FINANCE DISTRIBUTION PROPOSALS
- D. EXPENDITURE GUIDELINES
- E. COUNCIL TAX BENEFIT SUBSIDY LIMITATION

1. This Circular replaces Circular No 9/1999 and provides revised details of the 2000-01 Local Government Settlement and Scottish Ministers' proposals for the distribution among local authorities of Aggregate External Finance (AEF). These proposals formed the basis for consultation with the Convention of Scottish Local Authorities at its meeting with Scottish Ministers' on 31 January 2000 and will be set out in the Local Government Finance Order 2000 to be laid before the Scottish Parliament later this month. It also provides each council's expenditure guideline figure for 2000-01, along with other related information.

2. The revised figures in this circular reflect the following changes from those set out in Circular 9/1999:-

- (a) the distribution of the £15 million held back from loan and leasing charges;
- (b) an error was identified in the calculation of the distribution of the School Meals GAE. Amended figures have now been included within the final settlement calculation; and
- (c) recalculation of the loan and leasing charges following representations from 2 councils.

3. Annexes to this Circular:

Annex 1: all -Scotland figures for GSE and AEF, and their components;

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Annex 2: summary of GAE assessments by service and local authority and explanatory note on significant GAE changes (*Annexes 2A and 2B unchanged from circular 9/1999*);

Annex 3: calculation of distribution of AEF, and notes;

Annex 4: estimated payments to each local authority for each specific grant (*unchanged from circular 9/1999*);

Annex 5: methodology note on the calculation of loan and leasing charges;

Annex 6: council tax safety net calculations, and explanatory note;

Annex 7: expenditure guideline figures for 2000-01, and explanatory note; and

Annex 8: details of operation of the council tax benefit subsidy limitation scheme (*unchanged from circular 9/1999*).

## **PART A - Non-Domestic Rates**

4. Scottish Ministers have decided that the Distributable Amount of NDRI for 2000-01 will be £1,662.691 million. The balance of Distributable AEF comprises (a) an estimated total of £530.420 million for specific grants (including Police Loan Charges specific grant) and (b) RSG for the year of £3,408.491 million.

5. The Minister for Finance announced his provisional decision on the national rate poundage for 2000-01 on 8 December in a Scottish Parliamentary statement. The forthcoming revaluation of Scottish non-domestic property is showing that overall rateable values in Scotland have risen less quickly than in England, and therefore, the rate poundage has been set at a different amount from that in England. The Scottish rate poundage has been set provisionally at 45.8p. An announcement on the final Scottish poundage is expected at the end of February.

## **PART B - 2000-01 GAE Figures**

6. Details of the all-Scotland GAE, GSE and AEF totals, including a breakdown of Specific Grants figures, are set out in Annex 1. These include further amendments made to the figures which were announced in "Spending Plans for Scotland" on 17 November 1999 (details of which are set out in Annex 2B) and amendments arising from the changes mentioned at paragraph 2.

7. The breakdown of Scottish Ministers' allocation of Grant Aided Expenditure (GAE) for 2000-01 amongst services is provided in the table at Annex 2A. The factors which influenced Scottish Ministers' decisions are reflected throughout the GAEs for individual services, details of which are contained in Annex 2B.

8. Scottish Ministers have agreed the GAE figures for each local authority for 2000-01. The figures as shown on the table at Annex 2C reflect the correction made to the education GAE as a result of the redistribution of School Meals GAE, as mentioned in paragraph 2(b).

9. The assessments of relative GAE are calculated using the "client group" approach. Further information on the client group methods used to calculate the GAE figures for each authority are included in the "Green Book", which was issued on 16 December. This also gives a further breakdown of the GAE assessments. Revisions to the Green Book arising from the changes mentioned at paragraph 2 will be circulated shortly.

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10. As agreed with COSLA, the changes made in 1998-99 to the distribution of GAEs due (a) to the review of social work assessments and (b) to the withdrawal of a separate assessment for local government reorganisation costs and savings continue to be damped, with a further 25% being phased in for 2000-01. A further damping scheme has been introduced for 2000-01 to phase in the effects of the new and revised indicators following the reviews of population distribution indicators and of the street cleaning GAE. The damping is applied to the total GAE change rather than to the individual assessments. Following consideration of the scale of the redistributive effect of the new and revised indicators, the Scottish Executive has decided that the GAE changes should be phased in over 3 years. The damping effect of these schemes is reflected in the GAE totals for individual councils in Annex 2C.

11. The GAE figures continue to be used as a basis for distributing Aggregate External Finance (AEF). They are also used in the process of determining the expenditure guideline of each authority. Each authority's GAE represents the level of expenditure (excluding loan and leasing charges and the Excellence Fund Special Programme) which is supported by the Scottish Executive and the GAE for each service or sub-service is apportioned among local authorities by means of the client group assessments considered by the Distribution Committee of the Working Party on Local Government Finance.

### **PART C - Distribution of AEF**

12. Annex 3A sets out the distribution of AEF between authorities. The calculations outlined there were broadly as follows. To the assessments of GAE were added Special Islands Needs Allowance; allowances from the Special Deprivation Payment and £15 million previously held back from loan charges for policy priorities; allowances for loan and leasing charges; the net costs of housing and council tax benefits rebates and council tax safety net adjustment. This produces a figure for adjusted GSE for each authority. AEF totalling £5,601.602 million was then distributed to produce a uniform difference between adjusted GSE and AEF per Band D equivalent property across Scotland. Annex 3A also shows the allocation of the 3 elements of AEF for each authority.

13. Annex 4 gives a breakdown of individual councils' shares of specific grants as used in the calculation of RSG. Annex 5 describes how loan and leasing charges have been estimated and reflects the revised methodology agreed with COSLA following the joint review of loan charges support (special arrangements continue to apply for Orkney & Shetland). Annex 6 sets out the detail of the council tax safety net, which continues to limit changes in relevant supported spending for each council to an agreed threshold (+/-£28) per Band D equivalent property.

#### Special Island Needs Allowance (SINA)

14. The quantum of SINA for 2000-01 has been increased by the same proportion over 1999-00 as the increase in distributable AEF plus all Excellence Fund support. This amount has been apportioned between the 3 islands councils in the percentages recommended by the Touche Ross study on SINA and applied for the first time in 1993-94.

#### Special Deprivation Payment and Holdback from Loan and Leasing Charges

15. Pending the completion of a joint review of the account taken of indicators of deprivation and poverty within the distribution system, Scottish Ministers have agreed with COSLA that one-off payments from a £6.5 million Special Deprivation Payment and from £15 million set aside by Ministers for policy priorities, should be targeted towards councils with high levels of deprivation and poverty. The Special Deprivation Payment is distributed between councils with above average

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numbers of non-pensioner Income Support recipients as a proportion of their populations, whilst payments from the £15 million are allocated between councils with above average numbers of all Income Support recipients as a proportion of their populations. Ministers and COSLA also agreed a separate payment, from the £15 million, of £900,000 to Argyll & Bute, pending the completion of the review of the Special Islands Needs Allowance.

#### Redetermination of Earlier Years

16. The Distribution Committee has agreed a redetermination of AEF/RSG for 1999-00. The revised figures will be circulated to authorities under separate cover shortly.

#### **PART D – Expenditure Guidelines**

17. The assessment of each council's expenditure guideline for 2000-01, together with an explanation of how the guidelines have been calculated, is set out in Annex 7. For the purposes of the guideline calculation only, the effects of the £6.5 million set aside for a special deprivation allowance and the £15 million which was held back from loan charges have been disregarded in determining each council's guideline.

18. Those councils that receive funding from either the Special Deprivation Payment or the £15m Holdback may budget over their guideline figures as set out in Annex 7, by the equivalent additional net amount that they receive through either of these payments, For the purposes of the council tax benefit subsidy limitation scheme only, their guideline will be assumed to be the guideline figure in Annex 7 plus the additional net amount received through the Special Deprivation Payment and/or the £15 Holdback.

19. The recalculation of the loan and leasing charges and the school meals GAE has not been reflected in the guideline figures of those councils which lose AEF as a result. (In other words, their guidelines remain the same as set out in Finance Circular 9/1999 of 15 December 1999). Those councils which gain AEF as a result, have had their guidelines adjusted to reflect this.

20. Scottish Ministers have decided that there should be a minimum 2% guideline floor, so that every council will receive a guideline increase of at least 2%.

