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CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

LOCAL AUTHORITY EXPENDITURE IN WALES: 1982/83

Memorandum by the Secretary of State for Wales

1. This Memorandum informs colleagues of the most recent estimates of Welsh local authorities' current expenditure in 1981/82 and their budgeted total expenditure for 1982/83. It sets out my proposals for dealing with the budgeted expenditure excess for the current year, including the methodology I propose for setting individual authority expenditure targets and withholding grant.

LOCAL AUTHORITIES OUTTURN CURRENT EXPENDITURE FOR 1981/82

2. Individual authority expenditure targets were not set for 1981/82 in Wales but I asked authorities in aggregate to reduce their current expenditure to 4.6% below their 1978/79 outturn. Monitoring undertaken last November showed that authorities' forecast current expenditure was then approximately £45m or about 4.3% higher than the current expenditure target in cash terms (£14m or 1.4% higher than the target of £966m expressed at November 1980 prices).

3. Initial analysis of authorities' Returns of Expenditure and Rates (RERs) show a provisional outturn current expenditure excess last year of £20.8m above the current expenditure target at November 1980 prices. After adjustments to exclude authorities' estimated £7m expenditure on last winter's snow emergencies which we have previously agreed should not be taken into account when assessing expenditure performance, the current expenditure excess for last year is therefore approximately £45m in cash terms. (This figure is likely to be reduced when final outturn figures are available later this year: in previous years the reduction has been of the order of $\frac{1}{2}$ % of current expenditure).

BUDGETED TOTAL EXPENDITURE FOR 1982/83

4. RERs show a budgeted total expenditure cash excess of £57m (4.8%) over the rate support grant settlement provision. This is disappointing and corrective action is necessary to attempt to secure expenditure reductions during the course of the current year.

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CORRECTIVE ACTION

5. I propose to set individual authority expenditure targets, call for revised budgets from authorities whose planned expenditure exceeds those targets and then withhold grant if the overall expenditure excess is not substantially reduced. I will be consulting the Welsh Local Authority Associations on my proposals at the next meeting of the Welsh Consultative Council on Local Government Finance on 19 May and very shortly afterwards I shall call for revised budgets.

6. It is not possible at this stage to determine the amount of grant which should be withheld since it will depend in part on the result of the revised budget exercise. However, it is important to give authorities the maximum incentive to respond to the call for revision of budgets which are excessive. To that end I propose to tell authorities that at least 50% of the amount of total expenditure excess remaining after budget revision will be withheld. (This high level of holdback includes an allowance for last year's residual current expenditure excess). At the same time I will give every excess expenditure authority figures showing how much grant would lose on that basis, assuming that the total expenditure excess remains as presently reported on RERs.

TOTAL EXPENDITURE TARGETS AND METHOD OF GRANT WITHHOLDING

7. The Appendix describes the methodology I propose to adopt for setting targets and withholding grant. Briefly individual authority expenditure targets would be based on total expenditure and will comprise three components: current expenditure, capital charges and (for districts) rate fund contributions to the housing revenue account. The current expenditure component is the most important and my preference is for the weighted average approach which takes into account an authority's budgeted current expenditure for 1981/82, its 1982/83 current expenditure component of GRE and also its 1980/81 outturn expenditure.

8. Colleagues will note that I intend placing an upper limit of 5% on the cash increase for authorities current expenditure. In my view all authorities should make some contribution to reducing the total expenditure excess. Assuming inflation of 6% the effect of a 5% limit will be to require all authorities to make at least a 1% reduction in current expenditure. Similarly in the interests of realism I am allowing for a 1% cash increase in current expenditure in all cases.

GRANT WITHHOLDING AT THE INDIVIDUAL AUTHORITY LEVEL

9. The Welsh Local Authority Associations are totally opposed to individual authority expenditure targets and grant withholding. However, I have told them on previous occasions that if grant withholding were to be effected I would, as far as possible, protect authorities who have made an appropriate contribution to reducing expenditure. They accept this. Accordingly the method of grant

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withholding I propose at the individual authority level will ensure that the amount of grant withheld will be directly related to the amount an individual authority's expenditure excess bears to the overall total expenditure excess. This can be implemented through the exercise of powers under the Local Government Finance (No 2) Bill.

10. The method of withholding grant in a discriminate fashion which I propose is different from that likely to be employed in England. While the separate rate support grant systems in the two countries are based on the same block grant principles the methods of applying those principles are significantly different. There is no reason why different methods of grant withholding in the two countries should cause us any embarrassment.

TOTAL AMOUNT OF GRANT TO BE WITHHELD

11. In paragraph 6 I said it would not be possible to take a decision on this until the results of the revised budgets are available. My intention to tell authorities that the amount of grant withheld at the individual authority level would not be less than 50% of the overall expenditure excess remaining after the revised budget exercise does not pre-empt a final decision on the actual cash figure. At this stage I have not been able to analyse the financial position of individual authorities to assess their position as regards balances, revenue contributions to capital outlay and, in the case of districts, possible room for further rent increases this year. Without such information no informed judgement can be made of the maximum grant withholding penalty it would be feasible to impose. I have to say now however that in my view 50% grant withholding is the maximum amount of grant penalty which could realistically be applied with a reasonable chance of securing appreciable expenditure reductions.

12. The Treasury however consider that the reduction in grant may need to be greater than this. The current expenditure excess last year was some 4.3% (£45m) and budgets are proportionately worse this year (an excess on total expenditure of 4.8% or £57m), despite a 2% uplift in the plans. The Treasury consider Welsh local authorities have been protected from grant reductions so far but there is a good case for taking firm action this year less they believe that they may over-spend with impunity.

SUMMARY

13a. The provisional outturn current expenditure of Welsh local authorities in 1981/82 (after allowances) is £45m in cash (£14m of 1.4% in excess of the 1981/82 aggregate current expenditure target of £966m expressed at November 1980 prices).

b. The budgeted total expenditure of Welsh local authorities for 1982/83 is £57m or 4.8% in excess of the rate support grant settlement provision.

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c. Following consultation with the Welsh Local Authority Associations on 19 May I propose to set individual authority expenditure targets; call for revised budgets from excess expenditure authorities and, if the expenditure excess is not substantially reduced following this exercise, to withhold grant.

d. The amount of grant to be withheld at the individual authority level will be directly related to the authorities overspend as a proportion of the total overspend.

e. It is not possible at this stage to take any decision on the total amount of grant to be withheld. However, I will be informing authorities when I call for revised budgets that the amount of grant to be withheld will not be less than 50% of the total expenditure excess. This amount would include an element in respect of the small residual 1981/82 current expenditure overspend.

14. I invite colleagues to note my proposals for action to deal with the projected expenditure excess and endorse the approach I intend to adopt to deal with this.

10 May 1982
Welsh Office

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APPENDIX

METHODOLOGY

INDIVIDUAL EXPENDITURE TARGETS

1. It is proposed that expenditure targets should be set in accordance with principles that apply to all authorities. They would be based on total expenditure, taking into account as separate components of the overall expenditure target, current expenditure (net of specific and supplementary grants), capital charges (net of specific grants), interest receipts (a deductible item) and, for district authorities only, rate fund contributions to the housing revenue account. The proposed method of determining each component of the target is discussed below.

CURRENT EXPENDITURE

2. The 1982/83 Settlement provides for a level of current spending within aggregate GRE of some £33 millions (3.2 per cent) higher, in cash terms, than that in 'authorities' original 1981/82 budgets (once these budgets have been adjusted to reflect both the likely, rather than budgeted, level of inflation in that year, and the change in the coverage of TSG). For the purpose of constructing targets the Secretary of State considers that the 3.2 percent increase should not, however, apply uniformly to all authorities. He considers that account should be taken of performance in relation to GRE, and of spending in 1980/81, the latest year for which outturn information is available.

