

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

E (82)59
15 July 1982

COPY NO

66

CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

RATE SUPPORT GRANT (RSG) SETTLEMENT (ENGLAND 1983-84)

Memorandum by the Secretary of State for the Environment

Introduction

1. In my letter of 14 June to the Chief Secretary I made some preliminary suggestions about the RSG settlement for 1983-84. In the light of colleagues' comments I now set out revised proposals.

2. They cover:

- i. expenditure targets;
- ii. the public expenditure provision;
- iii. grant related expenditure assessments (GREs)
- iv. aggregate Exchequer grant and holdback.

If colleagues agree, I propose to put them to local government for consultation. We can then reach firm conclusions in the autumn, in time for a settlement before Christmas.

Expenditure Targets.

3. Targets must be set in a way which shows that we are not relaxing our policy of restraint, nor condoning repeated overspending.

4. They must also be realistic. There is no point in asking local government as a whole, nor individual authorities, for reductions that we and they know to be impossible.

5. This year we set some targets below GRE, but decided that there should be no grant loss for authorities spending above target but below GRE. For these authorities the GRE became in effect the target. This arrangement was confusing, and we should avoid it for 1983-84 if possible.

(CONFIDENTIAL)

CONFIDENTIAL

6. Two thirds of authorities, including most of the shire counties, are budgetting to meet either their GRE or their target, ie their "effective target", this year. For these authorities it would be reasonable to ask for a further real reduction next year of perhaps 1% to 2% from where they are now, but no more.

7. For the overspending authorities however we need a more severe discipline.

8. I therefore propose that targets for 1983-84 should be constructed as follows:

For authorities budgetting in 1982-83 at no more than 1% above their effective target

1982-83 budget, less 1% for possible shortfall, plus 5%

For authorities budgetting in 1982-83 above this level

1982-83 effective target + subject to the constraint set out below.

The constraint on the targets for the high spenders is that no target should be below the 1982-83 budget by more than 1% in cash, provided that this does not result in a figure more than 20% above the lower of their original and revised budgets in 1981-82.

9. Annex A explains the basis of this system in more detail and shows how it would work for authorities spending at different levels in relation to their effective targets this year. It has three important features:

- i. The targets will be tough for all authorities. Even those who have complied with our guidelines this year will have only a 4% cash increase on this year's budgets. But since output may be about 1% on average lower than budgets, I could fairly claim that the cash increase was effectively 5% rather than 4%.
- ii. The high spenders will have to make cash reductions of up to 1%. If we assume that local authority costs rise by 6%, this implies a maximum "real terms" cut of about 7%, the same constraint as we applied this year. Reductions on this scale will be very difficult for some authorities. In the metropolitan counties it implies substantial increases in fares in order to reduce public transport subsidies, since we cannot ask them to cut back on police. The GLC will be expected to eliminate this year's expenditure of £125m resulting from the Fares policy and to make a further 1½% cash cut as well.
- iii. Some authorities will have targets below their GRE. In my letter of 14 June I suggested that it would be difficult to get Parliamentary approval for setting targets below GRE and taking grant from authorities which exceed them. But on reflection I believe that we must consult on the basis of asking the low spenders to restrain themselves to a figure below their GRE, with the threat of grant holdback for those who fail to comply. The details of any holdback scheme would in any case be kept for announcement at a later stage (see paragraphs 16 to 20 below).

CONFIDENTIAL

CONFIDENTIAL

10. Exemplifications of targets constructed on this basis are at Annex A.

Public Expenditure Provision

11. Targets constructed on this basis total £20.1 bn, in terms of the total expenditure to be met by rates and rate support grant. They imply a total for current expenditure, in PES terms, of £19.5 bn. That in turn is £900m more than the provision for 1983-84 at present in the White Paper Cmnd 8494. Annex B sets out the relevant figures in detail. The main figures for current expenditure in the two years 1982-83 and 1983-84 are:

	£m rounded	
	1982-83	1983-84
Targets and GRE: provision in Cmnd 8494 (after adjustment to apply the lower rate of National Insurance Surcharge (NIS) to 1982-83).	17,880	
Effective targets (ie greater of GRE or target - in total)	18,600	
Budgets (after NIS adjustment and excluding £125m exceptional expenditure by GLC on Fares Fair)	19,010	
Provision in Cmnd 8494		18,600
Provision now proposed		19,500

A PES provision of £19,500m for current expenditure in 1983-84 thus represents:

- a 9% increase on the 1982-83 provision;
- a 5% increase on the 1982-83 effective targets;
- a 2½% increase on 1982-83 budgets (adjusted as above);

12. An increase of £900m in the present public expenditure provision for 1983-84 would be the minimum required to produce a defensible and tolerable system of targets.

CONFIDENTIAL

CONFIDENTIAL

Total of GREs and Service Distribution

13. GREs represent the assessed need for local government expenditure and are the basis on which block grant is distributed. There is no need for the total of GREs to bear any particular relationship to public expenditure provision. I have proposed a substantial increase in the public expenditure provision to allow for realism in setting targets; but it does not follow that we should increase the GREs to the same extent. In my view this would give the wrong signal to authorities, and would encourage high spending. I therefore propose that the total for GREs in 1982-3 should be uprated by the same amount as the effective targets, ie 5%. That gives a figure of £18.8 bn for the current expenditure component of GREs in 1983-4, that is £200 m more than the present provision of £18.6 bn in the White Paper. If we assume local authority costs increase by 6%, this implies a "real terms" reduction of about 1% in the overall assessed need to spend. That would be consistent with our general strategy.

14. On this approach there will be an amount of £700 m included in the targets but not in the GREs. I propose that this should not be allocated to services in the White Paper but treated as an unallocated margin - in effect an allowance for realism. This would be consistent with the treatment of targets, which are not built up on a service by service basis.

15. We shall need to decide how the total of £18.8 bn should be allocated between services. Annex C shows the present provision for services. On my proposal we shall have a further £200 m to distribute. Colleagues will wish to consider this. A decision on the service distribution is not essential for the proposed statement to local government.

Aggregate Exchequer Grant and Holdback

16. We must provide a grant total and a holdback scheme which together ensure that

(i) authorities spending at target can keep rate increases at year very low;

(ii) authorities exceeding target face severe loss of grant, the risk of very large rate increases unless they cut back.

17. I propose that we tell local government that for spending at targets we envisage an aggregate Exchequer grant of £11.8 bn, a 5% increase on this year's figure of £11.484 bn, or a 5.5% increase on this year's figure net of holdback. (It implies an overall grant increase of 53.2%, compared with this year's 56.1%.) This implies a block grant of £8.8 bn. The table at Annex D shows that if local authorities spend at target, grant of this amount means that there need be no increase in the average domestic rate next year. (There would however be a range of increases and reductions in individual authorities).

18. Actual rate increases will of course depend on actual expenditure. This in turn will depend on the influence we can bring to bear on a holdback scheme. We shall certainly need a scheme of greater severity than anything we have considered in previous years. Local government will thus have a clear choice: to comply with Government guidance and give ratepayers smaller increases than in any year since we took office, or to flout the guidance and have their ratepayers bear the consequences. If they chose to spend above targets, the amount of grant they receive

CONFIDENTIAL

CONFIDENTIAL

will fall substantially below £11.8 bn.