#### **PART E - Council Tax Benefit Subsidy Limitation**

21. For 2000-01, council tax benefit subsidy limitation will not apply to any council which sets its budget (inclusive of transfers to and from balances and special funds) at or below its expenditure guideline or sets a council tax increase at or below 5% (the average settlement assumption). Where a council both exceeds the spending guideline and increases its council tax by more than 5% it will have to contribute half of the benefit costs associated with that element of spending above the relevant threshold (the guideline or the 5% increase in council tax).

22. To moderate the effect on local authorities with a high proportion of residents receiving council tax benefit, they will be treated as if they had an average proportion of income from people in receipt of council tax benefits.

23. Details of how the scheme will operate are set out in Annex 8. This also provides guidance for any local authority which decides to increase its council tax above the threshold on how to calculate the council tax consequences of its additional contribution to the costs of council tax benefit.

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## Conclusion

24. An additional copy of this Circular is enclosed for your Director of Finance. Copies go to Norie Williamson at COSLA.

25. Enquiries relating to this Circular should be addressed to the following:

**General queries** (Settlement aggregates, GAE service allocations, Expenditure Guidelines and Council Tax Benefit Subsidy)

Mr Ainslie McLaughlin 0131 244 7002

**General queries** (GAE and AEF Distribution, Safety Net, NDRI)

Miss Nikki Brown 0131 244 7012

**GAE and AEF Distribution Proposals, NDRI**

Mrs Rosemary Polland 0131 244 7004

**Loan Charges**

Miss Helen Fitt 0131 244 7033

**Safety Net**

Mr Neil Rennick 0131 244 7469

**Expenditure Guidelines**

Mrs Hilary Tristram 0131 244 7013

Yours sincerely



**NIKKI BROWN**

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**GOVERNMENT SUPPORTED EXPENDITURE 2000-01**

	£m
(1) Grant Aided Expenditure 2000-01	5,940.667
(2) Loan and Leasing Charges (scaled and including PFI LPFS)	784.000
(3) Special Deprivation Allowance	6.500
(4) Holdback from Loan & Leasing Charges	15.000
<b>Total Government Supported Expenditure</b>	<b>6,746.167</b>

**AGGREGATE EXTERNAL FINANCE**

	£m
(1) Specific Grants	517.455
(2) Revenue Support Grant	3,408.491
(3) Distributable Amount of NDRI	1,662.691
(4) Undistributed Excellence Fund	41.783
<b>Total Aggregate External Finance</b>	<b>5,630.420</b>
(5) <i>less</i> Undistributed Excellence Fund	41.783
(6) <i>plus</i> Police Loan Charge Specific Grant	12.965
<b>Distributable Aggregate External Finance</b>	<b>5,601.602</b>

Breakdown of Specific Grants 2000-01

	£m
Police*	365.600
Civil Defence	2.700
Supported Employment	4.329
In-Service Training of Teachers (SEN)	4.386
Gaelic	2.634
Housing Benefit and Council Tax Rebate Administration	16.506
Mental Health	12.600
Social Work Training	2.700
Excellence Fund Core Programme <sup>1</sup>	100.000
Excellence Fund Special Programme <sup>1</sup>	6.000
<b>Total Specific Grants</b>	<b>517.455</b>

\*Excludes specific grant on Police Loan Charges and CFCR

<sup>1</sup> The Excellence Fund is handled in three parts: £106m is distributed by two Specific Grants; £100m in Excellence Fund Core Programme Specific Grant and £6m in Excellence Fund Special Programme Specific Grant. The residue of £41.783m is unallocated between authorities at the time of this circular, but distribution of this amount is currently being considered by the Scottish Executive Education Department. Enquiries on the Excellence Fund should be referred to Siobhan Ennis, 0131 244 0945.

	2000-01 GAE	Increase
	£m	£m
<b>Priority Services</b>		
Education	2718.2 <sup>(1), (2)</sup>	126.8
Social Work	1144.4	43.4
Police	741.9	27.2
Fire	186.9	8.4
<b>sub total</b>	<b>4791.5</b>	<b>205.8</b>
<b>Protected Services</b>		
Admin of Housing Benefits	33.0	-0.3
Civil defence	3.6	0.0
Flood Prev/Land Drainage	3.2	0.0
Former New Towns	4.6	0.0
Environmental Health	55.3 <sup>(3)</sup>	0.3
Pennington	2.6	0.0
Homelessness	5.2	0.0
Local Tax Collection	25.8	0.0
Roads & Road Lighting	250.1	0.0
Leisure and Recreation	230.6	0.0
<b>sub total</b>	<b>613.9</b>	<b>0.0</b>
<b>Budget Influenced Services</b>		
Libraries	66.5	-0.2
Museums & Art Galleries	22.1	0.8
School Crossing Patrols	9.2	0.1
District Courts	3.4	0.3
Concessionary Fares	33.8	-0.4
Transport Subsidies	38.4	0.8
Coast Protection	0.6	0.1
Cleansing	173.9	4.5
Burial Grounds & Crematoria	11.3	-0.9
Planning	63.1	5.1
Supported Employment	7.5	0.0
Imp.Grants/Loans	3.6	-0.2
Registration of Electors	3.4	0.1
Lands Valuation	13.8	-0.2
Reg.of Births, Deaths etc.	4.3	0.0
Collection of NDRI	3.8	0.0
Council Tax Valuation	7.9	-0.2
Building Control	4.8	-0.6
Consumer Protection	12.9 <sup>(4), (5)</sup>	0.6
Non-Road Lighting	5.5	0.0
Other Trading	0.9	0.0
Misc. (Incl. public analyst)	43.5 <sup>(6)</sup>	1.2
<b>sub total</b>	<b>535.3</b>	<b>10.8</b>
<b>GRAND TOTAL</b>	<b>5940.7</b>	<b>216.6</b>

**Notes:****(a) Acknowledged New Burdens/Transfers:**

- (1) Transfer from Capital of National Grid for Learning (£15 million)
- (2) Educational Psychologists (£0.306 million)
- (3) New contaminated land regime (£0.3 million)
- (4) Deregulation (Weights and Measures) Order (£0.057 million)
- (5) Consumer Protection Regulations (£0.003 million)
- (6) Unidentified new burdens (£8.5 million).

**(b) Urban Programme (now Social Inclusion Partnership Fund) removed from AEF and paid as a 100% grant outwith the LGF settlement.**

## CHANGES IN THE TOTALS OF INDIVIDUAL 2000-01 GAE ASSESSMENTS

The factors which influenced Scottish Ministers' decisions are reflected throughout the GAEs for individual services as follows:

### Education

The overall provision for the Education service has increased (after taking account of the downward adjustment of £3 million in respect of the pre-school deduction) by £126.756 million, a comparable increase of 4.3%. The following adjustments have been made to the education total over and above the increase of £111.5 million announced in the CSR:

£15 million for the National Grid for Learning has been transferred from Capital to the Excellence Fund Core Programme;

£306,000 for Education Psychologists has been transferred into AEF, to the Special Teaching Staff GAE; and

£50,000 for Scottish Qualification of Headship has been transferred out of AEF.

There have been adjustments within the education GAE as follows:

£7.5 million has been transferred from the non-distributable part of the Excellence Fund Special Programme into teaching costs to assist with the funding of the teachers' pay settlement;

£2.5 million has been transferred from the Excellence Fund Special Programme to the INSET SEN specific grant; and

£950,000 of the £1 million originally earmarked for the existing Alternatives to Exclusion specific grant has been transferred into the non-distributable part of the Excellence Fund Special Programme. As noted above, the remaining £50,000 for SQH has been transferred out of AEF.

The School Security specific grant has been discontinued but the GAE provision has been retained (in the School Security GAE), as agreed with the Scottish Executive Education Department.

### Social Work

The overall provision for the Social Work service has increased (after taking account of the downward adjustment of £1.5 million in respect of the social work training transfer) by £43.4 million or 3.9%. This is in line with the figure announced in the CSR.

A new assessment has been included for Carers' Services and Respite Care with provision of £10 million from within the existing provision and £4.9 million from the additional provision set aside for Residential Accommodation for the Elderly, Services for the Home Based Elderly and Services for the Handicapped. A further £2.5 million has been transferred from these three sub-services to the Children's Services Development Fund.

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## Police

The total Police GAE figure includes increased provision of £27.2 million or 3.8 per cent, as announced in the CSR. A new sub-service GAE for non-domestic rates has been included for 2000-01 only with provision of £9.332 million. This amount has been allocated from within the existing 2000-01 provision.

## Fire

Additional provision of £8.4 million or 4.7% has been added to the Fire GAE.