3. The starting point for deriving the current expenditure component of the target is the calculation of a weighted average of an authority's original budgeted expenditure in 1981/82, its outturn for 1980/81 (the value for both years being scaled to be consistent with the 1982/83 tier totals for the current sector of GRE) and its 1982/83 current spending component of GRE. In constructing this initial value various weights have been applied to the three elements, and four options are exemplified in Tables 1 to 4. It may be felt that a weight of more than 34% (say 50%) would be appropriate for GRE given its status as the most objective assessment currently available of the amount of current expenditure an

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authority needs to incur to deliver a standard level of service. On the expenditure side of the equation a higher weight for the outturn year relative to the budgeted figures could, arguably, be justified on the grounds of its firmness as a basis for comparison; and also because such a differential would ensure that those authorities who increased expenditure the least between 1980/81 and 1981/82 (original budgets) are in an advantaged position vis-a-vis those who made less of an effort to contain their spending over the same period.

4. Other things being equal the weighted averages derived as above would constitute the current spending targets. However, given the Secretary of State's present view as to the minimum (1%) and maximum (5%) assumed cash increases from 1981/82 budgets the weighted averages of certain authorities have to be adjusted to comply with these overriding constraints. In addition, it is necessary to adjust the targets of these authorities not subject to the 1% and 5% cash increase constraints by a common factor in order to ensure that the aggregate current target exactly matches the amount provided for in GRE.

RATE FUND CONTRIBUTIONS TO THE HOUSING REVENUE ACCOUNT

5. A district authority's rate fund contribution to the housing revenue account component will be determined by the methodology set out in appendix 11 to the 1982 Welsh Rate Support Grant Report. Each district authority has been circulated with a print-out showing how its rate fund contribution has been calculated for the purposes of deriving expenditure projections, and these values will be used in determining the overall district expenditure targets.

CAPITAL CHARGES AND INTEREST RECEIPTS

6. The Secretary of State proposes that authorities whose 1982/83 total expenditure is below their expenditure target should be exempt not only from grant withholding but also (see below) from the close ending adjustment. In order to effect differential close ending it is necessary, however, to use total expenditure figures; and thus capital charges and interest receipts must figure in the overall target. Since, however, capital charges have not contributed to the aggregate excess grant claim in 1981/82, and on present indications are unlikely to do so in 1982/83, they

should be treated in as neutral a manner as possible. This can be achieved by simply taking capital charges and interest receipts as reported by authorities on RER83, and scaling them by a common factor to the amounts provided for within aggregate GRE for those items. The advantage of this approach compared with others that have been examined is that it does not materially affect authorities' discretion as to the manner in which they finance their rate fund capital expenditure. The implication of this treatment of capital charges and interest receipts is that, within tolerable limits, any authority meeting the current and rate fund contribution to housing revenue account elements of its overall expenditure target will be protected from grant reductions through both close ending and holdback.

OVERALL INDIVIDUAL AUTHORITY TARGET

7. The overall expenditure target for an individual authority in respect of 1982/83 will therefore comprise the sum of its current expenditure, capital charges and interest receipts, and (for districts only) rate fund contribution to the housing revenue account components as described above. The individual components of the various overall expenditure targets and overall targets themselves (on the basis of initial 1982/83 budgets) are shown in Annex 1, Tables 5 to 8.

CLOSE ENDING AND HOLDBACK

8. The sole purpose of setting individual authority expenditure targets is to identify the pattern of expenditure excesses at the individual authority level. The Secretary of State considers that the amount of grant to be withheld at the individual authority level should be directly related to the amount that an individual authority's expenditure excess contributes to the overall excess; similarly that authorities whose budgeted expenditure is below their targets will be exempt from grant withholding. However, the Secretary of State would not wish to reduce grant through the close-ending adjustment for those authorities that have not contributed to the overall expenditure excess, and therefore to the excess claim on grant. Accordingly the Secretary of State proposes that the grant of all authorities meeting their expenditure targets will, subject to the proviso in paragraph 10 below, be unabated ie for such authorities the amount of grant received will either be the same or very similar to that claimed on the original block grant claim forms.

9. Authorities not meeting their expenditure targets will be placed initially on a close ending schedule which will be the same for all excess expenditure authorities ie the main report grant related poundage schedule as adjusted by a common percentage factor throughout its length. However the final grant related poundage for an excess expenditure authority will depend solely on its own expenditure excess (as measured by its target) in relation to the total gross expenditure excess of all authorities. Thus the grant related poundage for any authority exceeding its expenditure target will be determined as follows:

(a) for close ending purposes it will be specified according to its expenditure in relation to GRE on the close ending schedule; (taking into account multipliers); and

(b) to this value will be added the poundage equivalent of its expenditure excess or a common proportion of this. The movement from the poundage on the main close ending schedule to its unique GRP will be effected by applying a multiplier greater than one. Annex 2, using a simplified example, describes this 'proportional' method of holdback and its relationship with the initial close ending adjustment.

10. It is necessary, as indicated above, to qualify the full protection (ie close-ending and hold-back) guarantee to target achievers for the following reason. In order to set the grant-related poundage (GRP) schedules published in the Main Report projections of individual authorities' spending in 1982/83 were made. (It was emphasised at the time that these projections were not, however, targets). If, in place of these neutral projections it had been possible to use the finally selected targets, then the Main Report GRP schedules would have been slightly different (as would the multipliers); and therefore grant claims would have varied from those calculated in February and March. It is thus proposed that in the Supplementary Report the "Main Report" GRP schedules would be re-set using targets, in place of the expenditure projections; and the grant claims of target achievers would be recalculated on the basis of these marginally adjusted schedules. It is, however, possible that as a consequence of using targets for this purpose the original Main Report GRP schedule could move downwards, thereby increasing protected authorities' 'claims' vis-a-vis initial claims based upon the actual Main Report schedule. In such a circumstance, since it would be inappropriate for

target achievers to improve upon their initial position for this reason alone, the Main Report schedule (or the Main Report Schedule as it would have been had any adjustments to relevant expenditure in subsequent Reports been foreseen) would be retained for the purposes of calculating grant entitlements. Thus, protected authorities would, other things being equal, receive either their initial claimed grant, or slightly less than that amount depending upon the impact of substituting targets for expenditure projections in the GRP schedule setting exercise.

GENERAL AMOUNT OF GRANT HOLDBACK

11. It is not possible at this stage to determine the precise amount of grant to be withheld in total from excess expenditure authorities. For the purposes of exemplification the tables in Annex 2 have been prepared on two conventional assumptions, namely holdback of 100% or 50% of the presently indicated gross excess.

THE TARGET OPTIONS

TABLES 1-4

The target building method used in these tables is referred to as the weighted average approach. (See details of the methodology in paragraphs 3 and 4 of the Appendix). In table 1 the three elements of the targets (shown in columns 1-3) are given approximately equal weighting. The final targets, after applying the 1% minimum and 5% maximum cash increase limits are shown in Column 7. The difference between these targets and actual spending in 1981/82 and 1982/83 are shown in Columns 8-11.

Tables 2-4 illustrate the effect of using different 'weights' for the 3 ingredients. Thus in Table 2 GRE's weight increases to 50 per cent, with the actual spending elements being given equal weighting (25 per cent each). Tables 3 and 4 maintain GRE at 50 per cent but increase the weight given to 1980/81 outturn vis-à-vis 1981/82 budgets in order to advantage those authorities who have made efforts to comply with government expenditure guidelines. The highest weight to outturn (40%) is given in Table 4.

TABLE 5

This compares the various current expenditure options shown in Tables 1-4. From this table it can be seen that, owing to the effect of the overriding 1% minimum and 5% maximum limits, the weightings given to the various elements generally have little impact.

TABLE 6

This table presents the non-current elements of the total expenditure target.

TABLE 7

This table pulls together all the ingredients of the various target options. Thus, to the current options exemplified in Tables 1-4, are added the RFC to HRA targets, and the reported (but scaled) values of 1982/83 capital charges (net of certain housing grants) and interest receipts (both service-specific and those related to general balances).