19. We shall need to consider details of the holdback scheme in the autumn, when we have the new GREs for 1983-4 and can look at exemplifications of options in the usual way. Meanwhile, the last two lines of the table in Annex D show that if local authorities overspend our targets by about £1.1 bn - that is, at the level implied by the reports of the Expenditure Groups - rate increases will be very much higher even without holdback. Holdback could push them into double figures unless there is severe cutting back.

20. For the moment, we should tell local government that holdback will be more severe than this year. I suggest that we leave open the way in which holdback would affect those who exceed targets set below GRE. One option would be to have a gradual scale of grant abatement between target and GRE for those authorities, and a steeper scale above GRE. That would be more severe than this year's general exemption from holdback for those spending below GRE, but less severe than a system which made no distinction between targets above and targets below GRE. If we were forced to concede a GRE exemption at a later stage, it might cost about £150 m in additional expenditure by authorities from whom grant pressure would thus be removed. The price of such an exemption might have to be a reduced grant total. It is for consideration whether we should make this clear from the start.

Tactics

21. These proposals can only be consultative at this stage. There is a danger that local authorities will regard them as an opening bid, on which they can then negotiate in the autumn. We must make it clear that while we are open to representations, they are seriously meant and represent a firm strategy. To this end I think we must:

- (i) launch them this month with the local authority associations, at a meeting of the Consultative Council at which the Chancellor and the Chief Secretary and all Cabinet colleagues with local government service responsibilities are present to give full backing to the over-riding priority of the targets;
- (ii) follow this up with political meetings with all the major Conservative authorities to press them for maximum co-operation.

Conclusions

22. I invite colleagues to agree that I should make an early statement to the Consultative Council of provisional proposals for the 1983-4 RSG settlement as follows:

- (i) Expenditure targets to be constructed as at paragraph 8 above, and exemplified as at Annex A for each authority;
- (ii) Public expenditure provision for local authority current, to be £19.5 bn;
- (iii) The total of GREs for current expenditure, and of the public expenditure provision for services, to be £18.8 bn;
- (iv) The £18.8 bn to be allocated between services as colleagues may decide; the remaining £700 m to remain unallocated;

CONFIDENTIAL

CONFIDENTIAL

- (v) Aggregate Exchequer grant to be £11.8 bn before holdback
- (vi) The promise of a severe holdback scheme for overspending authorities.

MH

Department of the Environment
2 Marsham Street
SW1

15 July 1982

CONFIDENTIAL

CONFIDENTIAL

ANNEX A

THE EXPENDITURE TARGETS - AN EXPLANATORY NOTE

The attached table shows the 1983/84 expenditure target for each authority and what these imply in terms of cash changes from 1982/83 effective targets and budgets. All the figures shown are in terms of total expenditure used for block grant purposes (ie current expenditure plus contributions to HRA and financing items, and minus specific and supplementary grants)

Column 1 shows the effective target for each authority in 1982/83. This is the higher of their actual target and GRE. All the figures have been adjusted downwards by 0.6% to reflect the savings resulting from the reduction in NIS. On this basis they sum to £19.15 bn.

Column 2 shows the 1982/83 budget for each authority, again NIS-adjusted. Budgeted expenditure is 3.6% above the sum of effective targets. The budget for the GLC includes £120m attributable to the cost of 'Fares Fair'. This is non recurrent expenditure.

Column 3 shows the 1983/84 target for each authority, which has been constructed on the following basis:

1983/84 Target

For authorities spending up to 1% above the higher of GRE or target in 1982/83

1982/83 budget +4%

For authorities spending more than 1% above the higher of GRE or target

1982/83 effective target +5%, subject to the following constraints for these authorities:-

a) that no target should represent more than a 1% cash reduction from 1982/83 budget and

b) that no target should be more than 20% in cash terms above an authority's 1981/82 "minimum volume" budget - the basis for the 1982/83 targets.
b) is an overriding constraint.

The reason for setting 1% above effective targets as the dividing line between those targets based on budgets +4% and those based on effective targets +5% is to avoid any discontinuity between the two sets of targets. Without this 1% margin, an authority spending just below this effective target in 1982/83 would have a target in 1983/84 which was 1% lower than if it had been spending marginally above its target in 1982/83.

CONFIDENTIAL

The method of constructing targets which has been used is summarized in the following table.

Relationship between 1983/84 Targets and 1982/83 Targets and Budgets

1982/83 Effective Target = 100

1982/83 Budget	Revaluation factor	1983/84 Target
<u>Those Spending up to 1% above Effective Target</u>		
96		
..	X1.04	= 99.8
..		
..		
100		
101	X1.04	= 104.0
	X1.04	= 105.0

Those Spending more than 1% but no more than 6% above Effective Target

102	100		
103	100	X1.05	= 105.0
104	100	X1.05	= 105.0
105	100	X1.05	= 105.0
106	100	X1.05	= 105.0
		X1.05	= 105.0

Those Spending more than 6% above Effective Target

		before constraint	after constraint of max.1% cash reduction from budget
107	100		
108	100	X1.05 =105	= 106
		X1.05 =105	= 107

The constraint of a maximum 1% cash reduction from 1982/83 budgets thus benefits authorities spending more than 6% above their effective target in 1982/83. This includes all the metropolitan counties, 6 non metropolitan counties and 12 London boroughs.

The second constraint which applies to overspending authorities - which overrides the first - limits the cash increase between 1981/82 minimum volume budget and 1983/84 targets to 20%. The main effect of this constraint is to eliminate the non recurrent cost of the GLC's 'Fares Fair' scheme from their 1983/84 target, but it also affects a small number of non metropolitan district overspenders (Milton

CONFIDENTIAL

Keynes, Corby). Although the Metropolitan Police cannot be given a target, it has been necessary to make assumptions about their expenditure in these exemplifications. Accordingly the figure shown in Column 3 for the Metropolitan Police is their 1982/83 GRE rescaled by 5%. This will no doubt need adjustment when the Home Secretary approves their budgets for 1983/84.

Overall, the targets shown in Column 3 sum to £20.1 bn in total expenditure terms, which is consistent with the proposed provision for current expenditure of £19.5 bn.

Columns 4 - 6 express the 1983/84 targets in terms of percentage cash changes from:

- a) 1982/83 Effective targets (the higher of actual target and GRE) - (Column 4)
- b) 1982/83 Budgets (Column 5)
- c) 1981/82 'Minimum Volume' budgets - the lower of original and revised budgets in terms of current expenditure (Column 6)

The resulting patterns of cash changes shown in Columns 4 and 5 can be explained with reference to the illustrative table shown above. Authorities subject to the 1% maximum cash reduction can be readily identified from Column 5.

From Column 6, those overspending authorities subject to the 20% constraint on increases in expenditure over two years can be identified.