## Administration of Housing Benefits and Council Tax Benefits

This assessment has decreased by £300,000 or 0.9% reflecting a slight reduction in the DSS direct grant for council tax benefit subsidy.

## Environmental Health

This assessment has been increased by £300,000 in recognition of the new burden for the new contaminated land regime.

## **Consumer Protection**

Increased revisions totalling £60,000 have been recognised. This figure comprises £57,000 for the Deregulation (Weights and Measures) Order and £3,000 for the Consumer Protection (Cancellation of Contracts Concluded Away from Business Premises) (Amendment) Regulations 1998.

## Miscellaneous

£6.5 million has been included for unidentified new burdens, of which £2.5 million is in recognition of the National Waste Strategy.

## Other Services

The GAEs for Civil Defence, Flood Prevention, Former New Towns, Pennington, Homelessness, Leisure and Recreation, Roads and Road Lighting and Local Tax Collection have been held at their 1999-00 levels with all other service GAEs having been calculated by an arithmetical means resulting from COSLA's preference for service GAEs to be influenced by the amount which local authorities are spending on each of the services. These remaining assessments were calculated using 20 per cent of the 1999-00 budgeted expenditure and 80 per cent of the 1999-00 GAE provision. This has resulted in a range of increases and decreases between services but overall these remaining services in total have increased by £10.8 million or 2.1%.

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## SUMMARY OF GAE ASSESSMENTS (1999-2000) BY SERVICE

	Museums & Galleries	Cleansing (Refuse Col/Disp'l & St Cleaning	Env'l Health (inc shellfish, & Pennington)	Local Tax Collection	Lands Valuation	Council Tax Valuation	Registration of Births Etc	Non Dom' Rates Collection	Electoral Registration	Planning	Building Control	Miscellaneous Services	Admin of H'sing Benefits	Burial Grounds & Cematoria	
	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	
Aberdeen City	1378	6950	2298	1166	582	359	178	162	153	2332	200	1764	940	361	Aberdeen City
Aberdeenshire	832	7724	2890	1065	659	328	189	183	140	1054	280	1863	636	651	Aberdeenshire
Angus	303	3498	1291	558	301	172	92	84	73	1359	131	907	561	323	Angus
Argyll & Bute	32	4287	1307	498	473	153	75	131	65	1034	126	741	466	380	Argyll & Bute
Clackmannanshire	40	1472	512	236	95	73	41	26	31	527	45	400	311	109	Clackmannanshire
Dumfries & Galloway	783	5575	1900	753	551	232	123	153	99	1324	189	1213	811	576	Dumfries & Galloway
Dundee City	1457	5062	1543	803	357	248	123	99	106	1686	102	1301	1481	366	Dundee City
East Ayrshire	354	3777	1312	587	278	181	101	77	77	1683	89	999	850	285	East Ayrshire
East Dunbartonshire	234	2988	1130	481	154	148	92	43	63	1239	84	902	318	152	East Dunbartonshire
East Lothian	170	2690	998	439	208	135	75	58	58	350	79	738	467	183	East Lothian
East Renfrewshire	121	2423	904	398	119	122	74	33	52	640	72	725	272	141	East Renfrewshire
Edinburgh, City of	1843	16024	4917	2394	1263	738	377	351	315	2542	509	3708	2651	414	Edinburgh, City of
Eilean Siar	240	1334	409	151	140	46	23	39	20	1026	41	539	147	68	Eilean Siar
Falkirk	707	4269	1517	714	333	220	121	92	94	554	102	1187	898	347	Falkirk
Fife	600	10807	3755	1739	822	536	292	228	229	5476	359	2874	2142	634	Fife
Glasgow City	6798	23830	6672	3255	1671	1003	518	464	428	15974	340	5155	7183	948	Glasgow City
Highland	976	9345	3017	1104	1042	340	174	289	145	2090	291	1716	1036	844	Highland
Inverclyde	119	2749	882	440	162	136	71	45	58	748	48	703	691	250	Inverclyde
Midlothian	197	2208	859	369	168	114	68	47	48	1445	78	666	420	153	Midlothian
Moray	125	2746	1009	430	336	133	72	93	57	1393	113	707	370	312	Moray
North Ayrshire	136	4460	1527	694	328	214	117	91	91	813	110	1150	922	368	North Ayrshire
North Lanarkshire	925	10055	3384	1514	583	466	273	162	199	2597	206	2691	2334	721	North Lanarkshire
Orkney Islands	181	869	287	108	115	33	16	32	14	439	26	377	73	108	Orkney Islands
Perth & Kinross	495	4904	1673	691	451	213	111	125	91	940	199	1096	596	290	Perth & Kinross
Renfrewshire	570	5550	1869	893	361	275	149	100	117	1419	104	1465	1280	267	Renfrewshire
Scottish Borders	476	3903	1329	567	421	175	89	117	74	770	142	875	553	439	Scottish Borders
Shetland Islands	322	952	360	111	129	34	19	36	15	2301	31	442	65	103	Shetland Islands
South Ayrshire	243	3781	1338	563	312	174	96	86	74	1059	122	943	630	250	South Ayrshire
South Lanarkshire	1141	9111	3293	1441	612	444	257	170	189	7307	234	2531	1805	536	South Lanarkshire
Stirling	160	3018	1048	403	295	124	70	82	53	807	118	685	396	200	Stirling
West Dunbartonshire	50	3162	998	486	183	150	79	51	64	-1959	42	835	796	257	West Dunbartonshire
West Lothian	57	4378	1629	718	328	221	128	91	94	2101	183	1590	911	290	West Lothian
Scotland	22064	173900	57855	25769	13832	7939	4284	3839	3387	63070	4797	43485	33013	11328	Scotland

## SUMMARY OF GAE ASSESSMENTS (1999-2000) BY SERVICE

	Consumer Protection	Sch Cros'g Patrols	Non-Rd Lighting	District Courts	Supported Employment	Homeless -ness	Admin of H. I. G./Loans	Civil Defence	New Towns Transfer	Trading Services	Coast Prot'n	Flood Prevntn	Remoteness & Island All'w'ces	New Indicator Damping	Damping for Local Gov't Reorgan'n	GRANT AIDED EXPENDITURE (Before SW, New Ind & Local Gov't Reorg Damping) (£000s)	GRANT AIDED EXPENDITURE (Fully Damped) (£000s)
Aberdeen City	466	423	0	50	930	221	201	183	0	-52	20	99	-265	-340	-73	222683	222505
Aberdeenshire	772	217	0	220	372	146	69	156	0	-695	38	107	-281	1352	-130	244657	246302
Angus	318	177	0	43	138	90	82	101	0	0	41	91	-133	376	162	123952	124629
Argyll & Bute	295	103	0	107	0	58	126	81	0	0	70	90	44	-744	236	112143	111694
Clackmannanshire	112	79	0	38	8	45	21	90	0	0	0	93	-60	267	296	53670	53978
Dumfries & Galloway	495	175	63	22	93	103	0	189	0	0	0	158	-182	-130	-253	176983	176058
Dundee City	324	326	0	53	596	97	133	134	0	0	3	92	-182	-338	-15	181180	180580
East Ayrshire	295	195	0	65	15	70	177	86	0	0	0	151	-151	545	172	139123	139584
East Dunbartonshire	241	269	0	66	121	48	0	84	0	0	0	177	-136	142	222	116504	116636
East Lothian	231	93	40	49	200	83	133	83	0	0	0	90	-111	828	263	93932	95082
East Renfrewshire	195	221	17	50	8	21	138	77	0	0	0	91	-109	114	304	96129	96440
Edinburgh, City of	973	784	1102	336	548	547	60	169	0	0	69	90	-559	-1191	-492	465831	465591
Eilean Siar	115	18	23	23	41	27	282	80	0	918	154	0	1872	-285	39	45614	45769
Falkirk	331	319	0	59	107	104	124	136	0	0	0	90	-179	-62	27	154238	154407
Fife	835	636	93	34	1706	269	310	206	2343	523	12	98	-433	778	-610	393817	392948
Glasgow City	1327	1247	2771	11	1219	1801	105	202	0	-690	0	99	-770	-2462	-995	790877	791055
Highland	706	251	0	213	323	117	241	170	0	688	49	163	-163	-860	-476	264927	263321
Inverclyde	188	195	20	17	44	48	146	83	0	0	1	95	-106	-58	261	103393	103451
Midlothian	194	184	42	63	177	64	198	81	0	0	0	98	-100	92	259	89429	89374
Moray	247	93	8	36	35	28	-43	107	0	231	76	99	-106	722	228	95568	96389
North Ayrshire	335	259	269	142	15	88	98	89	294	0	14	92	-173	330	191	160021	160200
North Lanarkshire	725	756	341	435	229	177	-11	117	481	0	0	93	-406	-77	-244	368575	367485
Orkney Islands	81	13	16	0	42	12	69	75	0	0	31	4	1546	-65	28	32879	32836
Perth & Kinross	405	150	60	108	15	73	370	110	0	0	0	160	-163	284	110	148773	148941
Renfrewshire	395	419	243	82	17	73	88	98	0	0	0	168	-221	-172	109	201335	201290
Scottish Borders	340	115	0	103	94	78	132	90	0	0	3	97	-125	64	-178	125667	125319
Shetland Islands	99	17	11	0	0	20	46	77	0	0	0	0	2588	-6	35	41290	41438
South Ayrshire	289	201	0	19	34	102	34	85	0	0	17	92	-142	196	238	127552	127664
South Lanarkshire	736	625	121	680	245	214	182	109	1508	0	0	97	-381	453	-185	339847	339764
Stirling	234	129	0	6	11	111	49	109	0	0	0	150	-103	33	176	97057	97255
West Dunbartonshire	207	241	0	63	38	75	16	89	0	0	0	93	-118	-228	195	119251	118784
West Lothian	363	319	224	188	83	190	11	95	0	0	0	90	-190	445	96	171988	172115
Scotland	12870	9249	5462	3381	7504	5199	3587	3642	4626	923	597	3207	0	0	0	5898884	5898884
																Undistributed Excellence Fund	41783
																TOTAL	5940667