TABLE 8

In this table the total expenditure options shown in Table 7 are compared with authorities' actual 1982/83 total expenditure (as reported on RER83). A (+) indicates that an authority's spending is below the target, while a (-) indicates excess expenditure. The final column of this table shows that part of the difference in each authority that is attributable to spending on the rate fund contribution to the housing revenue account.

For each authority the amount of grant withheld would equal either its excess as identified in this table or a common proportion of it. If expenditure is reduced in a revised budget grant holdback would be automatically reduced. Similarly, if expenditure were increased in a revised budget an authority's liability as regards holdback would be greater than that shown here.

Notes

1. Definitions of the various components of the targets

All the figures used are drawn either from the GREs themselves, or from the 1980/81 outturn forms, and the 1981/82 and 1982/83 budget returns (ie RER82, plus the 1981/82 October Monitoring Reports for certain minor items, and RER83).

Total expenditure for block grant purposes essentially comprises expenditure met by rates, RSG and balances. It therefore excludes expenditure met by specific and supplementary grants. The definition of each component is now discussed in turn.

2. Current expenditure

The best way of defining the coverage of this element is by reference to the columns and rows of RER83. The figure for each authority is thus equivalent to:

- i. Row 43, Column 5B - total RSG "current" expenditure;

plus

- ii. Rows 51, 52 and 53, Column 2 - net spending on standard rent rebates and allowances, and rate rebates;

plus or minus (as appropriate)

- iii. Row 58, Column 2 (for 1982/83 only) - unallocated contributions to or from DLOs;

plus

- iv. Row 59 minus Row 62, Column 2 - local contribution to mandatory student awards;

minus

- v. Row 63, Column 2 - specific grants as defined for RSG purposes (less, in the case of districts, housing grants linked to capital charges);

minus

- vi. Row 76, Column 2 - uncapitalised capital expenditure;

plus

- vii. Row 77, Column 2 - interest receipts on services (reflected in Row 48 above).

3. For the purpose of deriving the original budgeted values for 1981/82, and in order to ensure consistency, and equity, between authorities it was necessary to substitute the Department's view of the likely level of cost increases between November 1980 and 1981/82 outturn for the budgeted level of inflation assumed by individual authorities. Had not this adjustment been made authorities with very high inflation assumptions (eg. 20%) would have been strongly advantaged compared with those authorities who had budgeted for inflation far nearer the level assumed in the 1980 Settlement. The Department's forecasts of inflation are based upon the level of pay awards known and quantifiable in November 1981, and the observed path of price inflation up to the same point in time. Thus the factors for each tier, which reflect the pattern of services in each grouping are 1.095 for districts (November 1980 to 1981/82 outturn) and 1.093 for counties. [A representative of the Welsh Counties Committee has had the opportunity to evaluate these figures].

4. These inflation factors were only applied to those elements of the 1981/82 budgets which were reported at November 1980 prices. Where elements were requested at 1981/82 outturn prices (eg student awards) these figures were included at their reported values. For those authorities who did not report expenditure at November 1980 prices the Department calculated their expenditure on this price base by reference to the average inflation level assumed by those authorities in the same tier which did report spending at both November 1980 and 1981/82 outturn prices.

5. For the purpose of calculating the 1981/82 base, use was also made of data in respect of 'amounts not capitalised' in the October Expenditure Monitor, and of service-specific interest and (in the case of districts) the non-housing specific grants reported for 1981/82 on RER83 (or its supplement).

6. In order to revalue the 1981/82 adjusted original budgets to 1982/83 assumed outturn prices (ie 1982/83 Settlement prices), a factor of 1.058 was used for Counties, and a factor of 1.065 for districts. These factors reflect the impact of 4 per cent pay awards, and 9 per cent year-on-year price inflation on the pattern of services in each tier.

7. . RFC to HRA. The only data used was that reported for 1982/83 at Row 50 of RER83.

8. Capital charges Again this element can be defined in terms of RER83:

i. Rows 54 and 55, column 2 - debt and leasing charges met from Rate Fund;

plus

ii. Row 56, column 2 - RCCO;

plus

iii. Row 57, column 2 - unallocated contributions to special and capital funds;

plus

iv. Row 76, column 2 - uncapitalised capital expenditure;

minus, in the case of districts

v. part of Row 63, column 2 - housing grants linked to capital charges.

9. Interest receipts The 2 components are:

- i. Row 60, column 2 - interest receipts on revenue and other
 balances;
- ii. Row 77, column 2 - interest receipts on services.

CURRENT SECTOR TARGET: WEIGHTED AVERAGE APPROACH (34,33,33)

£000s

	Current	Scaled	Scaled	Ratio of	Initial	Initial	Final	Target	c.f.	1982/83	budgets
	GRE 1982/83 34	1981/82 budgets 33	1980/81 outturn 33	revalued base:GRE	% inc	current target	current target	1981/82 £000	budgets %	1982/83 £000	budgets %
	3,767	3,665	3,668	99.2	5.0	3,684	3,684	+175	+5.0	+195	+5.6
	2,717	3,199	2,875	120.1	1.0	3,094	3,094	+31	+1.0	-242	-7.3
	3,443	3,643	3,976	107.9	5.0	3,662	3,662	+174	+5.0	-175	-4.6
	2,184	2,374	2,221	110.8	1.0	2,296	2,296	+23	+1.0	-165	-6.7
	3,153	4,113	4,605	133.0	1.0	3,977	3,977	+39	+1.0	-168	-4.0
	6,132	6,360	6,007	105.8	1.3	6,166	6,175	+86	+1.4	-435	-6.6
	2,788	2,818	2,697	103.1	2.6	2,768	2,772	+74	+2.7	-142	-4.9
	3,550	2,610	3,100	75.0	5.0	2,624	2,624	+125	+5.0	-293	-10.0
	2,041	1,757	1,711	87.8	5.0	1,766	1,766	+84	+5.0	+28	+1.6
	4,585	4,484	5,068	99.7	5.0	4,508	4,508	+215	+5.0	-274	-5.7
	3,566	3,285	3,102	93.9	5.0	3,302	3,302	+157	+5.0	-147	-4.3
	2,217	2,063	2,167	94.9	5.0	2,074	2,074	+99	+5.0	-69	-3.2
	4,705	5,055	5,464	109.6	4.8	5,071	5,078	+238	+4.9	-340	-6.3
	3,764	3,515	3,477	95.2	5.0	3,533	3,533	+168	+5.0	-347	-8.9
	3,539	3,761	3,417	108.4	1.0	3,637	3,637	+36	+1.0	-213	-5.5
	7,973	8,073	7,916	103.2	3.3	7,987	7,998	+269	+3.5	-937	-10.5
	5,027	6,246	5,596	126.7	1.0	6,040	6,040	+60	+1.0	-471	-7.2
	2,924	3,746	3,938	130.6	1.0	3,623	3,623	+36	+1.0	-190	-5.0
	3,207	2,899	2,254	92.2	1.0	2,804	2,804	+28	+1.0	-96	-3.3
	1,754	1,549	1,534	90.0	5.0	1,557	1,557	+74	+5.0	-186	-10.7
	1,965	1,941	1,892	100.7	4.0	1,933	1,936	+78	+4.2	-250	-11.5
	4,002	3,450	3,993	87.9	5.0	3,468	3,468	+165	+5.0	-748	-17.7
	4,626	4,208	4,426	92.8	5.0	4,230	4,230	+201	+5.0	-138	-4.2
	4,201	4,956	5,160	120.3	1.0	4,792	4,792	+47	+1.0	-636	-11.7
	6,999	7,021	7,248	102.3	5.0	7,058	7,058	+336	+5.0	-352	-7.3
	5,900	6,082	6,345	105.1	4.9	6,107	6,114	+291	+5.0	-216	-3.4
	5,823	6,291	6,701	110.2	4.1	6,267	6,276	+253	+4.2	-1,511	-19.4
	5,001	5,675	5,239	115.7	1.0	5,487	5,487	+54	+1.0	-522	-8.7
	2,145	2,175	1,862	103.4	1.0	2,103	2,103	+21	+1.0	+177	+9.2
	2,669	2,227	2,145	85.1	5.0	2,239	2,239	+107	+5.0	-41	-1.8
	1,197	972	886	82.8	5.0	978	978	+47	+5.0	-77	-7.3
	18,753	15,391	14,498	83.7	5.0	15,473	15,473	+737	+5.0	-1,934	-11.1
	5,855	5,633	4,945	98.1	1.6	5,481	5,489	+96	+1.8	-99	-1.8
	3,430	4,248	4,482	126.3	1.0	4,108	4,108	+41	+1.0	-159	-3.7
	3,152	3,268	3,167	105.7	2.1	3,195	3,200	+71	+2.3	-120	-3.6
	3,714	3,210	3,288	88.1	5.0	3,227	3,227	+154	+5.0	-37	-1.1
	11,233	11,742	12,632	106.6	5.0	11,804	11,804	+562	+5.0	-1,316	-10.0
	122,098	121,740	120,165	102.4	2.6	121,342	121,515	+3,289	+2.8	-9,362	-7.2
	106,682	107,325	108,339	103.4	3.1	107,441	107,594	+3,367	+3.2	-3,335	-3.0
	141,372	136,528	136,913	99.2	4.3	138,302	138,499	+5,912	+4.5	-6,856	-4.7
	76,632	76,951	73,019	103.2	1.1	75,545	75,652	+922	+1.2	-2,608	-3.3
	173,630	173,655	178,125	102.8	3.8	175,122	175,371	+6,728	+4.0	-7,929	-4.3
	41,136	43,453	42,410	108.5	1.0	42,621	42,621	+422	+1.0	-2,503	-5.5
	121,668	113,785	117,278	96.1	5.0	116,026	116,026	+5,525	+5.0	-5,873	-4.8
	111,582	121,362	118,551	111.8	1.0	119,038	119,038	+1,179	+1.0	-7,747	-6.1
	163,701	163,701	163,701	102.0	4.4	162,123	162,185	+5,451	+3.5	-12,896	-7.4
	894,800	894,800	894,800	102.7	3.0	895,436	896,315	+27,343	+3.1	-46,214	-4.9
	1,058,501	1,058,501	1,058,501	102.6	3.2	1,057,559	1,058,501	+32,795	+3.2	-59,109	-5.3