CONFIDENTIAL

ANNEX A

TABLE 1

MIS adjusted

Results obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase effective target for those spending more, but subject to a max 1% cash reduction from budget and 20% increase from MVB

	1992/93		1993/94 target	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
England	£19,152.781m	£19,836.582m	£20,095.696m	4.5%	1.3%	10.4%
Police districts	£1,476.089m	£1,393.715m	£1,430.631m	-3.2%	2.6%	7.3%
Police counties	£3,834.629m	£3,986.845m	£9,236.567m	4.0%	2.8%	11.9%
Police districts	£3,864.260m	£3,978.762m	£4,052.830m	4.9%	1.9%	7.9%
Police counties	£979.294m	£1,114.999m	£1,103.849m	12.7%	-1.0%	11.3%
Police total	£10,362.718m	£10,380.561m	£10,667.192m	2.9%	2.8%	11.3%
Police total	£4,843.574m	£5,093.787m	£5,156.679m	6.5%	1.2%	8.7%
Metropolitan	£116.443m	£118.850m	£121.626m	4.5%	2.3%	7.2%
Police of Inner London	£718.157m	£770.774m	£774.579m	7.9%	0.5%	4.9%
Police London inc HE4	£1,510.690m	£1,658.164m	£1,657.060m	9.7%	-0.1%	7.1%
Police London	£1,621.133m	£1,693.617m	£1,717.360m	5.9%	1.7%	7.1%
Met Police	£813.479m	£1,014.295m	£896.186m	10.2%	-11.6%	24.7%
Police total	£3,945.302m	£4,361.076m	£4,270.605m	8.2%	-2.1%	10.4%
Police authorities	£1,640.767m	£1,731.918m	£1,749.195m	6.6%	1.0%	5.5%
Police authorities	£1,271.921m	£1,332.346m	£1,351.167m	6.2%	1.4%	9.8%
Police & programme	£2,912.682m	£3,064.264m	£3,100.361m	6.4%	1.2%	7.4%

CONFIDENTIAL

TABLE 1

NIS adjusted

data obtained by allowing 4% increase from budget for those spending up to 1% above effective target and 5% increase effective target for those spending more but subject to a max 1% cash reduction from budget and 20% increase from NIS

	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target Col 1	Budget Col 2		Effective target Col 4	Budget Col 5	
F SULLY	£1.187m	£1.157m	£1.204m	1.4%	4.0%	14.3%
GRANTIES						
ardshire	£221.920m	£306.104m	£303.043m	7.5%	-1.0%	12.7%
hire	£189.623m	£188.100m	£186.219m	9.8%	-1.0%	11.4%
ambershire	£214.691m	£223.073m	£225.425m	5.0%	1.1%	15.8%
icestershire	£180.417m	£180.362m	£187.576m	4.0%	4.0%	13.9%
hire	£182.572m	£179.786m	£186.978m	2.4%	4.0%	12.1%
land	£305.645m	£332.233m	£328.910m	7.6%	-1.0%	8.6%
hall	£206.006m	£224.372m	£222.128m	7.8%	-1.0%	7.6%
via	£132.059m	£125.472m	£130.491m	-1.2%	4.0%	12.2%
orshire	£151.991m	£157.039m	£159.590m	5.0%	1.6%	6.9%
m	£283.468m	£291.634m	£297.641m	5.0%	2.1%	13.6%
el	£291.410m	£276.552m	£289.694m	-0.6%	4.0%	12.7%
an	£173.106m	£171.978m	£178.657m	3.3%	4.0%	4.7%
Sussex	£191.887m	£193.383m	£201.481m	5.0%	1.6%	4.2%
ex	£187.707m	£187.683m	£195.191m	4.0%	4.0%	8.5%
oucestershire	£447.819m	£446.452m	£464.310m	3.7%	4.0%	15.7%
eshire	£153.867m	£153.371m	£159.506m	3.7%	4.0%	11.5%
xford and Worcester	£455.281m	£455.281m	£473.492m	4.0%	4.0%	11.2%
fordshire	£195.942m	£195.922m	£203.739m	4.0%	4.0%	13.4%
berside	£301.111m	£301.111m	£313.155m	4.0%	4.0%	9.9%
le of Wight	£238.011m	£309.022m	£305.931m	6.2%	-1.0%	12.7%
nt	£37.126m	£37.124m	£38.609m	4.0%	4.0%	13.7%
ashire	£436.809m	£435.161m	£432.567m	-0.9%	4.0%	11.0%
oucestershire	£446.895m	£446.862m	£464.736m	4.0%	4.0%	11.6%
oolshire	£276.750m	£276.693m	£287.763m	4.0%	4.0%	19.4%
rtolk	£172.891m	£172.328m	£179.221m	3.7%	4.0%	13.3%
thamtonshire	£208.111m	£203.832m	£211.985m	1.9%	4.0%	12.1%
thumberland	£175.257m	£175.177m	£182.184m	4.0%	4.0%	21.4%
th Yorkshire	£95.842m	£98.947m	£100.634m	5.0%	1.7%	6.4%
ilionshire	£207.302m	£207.302m	£215.594m	4.0%	4.0%	9.8%
terdshire	£321.900m	£348.727m	£345.240m	7.3%	-1.0%	12.9%
orshire	£159.783m	£159.444m	£165.822m	3.8%	4.0%	8.6%
arsel	£122.400m	£120.186m	£124.994m	2.1%	4.0%	15.1%
uffordshire	£130.913m	£130.628m	£135.853m	3.8%	4.0%	12.9%
ffolk	£322.270m	£326.526m	£338.383m	5.0%	3.6%	11.0%
erter	£179.629m	£179.814m	£187.006m	4.0%	4.0%	14.7%
wickshire	£278.019m	£273.022m	£283.943m	2.1%	4.0%	10.3%
est Sussex	£149.241m	£149.241m	£155.211m	4.0%	4.0%	16.3%
ilshire	£184.369m	£179.137m	£186.303m	1.0%	4.0%	13.0%
	£164.389m	£160.712m	£167.140m	1.7%	4.0%	13.2%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase effective target for those spending more but subject to a max 1% cash reduction from budget and 20% increase from MVB

1982/83			Change from		
Effective target	Budget	1983/84 target	Effective target	Budget	Minimum volume budget
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6
£52.597m	£55.005m	£55.227m	5.0%	0.4%	1.2%
£95.776m	£96.270m	£100.121m	4.5%	4.0%	0.7%
£48.081m	£52.503m	£51.978m	8.1%	-1.0%	4.2%
£62.769m	£76.490m	£75.723m	20.6%	-1.0%	16.3%
£49.166m	£56.900m	£56.331m	14.6%	-1.0%	10.4%
£65.208m	£69.662m	£68.965m	5.8%	-1.0%	1.9%
£36.748m	£38.261m	£38.586m	5.0%	0.8%	9.3%
£94.286m	£100.406m	£99.403m	5.4%	-1.0%	1.6%
£70.033m	£73.534m	£73.534m	5.0%	0.0%	1.2%
£81.951m	£84.623m	£86.048m	5.0%	1.7%	1.2%
£54.944m	£62.358m	£61.734m	12.4%	-1.0%	8.3%
£59.196m	£59.768m	£62.155m	5.0%	4.0%	7.7%
£63.846m	£63.846m	£66.399m	4.0%	4.0%	12.6%
£55.840m	£56.713m	£58.633m	5.0%	3.4%	2.2%
£93.469m	£93.434m	£97.171m	4.0%	4.0%	9.6%
£73.475m	£77.083m	£77.149m	5.0%	0.1%	4.7%
£118.659m	£133.946m	£132.606m	11.8%	-1.0%	9.5%
£90.256m	£88.798m	£92.349m	2.3%	4.0%	7.2%
£108.033m	£100.355m	£104.370m	-3.4%	4.0%	7.6%
£107.418m	£108.681m	£112.789m	5.0%	3.3%	10.4%
£87.548m	£90.185m	£91.925m	5.0%	1.9%	5.9%
£106.213m	£121.894m	£120.675m	13.6%	-1.0%	10.4%
£65.218m	£71.075m	£70.365m	7.9%	-1.0%	7.9%
£79.844m	£79.844m	£83.038m	4.0%	4.0%	3.7%
£82.132m	£84.269m	£86.245m	5.0%	2.3%	4.7%
£75.168m	£84.439m	£83.595m	5.6%	-1.0%	2.6%
£43.532m	£42.221m	£43.909m	0.9%	4.0%	2.1%
£54.804m	£54.840m	£57.034m	4.1%	4.0%	6.2%
£107.728m	£120.204m	£119.002m	10.5%	-1.0%	7.5%
£72.614m	£72.610m	£75.513m	4.0%	4.0%	10.6%
£47.813m	£47.846m	£49.760m	4.1%	4.0%	4.7%
£52.098m	£52.087m	£54.171m	4.0%	4.0%	7.5%
£55.265m	£108.142m	£107.060m	12.4%	-1.0%	9.2%
£477.345m	£678.161m	£543.413m	13.8%	-19.9%	20.0%
£676.090m	£768.540m	£760.854m	12.5%	-1.0%	9.3%
£336.134m	£336.134m	£352.773m	4.9%	4.9%	32.8%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spendings up to 1% above effective target, and 5% increase in effective target for those spendings more, but subject to a max 1% cash reduction from budget and 20% increase from NIS