SUMMARY OF GAE ASSESSMENTS (2001-2001) BY SERVICE

(revised 27/01/00)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)								
	Education (ex. i - iv)	Childcare Strategy	The Very Young	Excellence Fund (Core Prog.)	Excellence Fund (Special Prog.)	Social Work (damped) (ex. v - vii)	Community Care Action Plan	Childrens Services Development Fund	Carers' Service & Respite Care	Police	Fire	Roads & Transport	Leisure & Rec'n (Parks etc, Sports Tourism & Remdr)	Libraries	
	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	
Aberdeen City	90274	390	461	3493	536	44838	308	413	411	30272	8057	9693	9868	2803	Aberdeen City
Aberdeenshire	119987	637	520	4773	247	38210	283	247	378	22405	5183	20550	9140	2906	Aberdeenshire
Angus	55099	261	261	2171	20	23797	175	182	233	14054	3256	7870	4692	1417	Angus
Argyll & Bute	47147	235	223	1701	19	20709	153	142	204	12326	3156	10121	4155	1167	Argyll & Bute
Clackmannanshire	24572	110	135	1023	13	10321	73	125	97	5288	1742	2485	2463	626	Clackmannanshire
Dumfries & Galloway	76232	406	398	2973	30	30695	225	259	301	21318	5532	14714	6071	1888	Dumfries & Galloway
Dundee City	71228	315	493	2710	526	37510	245	530	326	26149	8912	7186	6584	1905	Dundee City
East Ayrshire	62549	271	350	2610	125	27061	183	328	244	16024	3667	7021	5310	1570	East Ayrshire
East Dunbartonshire	62165	188	179	2691	22	16849	125	127	166	9439	3582	5702	4719	1423	East Dunbartonshire
East Lothian	42071	194	211	1742	214	18495	133	161	177	10660	1951	5268	4023	1152	East Lothian
East Renfrewshire	51261	164	160	2197	18	14816	109	115	146	8135	2473	4734	3747	1142	East Renfrewshire
Edinburgh, City of	172471	1046	1068	6732	561	100753	665	1015	887	76453	16451	19593	21535	5882	Edinburgh, City of
Eilean Siar	18852	114	77	694	14	7165	52	36	70	3706	861	5127	1113	358	Eilean Siar
Falkirk	70060	290	363	2911	135	30200	202	326	270	17303	5117	6960	6188	1870	Falkirk
Fife	175874	904	888	6823	268	74398	524	798	699	41652	14468	18699	15200	4464	Fife
Glasgow City	282076	2945	2451	10159	1064	175820	1016	2771	1355	142317	27974	24832	29907	8264	Glasgow City
Highland	116385	614	579	4286	41	40778	290	379	387	30548	7742	25055	9737	2670	Highland
Inverclyde	44657	175	255	1830	218	20721	136	260	181	13982	4435	3758	3704	1105	Inverclyde
Midlothian	42446	168	197	1671	14	15052	101	169	134	10660	1418	4435	3669	1047	Midlothian
Moray	44268	211	202	1797	17	15586	116	129	155	10258	2537	6729	3628	1098	Moray
North Ayrshire	72348	321	430	2954	29	32023	212	425	283	17010	5288	7542	6462	1807	North Ayrshire
North Lanarkshire	172901	875	931	6987	369	69535	458	899	611	41945	9552	15242	14207	4245	North Lanarkshire
Orkney Islands	12914	88	52	491	14	3774	28	20	38	2068	655	6962	952	250	Orkney Islands
Perth & Kinross	62342	319	307	2432	223	27333	206	202	274	17395	4970	11741	5931	1709	Perth & Kinross
Renfrewshire	93708	386	498	3735	136	37348	241	482	322	24160	5970	8483	7766	2337	Renfrewshire
Scottish Borders	51696	267	247	1998	15	23144	178	147	237	15729	4457	10687	4411	1361	Scottish Borders
Shetland Islands	15775	104	67	622	12	4230	30	28	40	2692	712	8092	933	293	Shetland Islands
South Ayrshire	57192	232	256	2364	121	24901	183	211	244	12714	4179	7138	5605	1489	South Ayrshire
South Lanarkshire	157173	773	785	6400	62	60072	409	699	546	35993	9296	16592	13500	3990	South Lanarkshire
Stirling	42163	192	209	1639	20	17177	121	161	161	10877	2926	7979	4187	1084	Stirling
West Dunbartonshire	53021	210	334	2068	670	22441	137	358	183	18137	5714	4162	4243	1239	West Dunbartonshire
West Lothian	81758	345	414	3322	227	28688	181	356	242	20250	4666	8128	6919	1986	West Lothian
Scotland	2542667	13750	14000	100000	6000	1114440	7500	12500	10000	741920	186900	323280	230572	66546	Scotland