CURRENT SECTOR TARGET: WEIGHTED AVERAGE APPROACH (50,25,25)

£000s

	Current GRE 1982/83 50	Scaled 1981/82 budgets 25	Scaled 1980/81 cutturn 25	Ratio of revalued base:GRE	Initial % inc	Initial current target	Final current target	Target 1981/82 £000	c.f. budgets %	1982/83 £000	budgets %
Wiltshire	3,767	3,665	3,668	99.2	5.0	3,684	3,684	+175	+5.0	+196	+5.6
	2,717	3,199	2,875	120.1	1.0	3,094	3,094	+31	+1.0	-242	-7.3
	3,443	3,643	3,976	107.9	4.0	3,626	3,629	+141	+4.0	-208	-5.4
Wiltshire	2,184	2,374	2,221	110.8	1.0	2,296	2,296	+23	+1.0	-165	-6.7
	3,153	4,113	4,605	133.0	1.0	3,977	3,977	+39	+1.0	-168	-4.0
	6,132	6,360	6,007	105.8	1.1	6,158	6,162	+73	+1.2	-448	-6.8
	2,788	2,818	2,697	103.1	2.8	2,773	2,775	+77	+2.8	-139	-4.8
	3,550	2,610	3,100	75.0	5.0	2,624	2,624	+125	+5.0	-293	-10.0
	2,041	1,757	1,711	87.8	5.0	1,766	1,766	+84	+5.0	+28	+1.6
	4,585	4,484	5,068	99.7	5.0	4,508	4,508	+215	+5.0	-274	-5.7
Wiltshire	3,566	3,285	3,102	93.9	5.0	3,302	3,302	+157	+5.0	-147	-4.3
	2,217	2,063	2,167	94.9	5.0	2,074	2,074	+99	+5.0	-69	-3.2
	4,705	5,055	5,464	109.6	2.9	4,982	4,986	+146	+3.0	-432	-8.0
	3,764	3,515	3,477	95.2	5.0	3,533	3,533	+168	+5.0	-347	-8.9
	3,539	3,761	3,417	108.4	1.0	3,637	3,637	+36	+1.0	-213	-5.5
	7,973	8,073	7,916	103.2	3.3	7,984	7,989	+260	+3.4	-946	-10.6
	5,027	6,246	5,596	126.7	1.0	6,040	6,040	+60	+1.0	-471	-7.2
	2,924	3,746	3,938	130.6	1.0	3,623	3,623	+36	+1.0	-190	-5.0
	3,207	2,899	2,254	92.2	4.2	2,892	2,894	+118	+4.3	-6	-0.2
	1,754	1,549	1,534	90.0	5.0	1,557	1,557	+74	+5.0	-186	-10.7
	1,945	1,941	1,892	100.7	4.4	1,941	1,942	+84	+4.5	-244	-11.2
	4,002	3,450	3,993	87.9	5.0	3,468	3,468	+165	+5.0	-748	-17.7
	4,626	4,208	4,426	92.8	5.0	4,230	4,230	+201	+5.0	-168	-4.2
	4,201	4,956	5,160	120.3	1.0	4,792	4,792	+47	+1.0	-636	-11.7
	6,999	7,021	7,248	102.3	5.0	7,058	7,058	+336	+5.0	-532	-7.3
	5,900	6,082	6,345	105.1	4.0	6,057	6,061	+238	+4.1	-269	-4.2
	5,823	6,291	6,701	110.2	2.3	6,159	6,164	+141	+2.3	-1,623	-20.8
	5,001	5,675	5,239	115.7	1.0	5,487	5,487	+54	+1.0	-522	-8.7
	2,145	2,175	1,862	103.4	1.0	2,103	2,103	+21	+1.0	+177	+9.2
	2,669	2,227	2,145	85.1	5.0	2,239	2,239	+107	+5.0	-41	-1.8
	1,197	972	886	82.8	5.0	978	978	+47	+5.0	-77	-7.3
Wiltshire	18,753	15,391	14,498	83.7	5.0	15,473	15,473	+737	+5.0	-1,934	-11.1
	5,855	5,633	4,945	98.1	3.3	5,572	5,576	+183	+3.4	-12	-0.2
	3,430	4,248	4,482	126.3	1.0	4,108	4,108	+41	+1.0	-159	-3.7
	3,152	3,268	3,167	105.7	1.8	3,185	3,187	+58	+1.9	-133	-4.0
	3,714	3,210	3,288	88.1	5.0	3,227	3,227	+154	+5.0	-37	-1.1
	11,233	11,742	12,632	106.6	4.2	11,710	11,719	+477	+4.2	-1,401	-10.7
	122,098	121,740	120,165	102.4	2.8	121,525	121,615	+3,389	+2.9	-9,262	-7.1
	106,682	107,325	108,339	103.4	2.9	107,257	107,336	+3,109	+3.0	-3,593	-3.2
	141,372	136,528	136,913	99.2	4.9	139,046	139,149	+6,562	+4.9	-6,206	-4.3
	76,632	76,951	73,019	103.2	1.4	75,808	75,864	+1,134	+1.5	-2,396	-3.1
	173,630	173,655	178,125	102.8	3.6	174,760	174,889	+6,246	+3.7	-8,411	-4.6
	41,136	43,453	42,410	108.5	1.0	42,621	42,621	+422	+1.0	-2,503	-5.5
	121,668	113,785	117,278	96.1	5.0	116,026	116,026	+5,525	+5.0	-5,873	-4.8
	111,582	121,362	116,551	111.8	1.0	119,038	119,038	+1,179	+1.0	-7,747	-6.1
Total	163,701	163,701	163,701	102.0	4.4	161,915	161,962	+5,228	+3.3	-13,119	-7.5
Total	894,800	894,800	894,800	102.7	3.0	896,082	896,539	+27,567	+3.2	-45,990	-4.9
Total	1,058,501	1,058,501	1,058,501	102.6	3.2	1,057,997	1,058,501	+32,795	+3.2	-59,109	-5.3