	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
MANCHESTER						
Manchester	£86.503m	£85.360m	£88.774m	2.6%	4.0%	13.4%
Manchester	£52.990m	£57.833m	£57.260m	8.1%	-1.0%	3.1%
Manchester	£228.765m	£231.637m	£240.203m	5.0%	3.7%	1.8%
Manchester	£77.524m	£77.524m	£80.625m	4.0%	4.0%	11.3%
Manchester	£73.453m	£82.665m	£81.838m	11.4%	-1.0%	3.6%
Manchester	£86.993m	£89.500m	£91.342m	5.0%	2.1%	5.3%
Manchester	£86.754m	£85.291m	£88.702m	2.2%	4.0%	9.7%
Manchester	£71.732m	£77.239m	£76.467m	6.6%	-1.0%	7.2%
Manchester	£70.426m	£67.773m	£70.484m	0.1%	4.0%	9.9%
Manchester	£98.442m	£105.729m	£104.672m	6.3%	-1.0%	6.6%
MANCHESTER						
Manchester	£64.736m	£66.764m	£67.972m	5.0%	1.8%	7.7%
Manchester	£201.849m	£215.091m	£212.940m	5.5%	-1.0%	4.4%
Manchester	£63.775m	£66.114m	£66.964m	5.0%	1.3%	5.3%
Manchester	£91.966m	£84.623m	£88.008m	-4.3%	4.0%	9.0%
Manchester	£106.854m	£107.101m	£111.385m	4.2%	4.0%	9.8%
MANCHESTER						
Manchester	£71.842m	£75.175m	£75.434m	5.0%	0.3%	3.6%
Manchester	£97.057m	£100.313m	£101.910m	5.0%	1.6%	4.3%
Manchester	£81.345m	£81.344m	£84.593m	4.0%	4.0%	4.0%
Manchester	£190.364m	£208.114m	£206.033m	8.2%	-1.0%	4.9%
MANCHESTER						
Manchester	£67.962m	£74.775m	£74.027m	8.9%	-1.0%	9.2%
Manchester	£110.518m	£121.696m	£120.479m	9.0%	-1.0%	5.7%
Manchester	£65.107m	£73.518m	£72.783m	11.8%	-1.0%	11.2%
Manchester	£53.320m	£59.978m	£61.236m	5.0%	2.1%	4.3%
Manchester	£96.097m	£102.288m	£101.265m	5.4%	-1.0%	3.7%
MANCHESTER						
Manchester	£359.681m	£359.433m	£373.815m	3.9%	4.0%	3.7%
Manchester	£112.156m	£113.130m	£117.653m	4.9%	4.0%	12.0%
Manchester	£84.808m	£78.536m	£81.677m	-3.7%	4.0%	11.4%
Manchester	£104.704m	£106.343m	£109.939m	5.0%	3.4%	6.3%
Manchester	£63.014m	£59.288m	£61.660m	-2.1%	4.0%	12.8%
Manchester	£83.824m	£97.037m	£96.667m	8.9%	-1.0%	10.4%
Manchester	£94.559m	£94.559m	£93.342m	4.0%	4.0%	6.3%
MANCHESTER						
Manchester	£156.023m	£167.984m	£166.304m	6.6%	-1.0%	14.4%
Manchester	£59.663m	£64.976m	£64.326m	7.3%	-1.0%	9.0%
Manchester	£121.939m	£121.939m	£126.316m	4.0%	4.0%	10.6%
Manchester	£223.814m	£223.814m	£232.767m	4.0%	4.0%	14.3%
Manchester	£94.301m	£94.289m	£93.060m	4.0%	4.0%	5.0%

4

Page

CONFIDENTIAL

TABLE 1

NTS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase in effective target for those spending more, but subject to a max 1% cash reduction from budget and 20% increase from MVB

	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target Col 1	Budget Col 2		Effective target Col 4	Budget Col 5	
Metropolitan Counties						
Greater Manchester	£215.507m	£236.593m	£234.227m	8.7%	-1.0%	7.8%
Merseyside	£133.535m	£164.418m	£162.774m	17.5%	-1.0%	16.5%
West Yorkshire	£146.919m	£161.073m	£159.463m	8.5%	-1.0%	7.6%
East and West	£122.241m	£136.090m	£134.719m	10.2%	-1.0%	9.3%
West Midlands	£195.647m	£228.386m	£226.102m	15.6%	-1.0%	14.7%
East Yorkshire	£160.444m	£188.449m	£186.564m	16.3%	-1.0%	15.3%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase for those spending more, but subject to a max 1% cash reduction from budget and 20% increase from NVE