	(1) Grant Aided Expenditure 2000-01	(2) Special needs of the Islands	(3) Special Deprivation Payment	(4) £15m Holdback	(5) Council Tax Safety Net 2000-01	(6) Loan Charges 2000-01 (scaled) including PFI LPFS	(7) Non-Relevant Expenditure (housing and council tax benefit)	(8) Adjusted GSE 2000-01 (Cols.1 to 7)	(9) Band D Properties as at September 1999	10) Deduction for GSE not supported by AEF (Tot Col 8-Tot Col 11) * Col 9/Tot Col 9)	(11) Total AEF (Col 8-10)	(12) Specific Grants	(13) NDRI	(14) RSG (Col 11-12-13)
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	
Aberdeen City	222.505					30.750	2.275	255.530	84,161	55.261	200.270	21.497	69.193	109.580
Aberdeenshire	246.302					24.948	1.543	272.793	85,246	55.973	216.820	17.990	73.477	125.353
Angus	124.629					9.922	1.359	135.910	38,658	25.383	110.527	10.110	35.745	64.672
Argyll & Bute	111.694			0.900	0.372	23.660	1.130	137.756	36,905	24.232	113.524	8.932	29.221	75.371
Clackmannanshire	53.978		0.129			5.344	0.755	60.206	16,420	10.781	49.425	4.139	15.770	29.516
Dumfries & Galloway	176.058					22.070	1.968	200.096	55,084	36.169	163.927	15.210	47.835	100.882
Dundee City	180.580		0.530	1.031		24.215	3.584	209.940	47,491	31.183	178.758	18.340	47.637	112.781
East Ayrshire	139.584		0.354	0.718		13.304	2.064	156.024	38,340	25.174	130.850	11.943	39.391	79.516
East Dunbartonshire	116.636					10.599	0.778	128.013	45,782	30.061	97.952	8.075	35.582	54.295
East Lothian	95.082					12.690	1.129	108.901	35,514	23.319	85.582	8.004	29.087	48.491
East Renfrewshire	96.440					8.411	0.664	105.515	38,412	25.222	80.293	6.743	28.571	44.979
City of Edinburgh	465.591					82.196	6.405	554.192	187,563	123.155	431.036	49.639	146.193	235.204
Eilean Siar	45.769	11.293		0.166	0.724	19.664	0.361	77.977	9,027	5.927	72.050	3.942	9.073	59.035
Falkirk	154.407					20.281	2.180	176.868	48,447	31.810	145.057	13.150	46.799	85.108
Fife	392.948					34.310	5.210	432.468	121,530	79.798	352.670	31.910	113.303	207.457
City of Glasgow	791.055		2.980	5.713	6.837	140.816	17.406	964.807	205,240	134.762	830.045	91.614	201.238	537.193
Highland	263.321					40.955	2.508	306.784	79,553	52.235	254.550	23.171	67.644	163.735
Inverclyde	103.451		0.285	0.573		13.227	1.677	119.213	27,713	18.197	101.017	9.944	27.733	63.340
Midlothian	89.374				-0.151	10.137	1.019	100.379	28,291	18.576	81.803	7.651	26.259	47.893
Moray	96.389					12.008	0.897	109.294	29,041	19.068	90.225	7.600	27.886	54.739
North Ayrshire	160.200		0.427	0.820	-0.775	17.081	2.241	179.994	46,887	30.786	149.208	12.582	45.354	91.272
North Lanarkshire	367.485		0.977	1.918	-1.556	36.782	5.679	411.285	99,631	65.419	345.867	31.186	106.100	208.581
Orkney	32.836	5.046			-0.501	7.187	0.178	44.746	6,761	4.440	40.306	1.928	6.349	32.029
Perth & Kinross	148.941					15.299	1.445	165.685	54,278	35.640	130.046	12.265	43.204	74.577
Renfrewshire	201.290		0.478	0.942	-0.590	22.883	3.107	228.110	64,596	42.414	185.696	17.484	57.749	110.463
Scottish Borders	125.319					18.194	1.337	144.850	40,144	26.359	118.491	10.911	34.520	73.060
Shetland	41.438	7.688			-0.730	14.452	0.157	63.005	7,295	4.790	58.215	2.292	7.440	48.483
South Ayrshire	127.664					12.276	1.531	141.471	44,559	29.258	112.213	9.782	37.164	65.267
South Lanarkshire	339.764			1.548	-0.152	36.179	4.385	381.724	103,569	68.004	313.719	26.952	99.651	187.116
Stirling	97.255					13.048	0.963	111.266	32,876	21.586	89.679	7.873	26.996	54.810
West Dunbartonshire	118.784		0.340	0.671		12.674	1.930	134.399	32,810	21.544	112.855	12.832	30.812	69.211
West Lothian	172.115				-0.774	18.438	2.208	191.987	50,352	33.061	158.926	14.729	49.715	94.482
Scotland	5,898.884	24.027	6.500	15.000	2.704	784.000	80.073	6811.188	1,842,176	1,209.586	5601.602	530.420	1662.691	3,408.491

## EXPLANATORY NOTES TO AEF DISTRIBUTION

The calculations are set out in the table at Annex 3A. Column numbers are consistent throughout the separate sections for mainland and islands authorities, but columns have been omitted when they are not relevant for any particular category of authority.

1. Column 1 of the table is the GAE assessment of each authority.
2. Column 2 is an additional needs factor for the islands councils and takes into account the Secretary of State's decisions following the recommendation of the 1992 Touche Ross report. The split between the 3 authorities is unchanged (i.e. Orkney 21%, Shetland 32% and Western Isles 47%).
3. Column 3 contains the special one-off allowance for deprivation.
4. Column 4 contains the amounts apportioned to councils for deprivation and other factors from the £15 million previously held back from loan charges.
5. Column 5 is the assessment of Council Tax Safety Net for each authority. The figures were calculated as shown in Annex 6.
6. Column 6 contains estimates of loan charges. Capital from current revenue continues to be excluded. The figures were calculated as described in Annex 5.
7. Column 7 contains an assessment of the expenditure on housing and council tax benefits of each authority, net of DSS subsidy. The figures provide for a proportion of 5.5% of housing and council tax benefit (0.5% relates to incentive area spending) to be met by authorities.
8. Column 8 is the total of columns 1 to 7. That is, it is adjusted Government Supported Expenditure (GSE).
9. Column 9 is the estimated number of Band D equivalent properties as at September 1999 on which council tax will be levied.
10. Column 10 represents the portion of adjusted GSE which is not supported through AEF. This amount is distributed among authorities in proportion to their share of the national council tax base. This is achieved by a formula:  
  

$$(\text{Total adjusted GSE less total AEF}) \quad \times \quad \frac{\text{band D equivalent properties in authority}}{\text{total band D equivalent properties}}$$
11. Column 11 is the difference between columns 8 and 10 being the total amount of AEF. The total of column 11 is AEF of £5,601.602 million, (i.e. the total of £5,630.42million, less Excellence Fund Special Programme and SEN specific grant, £41.783 million, plus the amount of specific grant on police loan charges, £12.965 million, which are supported by grant but are accounted for outside AEF).
12. Column 12 shows the amount of specific grants (excluding Police CFCR, but including Police specific grant loan charges) for 2000-01. A number of specific grants (police, and the fire and police elements of Civil Defence) are paid directly to joint boards. In these cases, for

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AEF distribution purposes only, the estimated amount for each force or brigade has been broken down on the same basis as is used for the relevant GAEs. Distribution to constituent council level of common police services and police specific grant loan charges as used in the calculation of Police Specific grant for 2000-01, has been based on advice from treasurers of the Police Boards

13. Column 13 shows the amount of Distributable NDRI. This has been distributed amongst authorities in proportion to 1998 mid-year population.
14. Column 14 distributes RSG, being the remainder of AEF after deductions for Specific Grants and NDRI.

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2000-01 SPECIFIC GRANTS <sup>1</sup>

	<sup>2</sup> POLICE	CIVIL	SUPPORTED	COUNCIL	HOUSING	IN-SERVICE	GAELIC	MENTAL	SOCIAL	EXCELLENCE	EXCELLENCE FUND	TOTAL
	DEFENCE	DEFENCE	EMPLOYMENT	TAX BENEFIT	BENEFIT	TRAINING		ILLNESS	WORK	FUND CORE	SPECIAL FUND	SPECIFIC
				ADMINI-	ADMINI-	OF			TRAINING	PROGRAMME		GRANTS
	£000	£000	£000	STRATION	STRATION	TEACHERS	£000	£000	£000	£000	£000	£000
Aberdeen City	15,472	135	395	209	261	159	87	638	112	3,493	536	21,497
Aberdeenshire	11,564	116	148	151	167	204	5	521	94	4,773	247	17,990
Angus	7,104	75	0	131	150	87	24	289	59	2,171	20	10,110
Argyll & Bute	6,285	60	5	112	121	78	219	281	51	1,701	19	8,932
Clackmannanshire	2,682	67	7	75	81	57	12	99	23	1,023	13	4,139
Dumfries & Galloway	10,972	140	152	192	214	133	0	336	68	2,973	30	15,210
Dundee City	13,218	99	533	326	415	114	0	307	92	2,710	526	18,340
East Ayrshire	8,150	64	14	214	211	111	92	289	63	2,610	125	11,943
East Dunbartonshire	4,816	63	0	101	58	98	39	148	39	2,691	22	8,075
East Lothian	5,377	61	71	104	130	61	0	201	43	1,742	214	8,004
East Renfrewshire	4,135	57	10	77	59	78	27	51	34	2,197	18	6,743
City of Edinburgh	38,634	125	409	547	778	274	112	1,210	257	6,732	561	49,639
Eilean Siar	1,928	59	38	47	26	51	916	147	21	695	14	3,942
Falkirk	8,777	101	209	223	226	156	8	330	74	2,911	135	13,150
Fife	21,476	153	847	560	511	300	0	804	168	6,823	268	31,910
City of Glasgow	72,452	150	481	1,659	1,932	529	224	2,499	465	10,159	1,064	91,614
Highland	16,493	126	381	234	284	171	519	538	98	4,286	41	23,171
Inverclyde	7,118	62	33	166	179	80	33	174	51	1,830	218	9,944
Midlothian	5,302	60	62	98	112	61	0	239	32	1,671	14	7,651
Moray	5,195	80	71	86	99	74	0	144	37	1,797	17	7,600
North Ayrshire	8,662	66	24	231	230	128	8	176	74	2,954	29	12,582
North Lanarkshire	21,357	87	152	615	552	303	97	507	160	6,987	369	31,186
Orkney	1,117	56	29	17	19	56	0	120	9	491	14	1,928
Perth & Kinross	8,793	82	0	139	159	99	30	245	63	2,432	223	12,265
Renfrewshire	12,294	73	19	309	331	156	3	337	91	3,735	136	17,484
Scottish Borders	8,072	67	81	122	154	64	5	280	53	1,998	15	10,911
Shetland	1,333	57	33	16	16	43	0	148	12	622	12	2,292
South Ayrshire	6,468	63	29	157	158	94	0	271	57	2,364	121	9,782
South Lanarkshire	18,310	80	10	451	451	273	97	676	142	6,400	62	26,952
Stirling	5,518	80	29	100	98	87	74	187	41	1,639	20	7,873
West Dunbartonshire	9,240	66	19	186	213	89	3	225	53	2,068	670	12,832
West Lothian	10,251	70	38	207	249	118	0	183	64	3,322	227	14,729
Scotland	378,565	2,700	4,329	7,862	8,644	4,386	2,634	12,600	2,700	100,000	6,000	530,420