CURRENT SECTOR TARGET: WEIGHTED AVERAGE APPROACH (50,20,30)

£000s

	Current GRE 1982/83 50	Scaled 1981/82 budgets 20	Scaled 1980/81 outturn 30	Ratio of revalued base:GRE	Initial % inc	Initial current target	Final current target	Target 1981/82 £000	c.f. budgets %	1982/83 £000	budgets %
beside	3,767	3,665	3,668	99.2	5.0	3,684	3,684	+175	+5.0	+196	+5.6
	2,717	3,199	2,875	120.1	1.0	3,094	3,094	+31	+1.0	-242	-7.3
	3,443	3,643	3,976	107.9	4.4	3,643	3,645	+157	+4.5	-192	-5.0
Neilor	2,184	2,374	2,221	110.8	1.0	2,296	2,296	+23	+1.0	-165	-6.7
	3,153	4,113	4,605	133.0	1.0	3,977	3,977	+39	+1.0	-168	-4.0
	6,132	6,360	6,007	105.8	1.0	6,150	6,150	+61	+1.0	-460	-7.0
	2,788	2,618	2,697	103.1	2.5	2,767	2,769	+71	+2.6	-145	-5.0
	3,550	2,610	3,100	75.0	5.0	2,624	2,624	+125	+5.0	-293	-10.0
	2,041	1,757	1,711	87.8	5.0	1,766	1,766	+64	+5.0	+28	+1.6
	4,585	4,484	5,068	99.7	5.0	4,508	4,508	+215	+5.0	-274	-5.7
Shropshire	3,566	3,285	3,102	93.9	5.0	3,302	3,302	+157	+5.0	-147	-4.3
West	2,217	2,063	2,167	94.9	5.0	2,074	2,074	+99	+5.0	-69	-3.2
	4,705	5,055	5,464	109.6	3.4	5,003	5,006	+166	+3.4	-412	-7.6
	3,764	3,515	3,477	95.2	5.0	3,533	3,533	+168	+5.0	-347	-8.9
	3,539	3,761	3,417	108.4	1.0	3,637	3,637	+36	+1.0	-213	-5.8
	7,973	8,073	7,916	103.2	3.2	7,976	7,981	+252	+3.3	-954	-10.7
	5,027	6,246	5,596	126.7	1.0	6,040	6,040	+60	+1.0	-471	-7.2
	2,924	3,746	3,938	130.6	1.0	3,623	3,623	+36	+1.0	-190	-5.0
	3,207	2,899	2,254	92.2	3.0	2,860	2,862	+86	+3.1	-38	-1.3
	1,754	1,549	1,534	90.0	5.0	1,557	1,557	+74	+5.0	-186	-10.7
	1,965	1,941	1,892	100.7	4.3	1,938	1,940	+82	+4.4	-246	-11.3
Clay	4,002	3,450	3,993	87.9	5.0	3,468	3,468	+165	+5.0	-748	-17.7
Went	4,626	4,208	4,426	92.8	5.0	4,230	4,230	+201	+5.0	-188	-4.2
	4,201	4,956	5,160	120.3	1.0	4,792	4,792	+47	+1.0	-636	-11.7
	6,999	7,021	7,248	102.3	5.0	7,058	7,058	+336	+5.0	-552	-7.3
Valley	5,900	6,082	6,345	105.1	4.2	6,070	6,074	+251	+4.3	-256	-4.0
	5,823	6,291	6,701	110.2	2.6	6,180	6,184	-161	+2.7	-1,603	-20.6
	5,001	5,675	5,239	115.7	1.0	5,487	5,487	+54	+1.0	-522	-8.7
	2,145	2,175	1,862	103.4	1.0	2,103	2,103	+21	+1.0	+177	+9.2
	2,669	2,227	2,145	85.1	5.0	2,239	2,239	+107	+5.0	-41	-1.8
	1,197	972	866	82.8	5.0	978	978	+47	+5.0	-77	-7.3
Blairgowrie	18,753	15,391	14,498	83.7	5.0	15,473	15,473	+737	+5.0	-1,934	-11.1
	5,855	5,633	4,945	96.1	2.7	5,537	5,541	+148	+2.8	-47	-0.8
	3,430	4,248	4,482	126.3	1.0	4,108	4,108	+41	+1.0	-159	-3.7
	3,152	3,268	3,167	105.7	1.6	3,180	3,182	+53	+1.7	-138	-4.2
	3,714	3,210	3,288	88.1	5.0	3,227	3,227	+154	+5.0	-37	-1.1
	11,233	11,742	12,632	106.6	4.6	11,755	11,763	+521	+4.6	-1,357	-10.3
	122,098	121,740	120,165	102.4	2.7	121,447	121,530	+3,304	+2.8	-9,347	-7.1
	106,682	107,325	108,339	103.4	3.0	107,308	107,382	+3,155	+3.0	-3,547	-3.2
Blairgowrie	141,372	136,528	136,913	99.2	4.9	139,066	139,161	+6,574	+5.0	-6,194	-4.3
	76,632	76,951	73,019	103.2	1.2	75,612	75,664	+934	+1.2	-2,596	-3.3
Blairgowrie	173,630	173,655	178,125	102.8	3.8	174,984	175,104	+6,461	+3.8	-8,196	-4.5
	41,136	43,453	42,410	108.5	1.0	42,621	42,621	+422	+1.0	-2,503	-5.5
Blairgowrie	121,668	113,785	117,278	96.1	5.0	116,026	116,026	+5,525	+5.0	-5,873	-4.8
	111,582	121,362	118,551	111.6	1.0	119,038	119,038	+1,179	+1.0	-7,747	-6.1
Total	163,701	163,701	163,701	102.0	4.4	161,935	161,974	+5,240	+3.3	-13,107	-7.5
Total	894,800	894,800	894,800	102.7	3.0	896,100	896,527	+27,555	+3.2	-46,002	-4.9
Total	1,058,501	1,058,501	1,058,501	102.6	3.2	1,058,035	1,058,501	+32,795	+3.2	-59,109	-5.3