City	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
Leeds	£5.068m	£4.071m	£4.234m	-16.5%	4.0%	2.7%
Sheffield	£32.476m	£32.994m	£34.100m	5.0%	3.4%	2.1%
Sheff Hallam	£3.705m	£3.591m	£3.735m	0.8%	4.0%	45.4%
Sheff Hallam	£4.733m	£3.872m	£4.027m	-15.3%	4.0%	13.2%
Sheff Hallam	£3.296m	£2.578m	£2.681m	-18.6%	4.0%	7.1%
Sheff Hallam	£7.310m	£7.310m	£7.603m	4.0%	4.0%	10.6%
Sheff Hallam	£5.859m	£5.466m	£5.685m	-3.0%	4.0%	8.0%
Sheff Hallam	£3.378m	£3.373m	£3.703m	3.9%	4.0%	11.6%
Sheff Hallam	£3.531m	£2.918m	£3.034m	-14.1%	4.0%	12.8%
Sheff Hallam	£4.615m	£4.576m	£4.759m	3.1%	4.0%	6.9%
Sheff Hallam	£3.600m	£3.213m	£3.342m	-7.2%	4.0%	10.8%
Sheff Hallam	£5.539m	£4.932m	£5.130m	-7.4%	4.0%	14.4%
Sheff Hallam	£10.040m	£10.662m	£10.556m	5.1%	-1.0%	2.2%
Sheff Hallam	£5.850m	£5.291m	£5.503m	-5.9%	4.0%	-5.0%
Sheff Hallam	£6.427m	£5.065m	£5.267m	-18.0%	4.0%	15.8%
Sheff Hallam	£4.893m	£4.218m	£4.337m	-10.3%	4.0%	-2.5%
Sheff Hallam	£5.397m	£3.537m	£3.678m	-31.8%	4.0%	-4.0%
Sheff Hallam	£2.397m	£1.920m	£1.997m	-23.1%	4.0%	2.0%
Sheff Hallam	£3.585m	£2.881m	£2.996m	-16.4%	4.0%	-1.7%
Sheff Hallam	£5.982m	£7.325m	£7.229m	20.3%	-1.3%	20.0%
Sheff Hallam	£6.663m	£4.544m	£4.725m	-29.1%	4.0%	-0.3%
Sheff Hallam	£5.832m	£4.953m	£5.151m	-11.7%	4.0%	14.1%
Sheff Hallam	£2.173m	£1.075m	£1.118m	-48.7%	4.0%	-23.5%
Sheff Hallam	£2.995m	£2.478m	£2.578m	-14.0%	4.0%	2.3%
Sheff Hallam	£5.023m	£4.163m	£4.335m	-13.7%	4.0%	7.6%
Sheff Hallam	£8.337m	£8.305m	£8.638m	3.6%	4.0%	0.7%
Sheff Hallam	£4.193m	£2.506m	£2.606m	-37.9%	4.0%	13.7%
Sheff Hallam	£5.912m	£6.117m	£6.207m	5.0%	1.5%	2.1%
Sheff Hallam	£3.429m	£3.429m	£3.566m	4.0%	4.0%	7.6%
Sheff Hallam	£5.626m	£5.672m	£5.899m	4.9%	4.0%	1.9%
Sheff Hallam	£4.239m	£4.213m	£4.337m	3.5%	4.0%	8.0%
Sheff Hallam	£6.211m	£6.209m	£6.458m	4.0%	4.0%	2.0%
Sheff Hallam	£6.909m	£5.921m	£6.158m	-10.9%	4.0%	7.6%
Sheff Hallam	£4.820m	£4.912m	£5.051m	5.0%	3.0%	4.7%
Sheff Hallam	£8.385m	£9.003m	£8.913m	6.3%	-1.0%	10.0%

6

CONFIDENTIAL

TABLE 1

NTS adjusted

Costs obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase effective target for those spending more, but subject to a max 1% cash reduction from budget and 20% increase from MVB

	1982/83		1983/84 target	Change from		Minimum volume budget
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6
Derby	£5.709m	£6.170m	£6.108m	7.0%	-1.0%	4.0%
Derbyshire	£12.282m	£14.164m	£14.023m	14.2%	-1.0%	11.0%
Derbyshire	£13.537m	£15.192m	£15.040m	11.1%	-1.0%	2.0%
Derbyshire	£10.514m	£10.513m	£10.934m	4.0%	4.0%	1.1%
Derbyshire	£3.179m	£2.558m	£2.660m	-16.3%	4.0%	5.9%
Derbyshire	£3.711m	£3.206m	£3.334m	-10.2%	4.0%	-11.2%
Derbyshire	£3.763m	£3.014m	£3.135m	-16.7%	4.0%	6.9%
Derbyshire	£3.278m	£2.576m	£2.679m	-18.3%	4.0%	15.7%
Derbyshire	£2.915m	£2.890m	£3.005m	3.1%	4.0%	6.7%
Derbyshire	£3.712m	£3.129m	£3.254m	-12.3%	4.0%	9.4%
Derbyshire	£4.806m	£4.779m	£4.970m	3.4%	4.0%	6.3%
Derbyshire	£3.898m	£3.687m	£4.042m	4.0%	4.0%	1.5%
Derbyshire	£5.635m	£6.067m	£6.026m	6.9%	-1.0%	4.0%
Derbyshire	£3.933m	£4.074m	£4.182m	5.0%	2.6%	2.1%
Derbyshire	£1.974m	£1.536m	£1.597m	-19.1%	4.0%	3.9%
Derbyshire	£4.844m	£4.844m	£5.038m	4.0%	4.0%	15.0%
Derbyshire	£4.712m	£4.604m	£4.788m	1.6%	4.0%	9.1%
Derbyshire	£3.303m	£3.423m	£3.473m	5.0%	1.5%	2.1%
Derbyshire	£5.455m	£6.166m	£6.105m	11.9%	-1.0%	8.6%
Derbyshire	£11.698m	£11.698m	£12.166m	4.0%	4.0%	9.2%
Derbyshire	£5.020m	£4.926m	£5.123m	2.0%	4.0%	12.3%
Derbyshire	£3.771m	£3.771m	£3.921m	4.0%	4.0%	2.4%
Derbyshire	£4.331m	£4.335m	£4.508m	4.1%	4.0%	1.2%
Derbyshire	£2.314m	£2.146m	£2.232m	-20.7%	4.0%	12.5%
Derbyshire	£3.034m	£2.945m	£3.063m	0.9%	4.0%	16.9%
Derbyshire	£5.587m	£4.146m	£4.312m	-22.8%	4.0%	7.6%
Derbyshire	£5.586m	£4.059m	£4.221m	-24.4%	4.0%	14.1%
Derbyshire	£3.810m	£3.332m	£3.465m	-9.1%	4.0%	4.2%
Derbyshire	£13.991m	£10.712m	£11.140m	-20.4%	4.0%	17.1%
Derbyshire	£3.476m	£2.898m	£3.014m	-13.3%	4.0%	9.0%
Derbyshire	£4.879m	£4.331m	£4.505m	-7.7%	4.0%	7.5%
Derbyshire	£2.537m	£2.354m	£2.448m	-3.5%	4.0%	33.2%
Derbyshire	£6.183m	£5.893m	£6.129m	-0.9%	4.0%	15.1%
Derbyshire	£2.350m	£2.332m	£2.425m	2.9%	4.0%	8.5%
Derbyshire	£1.853m	£1.423m	£1.485m	-20.1%	4.0%	9.3%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase from effective target for those spending more, but subject to a max 1% cash reduction from budget and 20% increase from MVB