<sup>1</sup> All figures are Scottish Executive Estimates<sup>2</sup> Includes loan charges of £12.695 million



Table 1: Relevant Supported Spending 1999-00/2000-01

	1	2	3	4	5	6	7	8	9	10	11	12
	2000-01 Supported Spending						1999-00 Supported Spending					
	GAE	Shetland Loan Charges	Excellence Fund (Core Prog.)	Excellence Fund (Special Prog.)	Joint Board Allocations (Police & Fire)	Relevant Supported Spending	GAE	Shetland Loan Charges	Excellence Fund (Core Prog.)	Joint Board Allocations (Police & Fire)	1999-00 Safely Net	Relevant Supported Spending
	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)
Aberdeen City	222505		-3493	-536	-38329	180147	211069		-2652	-36939	850	172327
Aberdeenshire	246302		-4773	-247	-27587	213695	239058		-3198	-26832	0	209029
Angus	124629		-2171	-20	-17310	105127	120690		-1499	-16565	0	102626
Argyll and Bute	111894		-1701	-19	-15482	94492	108878		-1232	-15477	1198	93366
Clackmannanshire	53978		-1023	-13	-7030	45912	52558		-674	-6889	0	44995
Dumfries and Galloway	176058		-2973	-30	-26850	146206	170482		-2250	-26246	-450	141536
Dumfries City	180580		-2710	-526	-35062	142282	174983		-2247	-33575	0	139162
East Ayrshire	139584		-2610	-125	-19692	117157	135803		-1859	-18473	-1315	114156
East Dunbartonshire	116636		-2691	-22	-13021	100903	113616		-2054	-13167	0	98395
East Lothian	95082		-1742	-214	-12611	80516	91989		-1217	-12213	0	78559
East Renfrewshire	96440		-2197	-18	-10609	83616	92497		-1808	-9809	-257	80624
Edinburgh	465591		-6732	-561	-92904	365394	450903		-5627	-89850	0	355426
Eilean Siar	45769		-694	-14	-4567	40494	44896		-549	-4094	598	40852
Falkirk	154407		-2911	-135	-22420	128940	149555		-2375	-21977	0	125203
Fife	392948		-6823	-268	-56120	329737	377328		-4732	-52696	0	319901
Glasgow	791055		-10159	-1064	-170291	609541	770976		-7574	-163789	8435	608049
Highland	263321		-4286	-41	-38290	220704	254272		-3033	-36594	0	214646
Inverclyde	103451		-1830	-218	-18417	82987	100265		-1350	-17674	0	81241
Midlothian	89374		-1671	-14	-12078	75611	85822		-1260	-11835	0	72728
Moray	96389		-1797	-17	-12795	81780	94285		-1327	-12714	0	80243
North Ayrshire	160200		-2954	-29	-22298	134919	155286		-2165	-21570	-1936	129615
North Lanarkshire	367485		-6987	-369	-51497	308632	355079		-5110	-49734	-2780	297454
Orkney Islands	32836		-491	-14	-2723	29608	32081		-387	-2566	-673	28454
Perthshire and Kinross	148941		-2432	-223	-22365	123921	143875		-1832	-21409	0	120633
Renfrewshire	201290		-3735	-136	-30130	167290	191824		-2972	-28391	0	160461
Borders, Scottish	125319		-1998	-15	-20186	103120	120938		-1438	-19497	0	100003
Shetland Islands	41438	14452	-622	-12	-3404	51851	39793	14,234	-509	-3359	0	50159
South Ayrshire	127664		-2364	-121	-16893	108286	123609		-1829	-15972	0	105808
South Lanarkshire	339764		-6400	-62	-45289	288013	326576		-4488	-42741	-1489	277858
Stirling	97255		-1639	-20	-13803	81792	94806		-1178	-13533	0	80096
West Dunbartonshire	118784		-2068	-670	-23852	92194	115424		-1529	-23331	0	90565
West Lothian	172115		-3322	-227	-24916	143650	166360		-2747	-23711	-1888	138013
<b>TOTAL</b>	<b>5898884</b>	<b>14452</b>	<b>-100000</b>	<b>-6000</b>	<b>-928820</b>	<b>4878516</b>	<b>5705576</b>	<b>14,234</b>	<b>-74700</b>	<b>-893220</b>	<b>293</b>	<b>4752183</b>

Table 2: Council Tax Safety Net (2000-01)

	1	2	3	4	5	6	7	8
	Relevant Supported Spending	Change with potential council tax impact	Band D equivalent properties	Supported spending: council tax change	Relative council tax change in supported spending	Change in excess + or - £28	Safety net adjustment	
	2000-01	1999-00						
	(£000s)	(£000s)	(£000s)	£	£	£	(£000s)	
Aberdeen City	180,147	172,327	7,820	84,161	92.92	24.34	0.00	0
Aberdeenshire	213,695	209,029	4,667	85,246	54.74	-13.84	0.00	0
Angus	105,127	102,626	2,501	38,658	64.70	-3.87	0.00	0
Argyll and Bute	94,492	93,366	1,126	36,905	30.51	-38.07	-10.07	372
Clackmannanshire	45,912	44,995	917	16,420	55.88	-12.70	0.00	0
Dumfries and Galloway	146,206	141,536	4,669	55,084	84.77	16.19	0.00	0
Dundee City	142,282	139,162	3,120	47,491	65.69	-2.89	0.00	0
East Ayrshire	117,157	114,156	3,000	38,340	78.26	9.68	0.00	0
East Dunbartonshire	100,903	98,395	2,507	45,782	54.77	-13.81	0.00	0
East Lothian	80,516	78,559	1,957	35,514	55.10	-13.48	0.00	0
East Renfrewshire	83,616	80,624	2,992	38,412	77.89	9.31	0.00	0
Edinburgh	365,394	355,426	9,969	187,563	53.15	-15.43	0.00	0
Eilean Siar	40,494	40,852	-358	9,027	-39.65	-108.23	-80.23	724
Falkirk	128,940	125,203	3,737	48,447	77.14	8.56	0.00	0
Fife	329,737	319,901	9,837	121,530	80.94	12.36	0.00	0
Glasgow	609,541	608,049	1,492	205,240	7.27	-61.31	-33.31	6,837
Highland	220,704	214,646	6,059	79,553	76.16	7.58	0.00	0
Inverclyde	82,987	81,241	1,745	27,713	62.98	-5.60	0.00	0
Midlothian	75,611	72,728	2,883	28,291	101.91	33.33	5.33	-151
Moray	81,780	80,243	1,536	29,041	52.90	-15.68	0.00	0
North Ayrshire	134,919	129,615	5,304	46,887	113.13	44.55	16.55	-775
North Lanarkshire	308,632	297,454	11,178	99,631	112.19	43.61	15.61	-1,556
Orkney Islands	29,608	28,454	1,154	6,761	170.66	102.08	74.08	-501
Perthshire and Kinross	123,921	120,633	3,287	54,278	60.56	-8.02	0.00	0
Renfrewshire	167,290	160,461	6,829	64,596	105.71	37.13	9.13	-590
Borders, Scottish	103,120	100,003	3,117	40,144	77.64	9.08	0.00	0
Shetland Islands <sup>1</sup>	51,851	50,159	1,693	7,295	232.03	163.46	100.00	-730
South Ayrshire	108,286	105,808	2,478	44,559	55.60	-12.98	0.00	0
South Lanarkshire	288,013	277,858	10,155	103,569	98.05	29.47	1.47	-152
Stirling	81,792	80,096	1,697	32,876	51.62	-16.96	0.00	0
West Dunbartonshire	92,194	90,565	1,629	32,810	49.66	-18.92	0.00	0
West Lothian	143,650	138,013	5,637	50,352	111.94	43.36	15.36	-774
<b>Total</b>	<b>4,878,516</b>	<b>4,752,183</b>	<b>126,333</b>	<b>1,842,176</b>	<b>68.58</b>			<b>2704</b>

<sup>1</sup> The contribution from Shetland Islands Council is limited to £100 per Band D Council tax payer (column 7)

## COUNCIL TAX SAFETY NET – NOTES TO CALCULATIONS

The aim of the Council Tax safety net is to limit changes in relevant supported spending between years to a set threshold per Band D equivalent Council Tax property.