4 CURRENT SECTOR TARGET: WEIGHTED AVERAGE APPROACH (50,10,40)

£000s

	Current GRE 1982/83 50	Scaled 1981/82 budgets 10	Scaled 1980/81 outturn 40	Ratio of revalued base:GRE	Initial % inc	Initial current target	Final current target	Target 1981/82 £000	c.f. budgets %	1982/83 budgets 2000	
Deeside	3,767	3,665	3,668	99.2	5.0	3,684	3,684	+175	+5.0	+196	+5.6
	2,717	3,199	2,875	120.1	1.0	3,094	3,094	+31	+1.0	-242	-7.7
	3,443	3,643	3,976	107.9	5.0	3,662	3,662	+174	+5.0	-175	-4.9
	2,184	2,374	2,221	110.8	1.0	2,296	2,296	+23	+1.0	-165	-6.7
Waelor	3,153	4,113	4,605	133.0	1.0	3,977	3,977	+39	+1.0	-168	-4.0
	6,132	6,360	6,007	105.8	1.0	6,150	6,150	+61	+1.0	-460	-7.0
	2,788	2,818	2,697	103.1	2.1	2,755	2,755	+57	+2.1	-159	-5.4
	3,550	2,610	3,100	75.0	5.0	2,624	2,624	+125	+5.0	-293	-10.0
	2,041	1,757	1,711	87.8	5.0	1,766	1,766	+84	+5.0	+28	+1.6
	4,585	4,484	5,068	99.7	5.0	4,508	4,508	+215	+5.0	-274	-5.7
West	3,566	3,285	3,102	93.9	5.0	3,302	3,302	+157	+5.0	-147	-4.3
	2,217	2,063	2,167	94.9	5.0	2,074	2,074	+99	+5.0	-69	-3.2
	4,705	5,055	5,464	109.6	4.2	5,044	5,045	+205	+4.2	-373	-6.9
	3,764	3,515	3,477	95.2	5.0	3,533	3,533	+168	+5.0	-347	-8.9
	3,539	3,761	3,417	108.4	1.0	3,637	3,637	+36	+1.0	-213	-5.8
	7,973	8,073	7,916	103.2	3.0	7,960	7,962	+233	+3.0	-973	-10.9
	5,927	6,246	5,596	126.7	1.0	6,040	6,040	+60	+1.0	-471	-7.2
	2,924	3,746	3,938	130.6	1.0	3,623	3,623	+36	+1.0	-190	-5.0
	3,207	2,899	2,254	92.2	1.0	2,804	2,804	+28	+1.0	-96	-3.0
	1,754	1,549	1,534	90.0	5.0	1,557	1,557	+74	+5.0	-186	-10.7
	1,965	1,941	1,892	100.7	4.1	1,933	1,934	+76	+4.1	-252	-11.5
	4,002	3,450	3,993	87.9	5.0	3,468	3,468	+165	+5.0	-748	-17.7
	4,626	4,208	4,426	92.8	5.0	4,230	4,230	+201	+5.0	-168	-4.2
	4,201	4,956	5,160	120.3	1.0	4,792	4,792	+47	+1.0	-636	-11.7
	6,999	7,021	7,248	102.3	5.0	7,058	7,058	+336	+5.0	-552	-7.3
	5,900	6,082	6,345	105.1	4.7	6,096	6,098	+275	+4.7	-232	-7.7
	5,823	6,291	6,701	110.2	3.3	6,221	6,223	+200	+3.3	-1,564	-20.1
	5,001	5,675	5,239	115.7	1.0	5,487	5,487	+54	+1.0	-522	-8.7
	2,145	2,175	1,862	103.4	1.0	2,103	2,103	+21	+1.0	+177	+9.2
	2,669	2,227	2,145	85.1	5.0	2,239	2,239	+107	+5.0	-41	-1.8
	1,197	972	886	82.8	5.0	978	978	+47	+5.0	-77	-7.3
	18,753	15,391	14,496	83.7	5.0	15,473	15,473	+737	+5.0	-1,934	-11.1
	5,855	5,633	4,945	98.1	1.4	5,469	5,470	+77	+1.4	-118	-2.1
	3,430	4,248	4,482	126.3	1.0	4,108	4,108	+41	+1.0	-159	-3.7
	3,152	3,268	3,167	105.7	1.3	3,170	3,170	+41	+1.3	-150	-4.5
	3,714	3,210	3,288	88.1	5.0	3,227	3,227	+154	+5.0	-37	-1.1
	11,233	11,742	12,632	106.6	5.0	11,804	11,804	+562	+5.0	-1,316	-10.0
	122,098	121,740	120,165	102.4	2.6	121,289	121,323	+3,097	+2.6	-9,554	-7.3
	106,682	107,325	108,339	103.4	3.1	107,409	107,439	+3,212	+3.1	-3,490	-3.1
	141,372	136,528	136,913	99.2	4.9	139,104	139,142	+6,555	+4.9	-6,213	-4.3
	76,632	76,951	73,019	103.2	1.0	75,477	75,477	+747	+1.0	-2,783	-3.6
	173,630	173,655	178,125	102.8	4.0	175,431	175,479	+6,836	+4.1	-7,821	-4.1
	41,136	43,453	42,410	108.5	1.0	42,621	42,621	+422	+1.0	-2,503	-5.8
	121,668	113,785	117,278	96.1	5.0	116,026	116,026	+5,525	+5.0	-5,873	-4.8
	111,582	121,362	118,551	111.8	1.0	119,038	119,038	+1,179	+1.0	-7,747	-6.1
Total	163,701	163,701	163,701	102.0	4.4	161,945	161,955	+5,221	+3.3	-13,126	-7.5
Total	894,800	894,800	894,800	102.7	3.0	896,395	896,545	+27,573	+3.2	-45,984	-4.5
Total	1,058,501	1,058,501	1,058,501	102.6	3.2	1,058,340	1,058,500	+32,794	+3.2	-59,110	-5.3

Current expenditure target options compared

(£000)

	34:33:33	50:25:25	50:20:30	50:10:40
	(Table 1)	(Table 2)	(Table 3)	(Table 4)
Deeside	3,684	3,684	3,684	3,684
Wyn	3,094	3,094	3,094	3,094
Wm	3,662	3,629	3,645	3,662
Wdwr	2,296	2,296	2,296	2,296
Wdian	3,977	3,977	3,977	3,977
Wnam Maelor	6,175	6,162	6,150	6,150
Wnthen	2,772	2,775	2,769	2,755
Wodigion	2,624	2,624	2,624	2,624
Wdwr	1,766	1,766	1,766	1,766
Welli	4,508	4,508	4,508	4,508
Weli	3,302	3,302	3,302	3,302
Wth Pembrokeshire	2,074	2,074	2,074	2,074
Wmau Gwent	5,078	4,986	5,006	5,045
Wyn	3,533	3,533	3,533	3,533
Wouth	3,637	3,637	3,637	3,637
Wport	7,998	7,989	7,981	7,962
Wsen	6,040	6,040	6,040	6,040
Wronwy	3,623	3,623	3,623	3,623
Wn	2,804	2,894	2,862	2,804
Wfor	1,557	1,557	1,557	1,557
Wionnydd	1,936	1,942	1,940	1,934
Wn Mon	3,468	3,468	3,468	3,468
Wn Valley	4,230	4,230	4,230	4,230
Wnhyr Tydfil	4,792	4,792	4,792	4,792
Wdda	7,058	7,058	7,058	7,058
Wney Valley	6,114	6,061	6,074	6,098
W-Ely	6,276	6,164	6,184	6,223
Wknock	5,487	5,487	5,487	5,487
Wgomery	2,103	2,103	2,103	2,103
Wor	2,239	2,239	2,239	2,239
Wliff	978	978	978	978
W of Glamorgan	15,473	15,473	15,473	15,473
W Valley	5,489	5,576	5,541	5,470
Wn	4,108	4,108	4,108	4,108
Wsea	3,200	3,187	3,182	3,170
Wd	3,227	3,227	3,227	3,227
Wd	11,804	11,719	11,763	11,804
Wnt	121,515	121,615	121,530	121,323
Wedd	107,594	107,336	107,382	107,439
W Glamorgan	138,499	139,149	139,161	139,142
Wre	75,652	75,864	75,664	75,477
W Glamorgan	175,371	174,889	175,104	175,479
W Glamorgan	42,621	42,621	42,621	42,621
W Glamorgan	116,026	116,026	116,026	116,026
W Glamorgan	119,038	119,038	119,038	119,038
W District Total	162,185	161,962	161,974	161,955
W City Total	896,315	896,539	896,527	896,545
W Total	1,058,501	1,058,501	1,058,501	1,058,500

Non-current components of targets (f000)