Locality	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
NET						
Bournemouth	£9.132m	£8.856m	£9.211m	0.9%	4.0%	10.6%
Christchurch	£1.991m	£1.703m	£1.777m	-10.7%	4.0%	19.6%
North Dorset	£2.212m	£1.073m	£1.116m	-49.5%	4.0%	-7.3%
Poole	£6.186m	£5.544m	£5.766m	-6.8%	4.0%	8.7%
Worbar	£1.926m	£1.288m	£1.339m	-30.5%	4.0%	8.7%
West Dorset	£4.054m	£2.420m	£2.517m	-37.9%	4.0%	8.7%
Bournemouth and Portland	£3.174m	£2.873m	£2.982m	-5.9%	4.0%	12.2%
Wabourne	£3.034m	£2.314m	£2.406m	-20.4%	4.0%	16.3%
STUR						
Shester-le-Street	£2.757m	£3.124m	£3.092m	12.1%	-1.0%	9.0%
Burlington	£7.544m	£7.662m	£7.921m	5.0%	3.4%	2.1%
Percepside	£5.986m	£5.985m	£6.224m	4.0%	4.0%	1.1%
Barbar	£5.213m	£5.451m	£5.473m	5.0%	0.4%	2.1%
Edington	£5.643m	£6.173m	£6.112m	8.2%	-1.0%	11.2%
Bedesfield	£7.623m	£7.537m	£7.890m	3.4%	4.0%	0.6%
Predele	£1.092m	£0.918m	£0.954m	-12.6%	4.0%	12.7%
Dear Valley	£4.781m	£4.769m	£4.960m	3.7%	4.0%	0.9%
ST GUSSEX						
Edington	£11.700m	£13.360m	£13.226m	13.0%	-1.0%	11.5%
Eastbourne	£5.374m	£5.041m	£5.243m	-2.4%	4.0%	-5.1%
Bedles	£4.563m	£4.476m	£4.655m	2.0%	4.0%	16.1%
Stree	£6.135m	£4.736m	£4.923m	-19.7%	4.0%	17.8%
Bother	£3.923m	£3.847m	£4.001m	2.0%	4.0%	10.7%
Walden	£3.917m	£3.785m	£3.936m	0.5%	4.0%	7.6%
SEEX	£5.255m	£3.832m	£3.985m	-24.2%	4.0%	6.9%
SEIX						
Sealdon	£10.463m	£11.524m	£11.409m	9.0%	-1.0%	6.0%
Seaintree	£4.704m	£3.954m	£4.112m	-12.6%	4.0%	5.6%
Seintwood	£3.261m	£2.339m	£2.432m	-25.4%	4.0%	8.7%
Castle Point	£3.732m	£3.571m	£3.714m	-0.5%	4.0%	7.0%
Chelmsford	£6.553m	£3.892m	£4.047m	-38.2%	4.0%	8.7%
Colchester	£6.346m	£4.592m	£4.776m	-24.7%	4.0%	7.9%
Essex Forest	£5.077m	£4.467m	£4.646m	-8.5%	4.0%	5.7%
Harlow	£5.916m	£6.997m	£6.927m	17.1%	-1.0%	13.8%
Melton	£2.021m	£1.659m	£1.726m	-14.6%	4.0%	7.3%
Roehford	£3.250m	£2.801m	£2.913m	-10.4%	4.0%	4.3%
Southend-on-Sea	£9.833m	£9.974m	£10.324m	5.0%	3.5%	8.7%
Thurrock	£5.994m	£5.897m	£6.132m	2.3%	4.0%	15.2%
Waltham	£6.576m	£7.492m	£7.417m	12.8%	-1.0%	9.7%
Willesford	£2.530m	£2.052m	£2.134m	-17.3%	4.0%	16.0%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase for those spending more but subject to a max 1% cash reduction from budget and 20% increase from NIVB

Locality	1982/83		1983/84	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
WESTERSHIRE						
Ellenham						
Woold						
West of Dean	£4.666m	£3.977m	£4.136m	-11.3%	4.0%	8.7%
Worcester	£3.065m	£2.523m	£2.629m	-14.2%	4.0%	7.4%
Wood	£2.984m	£2.513m	£2.613m	-12.4%	4.0%	27.9%
Worcesterbury	£4.708m	£2.966m	£3.084m	-34.5%	4.0%	7.7%
	£4.270m	£3.284m	£3.415m	-20.0%	4.0%	8.7%
	£3.279m	£2.187m	£2.275m	-30.6%	4.0%	-2.9%
WILTSHIRE						
Wiltshire and Deane						
Wiltshire	£5.957m	£5.815m	£6.047m	1.5%	4.0%	2.9%
Wiltshire	£3.954m	£3.789m	£3.940m	-0.4%	4.0%	20.7%
Wiltshire	£3.999m	£3.417m	£3.553m	-11.1%	4.0%	8.7%
Wiltshire	£3.943m	£3.943m	£4.106m	4.0%	4.0%	2.3%
Wiltshire	£4.133m	£3.549m	£3.691m	-10.7%	4.0%	15.3%
Wiltshire	£3.067m	£2.718m	£2.827m	-7.3%	4.0%	1.2%
Wiltshire	£5.645m	£4.516m	£4.697m	-16.8%	4.0%	4.1%
Wiltshire	£7.295m	£5.951m	£6.189m	-15.2%	4.0%	7.6%
Wiltshire	£14.201m	£15.948m	£15.788m	11.2%	-1.0%	8.1%
Wiltshire	£4.672m	£4.593m	£4.782m	2.4%	4.0%	-0.5%
Wiltshire	£12.701m	£12.499m	£12.999m	2.3%	4.0%	5.9%
Wiltshire	£4.103m	£3.264m	£3.394m	-17.4%	4.0%	7.3%
Wiltshire	£4.155m	£3.480m	£3.619m	-12.9%	4.0%	-4.4%
WILTSHIRE AND WORCESTER						
Wiltshire						
Wiltshire						
Wiltshire	£3.212m	£2.492m	£2.591m	-19.3%	4.0%	1.7%
Wiltshire	£2.323m	£2.275m	£2.366m	1.9%	4.0%	23.2%
Wiltshire	£1.728m	£1.320m	£1.373m	-20.6%	4.0%	18.1%
Wiltshire	£3.602m	£3.126m	£3.253m	-9.7%	4.0%	15.1%
Wiltshire	£3.264m	£3.606m	£3.570m	9.4%	-1.0%	6.4%
Wiltshire	£1.961m	£1.522m	£1.533m	-19.3%	4.0%	7.5%
Wiltshire	£3.863m	£3.796m	£3.948m	2.2%	4.0%	4.8%
Wiltshire	£4.315m	£4.300m	£4.472m	3.7%	4.0%	1.3%
Wiltshire	£5.910m	£6.165m	£6.205m	5.0%	0.6%	2.1%
WILTSHIRE						
Wiltshire						
Wiltshire	£3.991m	£3.393m	£3.529m	-11.6%	4.0%	-7.3%
Wiltshire	£6.495m	£5.857m	£6.091m	-6.2%	4.0%	3.8%
Wiltshire	£5.091m	£5.028m	£5.230m	2.7%	4.0%	12.5%
Wiltshire	£4.953m	£4.953m	£5.151m	4.0%	4.0%	1.1%
Wiltshire	£5.035m	£4.770m	£4.961m	-1.5%	4.0%	21.6%
Wiltshire	£5.912m	£4.897m	£5.093m	-13.9%	4.0%	12.3%
Wiltshire	£5.455m	£5.901m	£5.842m	7.1%	-1.0%	4.1%
Wiltshire	£3.943m	£3.897m	£4.053m	2.8%	4.0%	0.3%
Wiltshire	£5.193m	£5.263m	£5.453m	5.0%	3.6%	2.1%
Wiltshire	£5.133m	£5.143m	£5.354m	4.2%	4.0%	1.8%

9

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase for those spending more but subject to a max 1% cash reduction from budget and 20% increase from NIS