### Table 1: Relevant Supported Spending 1999-00 and 2000-01

1.1 Table 1 of this Annex calculates the total amount of “relevant supported spending” in 1999-00 and 2000-01, changes in which form the basis of the safety net calculation. Relevant supported spending comprises elements of Government Supported Expenditure where year on year changes have been deemed to have a potential impact on the Council Tax.

1.2 For 2000-01, Scottish Ministers have agreed with COSLA that 100% specific grants (the Excellence Fund Core Programme and Excellence Fund Special Programme) and changes in joint board requisitions should be excluded from the calculation of relevant supported spending. As in 1999-00, the Special Islands Needs Allowance is excluded from the safety net and it has been decided that the Special Deprivation Allowance for 2000-01 should also be excluded.

Column 1: Total GAE for 2000-01, inclusive of damping adjustments for (a) social work GAE; (b) phasing out the separate GAE assessment for local government reorganisation costs and savings and (c) new and revised indicators arising from the population distribution and street cleaning GAE reviews. The full calculation of these damping adjustments is shown in the Green Book.

Column 2: Notional loan charges for Shetland Islands Council 2000-01.

Column 3: Excellence Fund Core Programme – 100% specific grant.

Column 4: Excellence Fund Special Programme – 100% specific grant.

Column 5: Joint Board Allocations – Total Police and Fire GAEs 2000-01.

Column 6: Relevant Supported Spending 2000-01 (sum of columns 1-5).

Column 7: Total GAE for 1999-00, inclusive of damping adjustments for (a) social work GAE and (b) phasing out the separate GAE assessment for local government reorganisation costs and savings. The full calculation of these damping adjustments is shown in the Green Book for 1999-00.

Column 8: Notional loan charges for Shetland Islands Council 2000-01.

Column 9: Excellence Fund Core Programme – 100% specific grant (N.B. The Excellence Fund Special Programme was outwith Distributable AEF in 1999-00).

Column 10: Joint Board Allocations – Total Police and Fire GAEs 1999-00

Column 11: 1999-00 safety net adjustment (see Finance circular 19/1998).

Column 12: Relevant Supported Spending 1999-00 (sum of columns 7-10).

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Table 2: Calculation of 2000-01 Safety Net

2.1 Table 2 of Annex 6A calculates for each council the year-on-year change in relevant supported spending per Band D equivalent property which falls within the safety net and the necessary grant adjustment required to contain these changes within the limits agreed with COSLA.

Column 1: Relevant supported spending 2000-01, as at column 6 of table 1.

Column 2: Relevant supported spending 1999-00, as at column 11 of table 1.

Column 3: Change in relevant supported spending; column 1 less column 2.

Column 4: Band D equivalent properties, as used in the calculation of AEF for 2000-01.

Column 5: Change in supported spending: impact per Band D equivalent property: Column 3/Column 4.

Column 6: Relative change in supported spending per Band D equivalent: i.e. the impact on councils of the redistribution of supported spending, calculated by deducting the impact of the Scottish average increase in supported spending per Band D equivalent property from each council's figure for overall change. Column 5 less total column 5, where total column 5 is calculated as total column 4/Scottish Band D equivalents.

Column 7: Relevant change per Band D equivalent in excess of +/- £28: column 6 disregarding first £28 of change.

Column 8: Necessary grant enhancement/abatement to bring change in support to +/- £28 per Band D equivalent property, where necessary: column 7 multiplied by column 4 divided by -1,000.

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# 2000-01 EXPENDITURE GUIDELINES

at 3 February 2000

ANNEX 7

	1	2	3	4	5	6	7	8	9	10
	1999-00 Guideline £000	1999-00 Adjusted Guideline £000	2000-01 GAE' Increase £000	1999-00 GAE' £000	1999-00 GAE equiv. Expenditure (excl CFCR) £000	Scaling Factor	Expenditure Increase £000	New 2000-01 Guideline £000	Increase %	Increase £000
COUNCILS										
Aberdeen, City	258,596	258,839	13,165	240,960	255,791	0.94	12,402	271,319	4.92	12,723
Aberdeenshire	269,638	269,960	8,235	263,800	271,581	1.00	8,235	278,205	3.18	8,567
Angus	132,818	132,963	3,725	131,164	132,205	0.99	3,696	136,820	3.01	4,003
Argyll and Bute	141,387	141,504	4,536	131,397	141,279	0.93	4,219	145,722	3.07	4,335
Clackmannanshire	61,974	62,041	1,778	57,713	62,178	0.93	1,650	63,692	2.77	1,718
Dumfries and Galloway	201,900	202,100	6,842	191,910	199,214	0.96	6,592	208,712	3.37	6,811
Dundee	221,752	221,947	6,730	198,592	218,135	0.91	6,127	228,084	2.86	6,332
East Ayrshire	155,385	155,561	4,652	148,655	152,520	0.97	4,534	160,235	3.12	4,850
East Dunbartonshire	126,915	127,089	3,066	124,521	129,754	1.00	3,066	130,182	2.57	3,267
East Lothian	110,751	110,863	4,159	103,978	108,600	0.96	3,982	114,969	3.81	4,218
East Renfrewshire	102,662	102,804	4,955	100,176	101,906	0.98	4,871	107,675	4.88	5,013
Edinburgh, City	570,540	571,095	19,145	530,837	559,079	0.95	18,178	589,805	3.38	19,265
Eilean Siar	76,882	76,921	3,107	74,142	75,414	0.98	3,055	80,006	4.06	3,124
Falkirk	170,023	170,208	11,382	163,779	167,120	0.98	11,155	181,362	6.67	11,340
Fife	433,808	434,293	14,151	414,236	429,522	0.96	13,648	448,286	3.34	14,478
Glasgow City	1,024,690	1,025,912	29,214	906,166	983,285	0.92	26,922	1,052,834	2.75	28,144
Highland	308,838	309,144	9,280	296,042	307,853	0.96	8,924	318,249	3.05	9,411
Inverclyde	121,907	122,033	3,629	113,420	121,023	0.94	3,401	125,434	2.89	3,528
Midlothian	105,482	105,595	3,028	96,788	105,678	0.92	2,773	108,467	2.83	2,985
Moray	109,601	109,720	2,630	106,095	108,204	0.98	2,578	112,404	2.56	2,803
North Ayrshire	177,148	177,355	6,117	171,681	175,822	0.98	5,973	183,328	3.49	6,180
North Lanarkshire	410,981	411,472	14,694	390,721	407,586	0.96	14,086	425,736	3.59	14,755
Orkney	43,988	44,017	216	45,091	41,022	1.00	216	44,897	2.07	909
Perth and Kinross	161,793	161,956	6,277	158,423	162,236	0.99	6,214	168,278	4.01	6,485
Renfrewshire	227,170	227,439	12,015	212,838	222,910	0.95	11,472	239,082	5.24	11,911
Scottish Borders	141,217	141,353	5,635	138,373	141,960	0.97	5,492	146,928	4.04	5,711
Shetland	67,353	67,387	2,505	61,469	65,249	0.94	2,360	69,761	3.58	2,408
South Ayrshire	140,088	140,254	3,529	136,772	138,303	0.99	3,490	143,744	2.61	3,656
South Lanarkshire	382,471	382,926	14,334	362,714	377,074	0.96	13,789	396,714	3.72	14,243
Stirling	115,971	116,090	2,932	107,734	112,863	0.95	2,798	119,124	2.72	3,153
West Dunbartonshire	143,865	144,027	3,670	128,105	142,829	0.90	3,292	147,393	2.45	3,528
West Lothian	197,279	197,504	4,903	185,881	194,641	0.95	4,682	202,363	2.58	5,084
<b>SCOTLAND</b>	<b>6,914,873</b>	<b>6,922,373</b>	<b>234,236</b>	<b>6,494,175</b>	<b>6,812,836</b>	<b>0.95</b>	<b>223,872</b>	<b>7,149,811</b>	<b>3.40</b>	<b>234,939</b>

## EXPLANATORY NOTES TO THE CALCULATION OF THE EXPENDITURE GUIDELINE FIGURES

The calculations are set out in Annex 7.