	RFC to HRA targets	Capital charges net of grant (1)	Interest receipts (1)	Scaled values	
				capital charges	interest receipts
& Deeside	-	610	101	648	102
ym	-	448	50	476	50
owr	134	1,160	15	1,233	15
olau	38	172	108	183	109
an Maelor	-	200	-	213	-
arthen	-	758	93	806	94
idigion	102	417	272	443	274
ur	132	625	272	664	274
elli	95	243	251	258	253
eli	-	1,091	148	1,160	149
on Pembrokeshire	-	500	234	531	236
au Gwent	-	523	332	556	335
ym	787	2,042	-	2,170	-
outh	48	1,218	338	1,295	341
ort	-	613	138	652	139
aan	-	1,866	100	1,983	101
onwy	350	880	-	935	-
on	-	282	69	300	69
or	-	1,346	70	1,431	71
ionnydd	-	423	6	450	6
on Mon	132	414	30	440	30
on Valley	-	621	28	660	28
dyr Tydfil	789	692	200	735	202
dda	434	782	179	831	180
ney Valley	279	1,943	349	2,065	352
LEly	1,240	1,552	368	1,649	371
knock	667	1,301	525	1,383	529
gomery	1,582	1,245	700	1,323	706
or	-	365	312	388	314
liff	-	465	208	494	210
of Glamorgan	-	336	104	357	105
939	939	3,754	583	3,990	588
Valley	-	1,119	259	1,189	261
on	-	1,193	180	1,268	181
sea	-	946	157	1,005	158
51	51	658	102	699	103
-	-	4,869	1,320	5,175	1,331
-	-	12,463	1,830	13,246	1,845
-	-	7,138	1,426	7,586	1,437
-	-	16,014	2,064	17,020	2,080
-	-	5,828	1,328	6,194	1,339
-	-	17,918	2,317	19,043	2,335
-	-	4,723	800	5,020	806
-	-	13,597	775	14,451	781
-	-	12,327	606	13,101	611
istrict Total					
ity Total	7,800	37,672	8,200	40,038	8,265
as Total	-	90,008	11,146	95,662	11,235
Capital charges (net of housing grants linked to capital charges) and interest receipts as reported on RER 83. Capital charges defined as RER 83 rows 54-57 and 76 less housing grants portion of row 63. Interest receipts comprise rows 60 and 77.	7,800	127,680	19,346	135,700	19,500

Target options inclusive of non-current elements

(£000)

Method of calculating current expenditure element

	34:33:33	50:25:25	50:20:30	50:10:40
	(Table 1)	(Table 2)	(Table 3)	(Table 4)
& Deeside	4,231	4,231	4,231	4,231
yn	3,520	3,520	3,520	3,520
owr	5,014	4,981	4,997	5,014
ollan	2,408	2,408	2,408	2,408
ham Maelor	4,190	4,190	4,190	4,190
arthen	6,887	6,874	6,862	6,862
idigion	3,044	3,047	3,041	3,027
owr	3,146	3,146	3,146	3,146
elli	1,866	1,866	1,866	1,866
eli	5,518	5,518	5,518	5,518
in Pembrokeshire	3,598	3,598	3,598	3,598
mau Gwent	2,295	2,295	2,295	2,295
yn	8,035	7,943	7,963	8,002
outh	4,534	4,534	4,534	4,534
ort	4,149	4,149	4,149	4,149
oen	9,880	9,871	9,863	9,844
onwy	7,326	7,326	7,326	7,326
or	3,854	3,854	3,854	3,854
lonnydd	4,164	4,254	4,222	4,164
Mon	2,001	2,001	2,001	2,001
Valley	2,478	2,484	2,482	2,476
tyr Tydfil	4,100	4,100	4,100	4,100
dda	5,553	5,553	5,553	5,553
ney Valley	5,877	5,877	5,877	5,877
Elly	9,050	9,050	9,050	9,050
knock	8,632	8,579	8,592	8,611
gomery	7,796	7,684	7,704	7,743
or	7,686	7,686	7,686	7,686
or	2,176	2,176	2,176	2,176
iff	2,524	2,524	2,524	2,524
of Glamorgan	1,230	1,230	1,230	1,230
Valley	19,815	19,815	19,815	19,815
Valley	6,417	6,504	6,469	6,398
sea	5,195	5,195	5,195	5,195
rd	4,047	4,034	4,029	4,017
rd	3,875	3,875	3,875	3,875
rd	15,648	15,563	15,607	15,648
edd	132,916	133,016	132,931	132,724
Glamorgan	113,743	113,485	113,531	113,588
Glamorgan	153,438	154,088	154,100	154,081
Glamorgan	80,508	80,720	80,520	80,333
Glamorgan	192,079	191,597	191,812	192,187
Glamorgan	46,834	46,834	46,834	46,834
Glamorgan	129,696	129,696	129,696	129,696
dict Total	131,528	131,528	131,528	131,528
ty Total	201,758	201,535	201,547	201,528
ys Total	980,742	980,966	980,954	980,972
	1,182,501	1,182,501	1,182,501	1,182,500

2. Differences between target options and
1982/83 actual total expenditures

(£000)

Method of calculating current element

	34:33:33 (Table 1)	50:25:25 (Table 2)	50:20:30 (Table 3)	50:10:40 (Table 4)	Change due to RFC to HRA
Deeside	+193	+193	+193	+193	-41
Wyn	-272	-272	-272	-272	-58
Wyr	+4	-29	-13	+4	+106
Adlan	-213	-213	-213	-213	-58
Cham Maelor	-162	-162	-162	-162	-7
Marthen	-1,256	-1,269	-1,281	-1,281	-868
Edigion	-173	-170	-176	-190	-56
Wyr	-274	-274	-274	-274	-18
Welli	-223	-223	-223	-223	-264
Welli	-233	-233	-233	-233	-26
Ch Pembrokeshire	-142	-142	-142	-142	-25
Wmau Gwent	-55	-55	-55	-55	-16
Wyn	-216	-308	-288	-249	-4
South	-465	-465	-465	-465	-191
Port	-429	-429	-429	-429	-253
Wren	-1,137	-1,146	-1,154	-1,173	-316
Wconwy	-577	-577	-577	-577	-162
Wyn	-173	-173	-173	-173	-
Wyr	-45	+45	+13	-45	-33
Wlonnydd	-159	-159	-159	-159	-
WMon	-173	-167	-169	-175	+51
WValley	-1,136	-1,136	-1,136	-1,136	-427
Wyr Tydfil	-315	-315	-315	-315	-169
Wdda	-567	-567	-567	-567	+21
Wney Valley	-754	-754	-754	-754	-321
W-Ely	-562	-615	-602	-578	-440
Wknock	-1,929	-2,041	-2,021	-1,982	-495
Wgomery	-272	-272	-272	-272	+178
Wyr	-187	-187	-187	-187	-384
Wliff	-13	-13	-13	-13	-
W of Glamorgan	-57	-57	-57	-57	-
WValley	-1,666	-1,666	-1,666	-1,666	+36
WValley	-267	-180	-215	-286	-236
Wsea	-85	-85	-85	-85	-
Wsea	-134	-147	-152	-164	-72
Wsea	-320	-320	-320	-320	-324
Wsea	-2,090	-2,175	-2,131	-2,090	-1,069
Wsea	-8,594	-8,494	-8,579	-8,786	-
Wsea	-2,898	-3,156	-3,110	-3,053	-
Wsea	-5,867	-5,217	-5,205	-5,224	-
Wsea	-2,252	-2,040	-2,240	-2,427	-
Wsea	-6,822	-7,304	-7,089	-6,714	-
Wsea	-2,213	-2,213	-2,213	-2,213	-
Wsea	-5,025	-5,025	-5,025	-5,025	-
Wsea	-6,978	-6,978	-6,978	-6,978	-
Wsea	-16,535	-16,758	-16,746	-16,765	-5,940
Wsea	-40,649	-40,425	-40,437	-40,419	-
Wsea	-57,183	-57,183	-57,183	-57,184	-5,940

AN EXEMPLIFICATION OF DIFFERENTIAL CLOSE-ENDING AND 'PROPORTIONAL' HOLDBACK

1. Table 1 illustrates, using a simple numerical example, how the differential close-ending and proportional holdback schemes considered in the Main Paper would operate.
2. In order to obtain some feel as to how the target and grant schemes outlined in the paper would affect individual authorities, Tables 2 and 3 exemplify the grant consequences of using:
 - (i) Target Option 3 - the 50% GRE, 20% 1981/82 budgets and 30% 1980/81 outturn variant.
 - (ii) Grant holdback of some £57 million (Table 2) and 50 per cent of that amount (Table 3)
 - (iii) for target achievers (who are 'protected' from both close-ending and holdback) the grant-related poundage schedules published in the 1982 Main Report (see paragraph 10 of the paper for the rationale underlying this procedure); and
 - (iv) for those authorities not meeting their targets close-ending schedules 5.9 per cent and 7.5 per cent higher than the 1982 Report figures in the case of counties and districts respectively.