Authority	1982/83		1983/84 target	Change from		Minimum volume budget
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6
BERKSHIRE						
Berkley						
Bathferry	£4.649m	£3.779m	£3.931m	-15.4%	4.0%	14.4%
Bethersnet	£3.420m	£3.420m	£3.556m	4.0%	4.0%	1.1%
Barnford	£4.090m	£4.461m	£4.416m	8.0%	-1.0%	5.0%
East Grimsby	£3.321m	£3.354m	£3.437m	5.0%	4.0%	2.1%
Bolderness	£5.189m	£5.423m	£5.449m	5.0%	0.5%	11.7%
Doncaster on Hull	£2.107m	£1.698m	£1.766m	-16.2%	4.0%	11.2%
East Yorkshire	£17.965m	£20.323m	£20.119m	11.9%	-1.0%	8.8%
Donthorpe	£3.836m	£4.099m	£4.053m	5.3%	-1.0%	9.3%
	£5.596m	£6.111m	£6.050m	8.3%	-1.0%	5.3%
E OF WIGHT						
Wight						
South Wight	£3.047m	£3.043m	£3.165m	3.9%	4.0%	6.5%
	£2.517m	£2.518m	£2.618m	4.0%	4.0%	1.2%
GLoucestershire						
Gloucester	£3.928m	£3.899m	£4.054m	3.2%	4.0%	12.0%
Gloucestershire	£6.277m	£6.277m	£6.523m	4.0%	4.0%	7.6%
Gloucestershire	£5.179m	£5.166m	£5.372m	3.7%	4.0%	0.9%
Gloucestershire	£5.218m	£5.413m	£5.479m	5.0%	1.2%	3.1%
Gloucestershire	£4.676m	£2.368m	£2.484m	-46.9%	4.0%	11.5%
Gloucestershire	£4.623m	£4.618m	£4.803m	3.9%	4.0%	16.0%
Gloucestershire	£5.934m	£5.664m	£5.830m	-1.6%	4.0%	6.7%
Gloucestershire	£7.542m	£6.578m	£6.842m	-9.3%	4.0%	2.4%
Gloucestershire	£5.059m	£4.813m	£5.006m	-1.1%	4.0%	0.9%
Gloucestershire	£4.785m	£4.786m	£4.977m	4.0%	4.0%	2.6%
Gloucestershire	£5.182m	£5.079m	£5.223m	1.9%	4.0%	15.3%
Gloucestershire	£8.125m	£8.356m	£8.531m	5.0%	2.1%	2.1%
Gloucestershire	£5.081m	£4.497m	£4.677m	-8.0%	4.0%	-10.5%
Gloucestershire	£4.479m	£4.004m	£4.165m	-7.0%	4.0%	8.9%
GLoucestershire						
Blackburn	£11.972m	£13.592m	£13.456m	12.4%	-1.0%	9.3%
Blackpool	£9.113m	£10.059m	£9.958m	9.3%	-1.0%	7.7%
Blackpool	£7.199m	£8.190m	£8.109m	12.6%	-1.0%	9.5%
Blackpool	£4.009m	£3.788m	£3.939m	-1.7%	4.0%	13.7%
Blackpool	£3.349m	£3.287m	£3.419m	2.1%	4.0%	9.3%
Blackpool	£4.832m	£5.155m	£5.103m	5.6%	-1.0%	2.7%
Blackpool	£6.906m	£7.037m	£7.251m	5.0%	3.0%	3.9%
Blackpool	£5.193m	£5.440m	£5.453m	5.0%	0.2%	2.1%
Blackpool	£7.459m	£8.497m	£8.412m	12.8%	-1.0%	16.7%
Blackpool	£2.307m	£2.365m	£2.422m	5.0%	2.4%	2.5%
Blackpool	£4.119m	£4.496m	£4.451m	8.1%	-1.0%	5.1%
Blackpool	£4.240m	£3.210m	£3.333m	-21.3%	4.0%	0.7%
Blackpool	£4.944m	£4.885m	£5.081m	2.8%	4.0%	7.6%
Blackpool	£5.287m	£4.968m	£5.166m	-2.3%	4.0%	21.9%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target and 5% increase for those spending more but subject to a max 1% cash reduction from budget and 20% increase from MVR

	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
SHROPSHIRE						
Shropshire	£3.036m	£2.311m	£2.404m	-20.8%	4.0%	7.1%
Shropshire	£5.897m	£4.835m	£5.038m	-14.7%	4.0%	13.2%
Shropshire and Boworth	£2.534m	£2.050m	£2.132m	-15.9%	4.0%	3.9%
Shropshire	£3.505m	£2.417m	£2.514m	-28.3%	4.0%	0.2%
Shropshire	£18.702m	£22.325m	£22.102m	12.2%	-1.0%	14.9%
Shropshire	£1.803m	£1.588m	£1.652m	-8.4%	4.0%	10.8%
Shropshire and Winton	£3.312m	£3.308m	£3.440m	3.9%	4.0%	14.5%
Shropshire	£2.183m	£1.551m	£1.613m	-26.1%	4.0%	15.4%
Shropshire	£1.252m	£1.056m	£1.098m	-12.3%	4.0%	26.5%
SHROPSHIRE						
Shropshire	£2.749m	£2.335m	£2.428m	-11.7%	4.0%	7.6%
Shropshire	£5.079m	£4.563m	£4.745m	-6.6%	4.0%	13.5%
Shropshire	£4.192m	£4.408m	£4.401m	5.0%	-0.1%	4.3%
Shropshire	£3.181m	£2.652m	£2.759m	-13.3%	4.0%	15.5%
Shropshire	£3.204m	£3.048m	£3.170m	-1.1%	4.0%	12.7%
Shropshire	£4.371m	£3.680m	£3.827m	-12.5%	4.0%	9.9%
Shropshire	£3.311m	£3.195m	£3.323m	0.3%	4.0%	11.2%
SHROPSHIRE						
Shropshire	£4.050m	£2.912m	£3.028m	-25.2%	4.0%	7.6%
Shropshire	£3.868m	£2.790m	£2.902m	-25.4%	4.0%	7.9%
Shropshire	£4.966m	£5.159m	£5.214m	5.0%	1.1%	2.1%
Shropshire	£4.051m	£3.453m	£3.597m	-11.2%	4.0%	11.8%
Shropshire	£8.609m	£10.588m	£10.423m	21.1%	-1.0%	17.7%
Shropshire	£3.838m	£2.739m	£2.849m	-25.8%	4.0%	8.9%
Shropshire	£5.860m	£5.452m	£5.670m	-3.2%	4.0%	7.4%
SHROPSHIRE						
Shropshire	£2.878m	£3.328m	£3.198m	11.1%	-3.9%	20.0%
Shropshire	£2.301m	£1.923m	£2.000m	-13.1%	4.0%	12.3%
Shropshire	£2.692m	£1.570m	£1.633m	-39.5%	4.0%	-0.1%
Shropshire	£3.526m	£3.407m	£3.543m	0.5%	4.0%	3.5%
Shropshire	£9.737m	£9.734m	£10.124m	4.0%	4.0%	7.6%
Shropshire	£2.646m	£1.904m	£1.980m	-25.2%	4.0%	8.4%
Shropshire	£2.975m	£2.859m	£2.974m	-0.0%	4.0%	19.1%
SHROPSHIRE						
Shropshire	£1.494m	£1.313m	£1.365m	-8.6%	4.0%	-4.8%
Shropshire	£1.332m	£1.106m	£1.150m	-13.7%	4.0%	20.3%
Shropshire	£4.668m	£4.992m	£4.942m	5.9%	-1.0%	2.9%
Shropshire	£2.119m	£1.892m	£1.963m	-7.2%	4.0%	14.6%
Shropshire	£2.407m	£2.230m	£2.320m	-3.6%	4.0%	-4.7%
Shropshire	£4.404m	£4.736m	£4.733m	7.6%	-1.0%	4.6%

CONFIDENTIAL

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase from effective target for those spending more but subject to a max 1% cash reduction from budget and 20% increase from MVB