1. Column 1 is each council's 1999-00 guideline figure.
2. Column 2 shows the adjusted guideline figure for 1999-00 and is calculated by adding to the 1999-00 guideline figure each council's share of the additional £7.5 million for teachers' pay provided for 1999-00 only.
3. Column 3 is the combined year-on-year increase in each council's GAE and loan and leasing charges support, known as 2000-01 GAE' increase. **For the purposes of the guideline calculation only** each council's GAE and loan charge increase disregards the effects of the £15 million being held back from loan charge support and the £6.5 million Special Deprivation allowance. GAE' is calculated on the basis of the guidelines and loan and leasing charges set out in the original version of Finance Circular 19/1998, issued to local authorities on 17 December 1998.
4. Column 4 is the GAE' figure for 1999-00 and includes both the 1999-00 GAE and loans charges support figures.
5. Column 5 is each council's GAE equivalent expenditure figure for 1999-00. It consists of each council's 1999-00 budgeted expenditure for capping purposes (i.e. line 53 of the form POBE 99) less each council's budgeted expenditure on non-relevant expenditure, CFRC and Interest on Revenue Balances again as returned on form POBE 99 (lines 42-49).
6. Column 6 is the scaling factor (rounded to 2 decimal places) which is applied to the GAE' increase (column 3) and is calculated by dividing column 4 by column 5. The scaling factor does not exceed 1.0. (The scaling factors for Aberdeenshire, East Dunbartonshire and Perth and Kinross have been left unchanged from 1999-00).
7. Column 7 is the allowable increase in each council's expenditure and is calculated by multiplying each council's GAE' increase (column 3) by the scaling factor (i.e. column 4 divided by column 5).
8. Column 8 gives each council's new guideline figure for 2000-01 and represents the product of adding each council's eligible increase in GAE' (column 7) to the adjusted guideline figure (column 2) subject to a 2% minimum increase. The new guideline figure therefore excludes transfers to and from Special Funds. In addition it also excludes spending funded through the Special Grant for pre-school and the undistributed Excellence Fund.
9. Column 9 shows the allowable expenditure increase in percentage terms over the 1999-00 guideline figure (column 1).
10. Column 10 shows the allowable expenditure increase in cash terms over the 1999-00 guideline figure (column 1).

11. Those councils that receive funding from either the Special Deprivation Payment or the £15m Holdback may budget over their guideline figures by the equivalent additional net amount that they receive through either of these payments. This net effect is not £ for £ i.e. it is not based on a straightforward addition of a council's share of the £6.5 million or £15 million on to the guideline figure. It is calculated by using the actual GAE and loan charges figures in Annex 3A, including the Special Deprivation Payment and the £15 million Holdback to work out the equivalent 2000-01 GAE increase. The scaling factor is then applied to calculate the equivalent expenditure increase which is then added to the 1999-00 adjusted guideline figure to give an equivalent guideline figure. The equivalent additional net amount is the difference between this equivalent guideline figure and the guideline set on the attached table.

12. The recalculation of the loan and leasing charges and the school meals GAE has not been reflected in the guideline figures of those councils which lose AEF as a result. (In other words their guidelines remain the same as set out in Finance Circular 9/1999 of 15 December 1999). Those councils which gain AEF as a result have had their guidelines adjusted to reflect this.

## COUNCIL TAX BENEFIT SUBSIDY LIMITATION

A council which breaches the council tax threshold and exceeds the spending guideline will be required to make a contribution to the costs of the council tax benefit associated with the element of spending/council tax above the threshold.

For the purposes of benefit subsidy limitation only, a council's expenditure as measured against the guideline will be deemed to include transfers to and from balances and special funds as these affect council tax levels (ie building balances will score as an increase in expenditure, use of balances will score as decreased expenditure).

The cost of council tax benefit is roughly proportional to the council tax. A council which exceeds its spending guideline will have to set a council tax higher than it would have set had it budgeted at guideline so this percentage excess in the council tax will lead to an increase in benefit costs of approximately the same percentage. (It will in fact cost more than this because an increase in council tax makes more payers eligible for council tax benefit and increases the proportion of benefit payable to those on the benefits taper, eligible for only partial reimbursement. But this effect is difficult to quantify and the limitation arrangements do not attempt to capture it.)

The excess cash increase in the council tax associated with spending above guideline (taking account of the extra contribution the council will make to the costs of benefit) can be calculated as:

$$(1) \quad dT = \frac{(E + \frac{1}{2}dS)}{N}$$

where E is the cash amount of excess spending above guideline;

dS is the extra cost of benefit arising from the extra increase in the council tax; and

N is the council tax base for the authority.

The extra benefit cost, dS, is proportional to the excess in council tax dT, viz

$$(2) \quad dS = B * dT * N$$

where B is the proportion of the authority's council tax yield raised through council tax benefit.

Therefore, the excess council tax associated with the extra spending above guideline is:

$$(3) \quad dT = \frac{E}{(1 - \frac{1}{2} B) * N}$$

This allows authorities to determine the council tax consequences of choosing to spend above guideline. For spending below guideline the comparable council tax effect would be just E/N.



There are two modifications to this basic calculation. The proportion of council tax raised from benefit (B) may be higher than the Scottish average, M, in which case the effect is moderated by using M rather than B. Or the excess increase in the council tax over and above the 5% threshold may be applied instead of the calculation relative to the spending guideline.

Therefore the relevant excess increase in the council tax, dR, is

$$(4) \quad dR = \text{minimum of } \left( T2 - T1 * 1.05, \frac{E}{(1 - \frac{1}{2} B) * N}, \frac{E}{(1 - \frac{1}{2} M) * N} \right)$$

where T1 is the council tax set by the authority for 1999-2000; and

T2 is the council tax set by the authority for 2000-01.

Benefit costs will increase proportionately by dR/T1 and authorities will have to contribute half of this increase. Therefore the standard rate of benefit subsidy (currently 95%) will be scaled down by a factor of

$$(5) \quad 1 - \frac{\frac{1}{2} dR}{T1}$$

except where an authority has an above average proportion of council tax yield met from benefit, in which case the scale factor will be

$$(6) \quad 1 - \frac{\frac{1}{2} dR * M}{T1 * B}$$

The lower subsidy rate will apply to all "normal" claims paid by the billing authority in the course of the financial year. There will be no change to the subsidy rate for other claims. For example, those which presently attract a 25% subsidy rate will continue to do so. The same subsidy rate will apply to a claim whether it related to a council tax for the current year or the previous year. This should simplify implementation for local authorities as it is the equivalent of a change in the main subsidy rate.

The subsidy rate for each authority, or for each authority where it is less than the standard rate, will then be included in DSS Subsidy Regulations made under Section 140B of the Social Security Administration Act 1992, which will be made at the normal time. The Scottish Office or the DSS will confirm the subsidy rates for individual councils once all budget information is available.

The value of B for each authority and the Scottish average (M) are detailed in the attached table.

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## ANNEX 8

Council	Value of B
<b>Scotland (=M)</b>	<b>19.2%</b>
Aberdeen City	10.6%
Aberdeenshire	7.4%
Angus	12.9%
Argyll & Bute	13.9%
Clackmannanshire	20.2%
Dumfries & Galloway	14.7%
Dundee City	26.8%
East Ayrshire	21.6%
East Dunbartonshire	9.1%
East Lothian	13.9%
East Renfrewshire	9.0%
Edinburgh, City of	13.4%
Eilean Siar	21.6%
Falkirk	17.6%
Fife	16.7%
Glasgow City	37.0%
Highland	13.9%
Inverclyde	21.6%
Midlothian	15.0%
Moray	12.3%
North Ayrshire	21.1%
North Lanarkshire	24.7%
Orkney Islands	10.3%
Perth & Kinross	10.6%
Renfrewshire	21.0%
Scottish Borders	11.2%
Shetland Islands	9.0%
South Ayrshire	16.0%
South Lanarkshire	21.6%
Stirling	12.7%
West Dunbartonshire	27.2%
West Lothian	17.0%

Source: March 1999 position as reported by authorities on statistical return Council Tax, Non Domestic Rates and Community Charge Receipts (CTRR).