TABLE 1

(This is a simplified example of differential close-ending and 'proportional' hold-back. See paragraphs 8-10 of the Appendix for, in particular, the qualifications as regards the close-ending guarantee.)

NUMERICAL EXAMPLE OF PROPORTIONAL HOLDBACK

£000s

	Authority A	Authority B
A. 1982/83 total expenditure	5,000	5,500
B. Spending in relation to GRE	115%	115%
C. Target	5,100	5,200
D. Expenditure excess c.f. target	-	300
E. Rateable Value	4,000	4,200
INITIAL BLOCK GRANT CLAIM:		
F. Grant-related expenditure (GRP) for spending in relation to GRE. (as published in Main Report)	25p	25p
G. Grant claim (Expenditure - [GRP x RV])	4,000	4,450
CLOSE-ENDING		
H. GRPs increased by, say, 5% to close-end grant claims. ($F \times 1.05$)	26.25p	26.25p
I. If authority spending within target a multiplier is used to reduce GRP to Main Report level (ie to figure at F. above)	0.95238	-
J. Adjusted GRP	25p	26.25p
K. Close-ended grant	4,000	4,398
HOLDBACK		
L. If holdback equals expenditure excess at D above	-	300
M. Poundage equivalent of holdback (Holdback ÷ RV x 100)	-	7.14p
N. Final GRP (J + M)	25p	33.39p
O. Multiplier to increase GRP from close-ending poundage (J) to hold-back poundage (N)	-	1.272
P. Final grant	4,000	4,098
Q. Reduction from grant claim (G)	-	352

Exemplification of the grant effects of using the target option shown in Annex 1, Table 3

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* HOLDBACK=100% OF EXCESS *
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(0000)

	Original grant claim	Change in grant owing to		Total grant change	Grant after adj'ts
		close- ending	Hold- back		
Am & Deeside	2,478	-	-	-	2,478
Amwy	2,243	-116	-272	-388	1,855
Amyn	3,383	-123	-14	-137	3,246
Amddwr	1,834	-59	-214	-273	1,561
Amddan	2,602	-109	-162	-271	2,331
Amham Maelor	5,293	-213	-1,282	-1,495	3,798
Amharthen	2,340	-66	-176	-242	2,098
Amredigion	2,608	-61	-274	-335	2,273
Amrefwr	1,678	-31	-222	-253	1,425
Amrelli	4,152	-200	-232	-432	3,720
Amrelli	2,375	-83	-142	-225	2,150
Amth Pembrokehire	1,026	-100	-54	-154	872
Amnau Gwent	5,754	-187	-288	-475	5,279
Amnau	3,817	-89	-464	-553	3,264
Amport	2,784	-134	-428	-562	2,222
Amraen	5,221	-436	-1,154	-1,590	3,631
Amrconwy	4,859	-250	-578	-828	4,031
Amrcon	2,552	-112	-172	-284	2,268
Amrfor	3,091	-	-	-	3,091
Amrionnydd	1,551	-46	-160	-206	1,345
Amrion	1,521	-85	-168	-253	1,268
Amrion Valley	3,346	-142	-1,136	-1,278	2,068
Amrhyr Tydfil	4,628	-89	-314	-403	4,225
Amrhyr	4,724	-123	-566	-689	4,035
Amrhyr	6,804	-225	-754	-979	5,825
Amrhyr	7,392	-81	-602	-683	6,709
Amrhyr Valley	7,142	-194	-2,020	-2,214	4,928
Amrhyr	4,730	-234	-272	-506	4,224
Amrhyr	1,749	-79	-186	-265	1,484
Amrhyr	1,907	-47	-14	-61	1,846
Amrhyr	866	-32	-56	-88	778
Amrhyr of Glamorgan	13,234	-618	-1,666	-2,284	10,950
Amrhyr Valley	3,760	-219	-214	-433	3,327
Amrhyr	2,230	-200	-86	-286	1,944
Amrhyr	2,967	-91	-152	-243	2,724
Amrhyr	2,867	-100	-320	-420	2,447
Amrhyr	10,803	-519	-2,130	-2,649	8,154
Amrhyr	90,756	-3,001	-8,578	-11,579	79,177
Amrhyr	77,501	-1,783	-3,110	-4,893	72,608
Amrhyr	103,564	-3,296	-5,204	-8,500	95,064
Amrhyr	55,323	-1,411	-2,240	-3,651	51,672
Amrhyr	148,406	-2,986	-7,088	-10,074	138,332
Amrhyr	37,676	-672	-2,212	-2,884	34,792
Amrhyr	74,789	-3,543	-5,026	-8,569	66,220
Amrhyr	84,368	-3,201	-6,978	-10,179	74,189
Amrhyr	142,511	-5,495	-16,950	-22,445	120,066
Amrhyr	672,384	-19,894	-40,438	-60,332	612,052
Amrhyr	814,895	-25,389	-57,388	-82,777	732,118

Exemplification of the grant effects of using
the target option shown in Annex 1, Table 3
* HOLDBACK=50% OF EXCESS *

(£000)

	Original grant claim	Change in grant owing to		Total grant change	Grant after adj'ts
		close- ending	Hold- back		
Deeside	2,478	-	-	-	2,478
Wyn	2,243	-116	-136	-252	1,991
Wm	3,383	-123	-7	-129	3,253
Wdw	1,834	-59	-107	-165	1,669
Wddian	2,602	-109	-81	-190	2,412
Wmham Maelor	5,293	-213	-641	-854	4,439
Wmth	2,340	-66	-88	-154	2,185
Wdigion	2,608	-61	-137	-199	2,410
Wfwr	1,678	-31	-111	-142	1,536
Welli	4,152	-200	-116	-317	3,836
Weli	2,375	-83	-71	-154	2,220
Wth Pembrokeshire	1,026	-100	-27	-127	899
Wm Gwent	5,754	-187	-144	-331	5,423
Wyn	3,817	-89	-232	-321	3,496
Wouth	2,784	-134	-214	-349	2,436
Wport	5,221	-436	-577	-1,013	4,208
Wasn	4,859	-250	-289	-539	4,320
Wconwy	2,552	-112	-86	-198	2,354
Wn	3,091	-	-	-	3,091
Wfor	1,551	-46	-30	-126	1,425
Wionnydd	1,521	-85	-84	-169	1,351
W Mon	3,346	-142	-568	-710	2,636
Wn Valley	4,628	-89	-157	-246	4,382
Wthyr Tydfil	4,724	-123	-283	-406	4,318
Wdda	6,804	-225	-377	-602	6,202
Wney Valley	7,592	-81	-301	-382	7,210
W-Ely	7,142	-194	-1,010	-1,204	5,938
Wknock	4,730	-234	-136	-369	4,361
Wgomery	1,749	-79	-93	-172	1,577
Wor	1,907	-47	-7	-54	1,853
Wiff	866	-32	-28	-60	806
W of Glamorgan	13,234	-618	-833	-1,451	11,783
W Valley	3,760	-219	-107	-326	3,434
Wth	2,230	-200	-43	-243	1,987
Wsea	2,967	-91	-76	-167	2,800
Wd	2,867	-100	-160	-260	2,607
Wd	10,803	-519	-1,065	-1,585	9,218
Wt	90,756	-3,001	-4,289	-7,290	83,466
Wdd	77,501	-1,783	-1,555	-3,338	74,163
W Glamorgan	103,564	-3,296	-2,602	-5,898	97,666
Ws	55,323	-1,411	-1,120	-2,531	52,792
Wth Glamorgan	148,406	-2,986	-3,544	-6,530	141,876
W Glamorgan	37,676	-672	-1,106	-1,778	35,897
W Glamorgan	74,789	-3,543	-2,513	-6,056	68,733
W Glamorgan	84,368	-3,201	-3,489	-6,690	77,678
Wdict Total	142,511	-5,495	-8,475	-13,971	128,541
Wty Total	672,384	-19,894	-20,219	-40,113	632,271
Ws Total	814,895	-25,389	-28,694	-54,083	760,812