	1982/83		1983/84 target	Change from		Minimum volume budget Col 6
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	
WILTSHIRE						
Devon						
Salisbury	£2.165m	£2.121m	£2.206m	1.9%	4.0%	7.4%
Stroud	£3.087m	£2.482m	£2.531m	-16.4%	4.0%	7.7%
Wiltshire	£8.054m	£8.054m	£8.367m	4.0%	4.0%	1.1%
Wootton Bassett	£1.970m	£1.970m	£2.049m	4.0%	4.0%	2.0%
Wootton Bassett	£3.480m	£2.725m	£2.834m	-18.6%	4.0%	9.2%
Wootton Bassett	£5.467m	£5.467m	£5.686m	4.0%	4.0%	12.6%
Wootton Bassett	£3.467m	£3.143m	£3.268m	-5.7%	4.0%	3.5%
Wootton Bassett	£5.903m	£4.554m	£4.736m	-19.8%	4.0%	7.1%
WILTSHIRE						
Salisbury						
Salisbury	£4.523m	£5.214m	£5.161m	14.1%	-1.0%	11.6%
Salisbury	£5.529m	£5.512m	£5.732m	3.7%	4.0%	0.8%
Salisbury	£4.526m	£4.510m	£4.690m	3.6%	4.0%	16.0%
Salisbury	£4.455m	£4.437m	£4.614m	3.6%	4.0%	24.5%
Salisbury	£5.502m	£5.880m	£5.821m	5.8%	-1.0%	2.9%
Salisbury	£4.362m	£4.292m	£4.464m	2.3%	4.0%	15.1%
Salisbury	£17.365m	£17.365m	£18.059m	4.0%	4.0%	7.6%
Salisbury	£3.804m	£3.803m	£3.955m	4.0%	4.0%	3.7%
Salisbury						
Salisbury	£4.744m	£3.526m	£3.667m	-22.7%	4.0%	5.3%
Salisbury	£6.887m	£6.226m	£6.475m	-6.0%	4.0%	22.0%
Salisbury	£5.540m	£3.954m	£4.112m	-25.8%	4.0%	-0.0%
Salisbury	£4.010m	£2.930m	£3.047m	-24.0%	4.0%	1.6%
Salisbury	£3.208m	£2.786m	£2.837m	-9.7%	4.0%	27.2%
Salisbury						
Salisbury	£1.976m	£1.502m	£1.562m	-21.0%	4.0%	4.2%
Salisbury	£2.071m	£1.783m	£1.654m	-10.5%	4.0%	7.0%
Salisbury	£1.406m	£1.140m	£1.186m	-15.6%	4.0%	5.7%
Salisbury	£3.879m	£3.486m	£3.625m	-6.5%	4.0%	8.0%
Salisbury	£1.566m	£1.398m	£1.454m	-7.2%	4.0%	6.4%
Salisbury	£6.969m	£6.969m	£7.247m	4.0%	4.0%	1.1%
Salisbury						
Salisbury	£3.795m	£2.632m	£2.743m	-27.7%	4.0%	8.7%
Salisbury	£4.109m	£3.599m	£3.742m	-8.9%	4.0%	8.5%
Salisbury	£4.141m	£3.475m	£3.614m	-12.7%	4.0%	6.0%
Salisbury	£1.611m	£1.121m	£1.166m	-27.6%	4.0%	25.4%
Salisbury	£5.791m	£3.747m	£3.897m	-32.7%	4.0%	8.6%

07/82 C 15:42

NIS adjusted

[illegible]

13 44

CONFIDENTIAL

1/27/82 at 15:42

TABLE 1

NIS adjusted

Targets obtained by allowing 4% increase from budget for those spending up to 1% above effective target, and 5% increase from effective target for those spending more, but subject to a max 1% cash reduction from budget and 20% increase from MVB

Authority	1982/83		1983/84	Change from		Minimum volume budget
	Effective target	Budget		Effective target	Budget	
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6
SUSSEX						
Adur						
Arun	£3.294m	£3.592m	£3.556m	8.0%	-1.0%	5.0%
Chichester	£6.036m	£5.805m	£6.037m	-0.3%	4.0%	7.6%
Crawley	£4.843m	£4.104m	£4.268m	-11.9%	4.0%	12.5%
Hove	£5.241m	£5.865m	£5.806m	10.3%	-1.0%	7.7%
Mid Sussex	£4.518m	£3.719m	£3.868m	-14.4%	4.0%	10.9%
Northine	£5.109m	£4.379m	£4.534m	-10.9%	4.0%	3.9%
Northine	£5.675m	£5.940m	£5.959m	5.0%	0.3%	11.9%
WILTSHIRE						
Kennel						
North Wiltshire	£2.742m	£1.951m	£2.029m	-26.0%	4.0%	-15.6%
Salisbury	£4.364m	£3.500m	£3.640m	-16.6%	4.0%	8.2%
Tamesdown	£4.391m	£3.448m	£3.586m	-18.3%	4.0%	5.5%
West Wiltshire	£11.533m	£13.544m	£13.409m	16.3%	-1.0%	13.0%
	£4.221m	£2.883m	£2.998m	-29.0%	4.0%	5.3%

14

CONFIDENTIAL

ANNEX B

THE DERIVATION OF "TOTAL" EXPENDITURE
(illustrative figures)

	£ billion
<u>Relevant current expenditure</u> (i.e. the major part of local authority PES current expenditure)	19.5
<u>Relevant non-current expenditure</u>	2.7
of which:	£ million
RCCO	610
Debt charges	2150
RFC to HRA	320
Interest receipts	-380
<u>Relevant expenditure</u>	22.2
<u>Non-relevant expenditure</u>	0.2
<u>Specific and supplementary grants</u>	-2.3
<u>"Total" expenditure for block grant purposes</u>	20.1

CONFIDENTIAL

ANNEX C

CURRENT PES SERVICE DISTRIBUTION

	1983-84
	£ million
Education	9096
School milk and meals	272
Libraries etc	308
Personal Social Services	1954
Housing Benefits	20
Port Health	3
Consumer Protection	49
Local Transport	1480
Police	2177
Fire	468
Other Home Office	30.0
Employment	65
Land drainage etc	80
Local Environmental Services	2242
Housing	75
	£ 18589 million

Source: PES Report

CONFIDENTIAL

ANNEX D

AVERAGE RATE INCREASES

Aggregate exchequer grant (AEG) is assumed to be £11,800 million, composed of

	£ million
Specific and supplementary grants	2,300
Domestic rate relief grant	700
Block grant	8,800
Aggregate exchequer grant	£11,800

The table gives examples of implied average rate increases on some simplifying assumptions (e.g. local authorities make no allowances for contingencies in their budgets).

	£ million					Changes on 1982-83
	"Total" Expenditure	Block grant (before holdback)	Holdback	Rate revenue	Revenue	Domestic rates
1982-83 (budgets)	19947	8648	312	11419*	-	-
1983-84 budgeting at target	20100	8800	-	11300	-1%	-2½%
budgeting as forecast by expenditure groups (no holdback)	21200	8800	-	12400	+8½%	+8½%
line (11) with expenditure and rates modified by illustrative holdback	21050	8800	76007	12850	+12½%	+13%

* includes revenue to finance a planned run down of balances of £192 million
Ready reckoner: for each £100 million reduction/increase in AEG there is a 1% increase/reduction in the domestic rate change