



SCOTTISH EXECUTIVE

Finance and Central Services Department
Finance & Constitution Division

Victoria Quay
Edinburgh EH6 6QQ

Finance Circular No. 6/2003

Chief Executives, Scottish Local Authorities

Copy to: Directors of Finance
Norie Williamson, COSLA

Telephone: 0131-244 7018
Fax: 0131-244 7020
Christie.Smith@scotland.gsi.gov.uk
<http://www.scotland.gov.uk>

17 December 2003

Dear Chief Executive,

LOCAL GOVERNMENT FINANCE SETTLEMENTS: 2004-05 & 2005-06

- A. CHANGES TO 3-YEAR SETTLEMENT FIGURES
- B. NON-DOMESTIC RATE 2002-03

1. This Circular provides details of the provisional Scottish Executive revenue grant allocations for each local authority for the next 2 years. It builds on the 3 year settlement announced on 4 December 2002.

2. These proposals have been sent to COSLA today and will form the basis for consultation between Scottish Ministers and the Convention ahead of the Local Government Finance (Scotland) Order 2004. At the quarterly COSLA / Scottish Executive meeting on 27th November it was agreed that COSLA would respond to the provisional settlement in writing. We are asking COSLA for a response by **Friday 16th January**.

3. As also agreed with COSLA, I will be writing today to Directors of Finance with a draft Local Government Budget. This is a step towards producing a Local Government Budget in February next year. Again, we will be looking for comments on this by 16 January 2004.

4. The Annexes to this Circular are:

- Annex 1: All Scotland aggregate totals;
- Annex 2: Additional allowances and transfers included in the Settlement;
- Annex 3: Explanatory notes and AEF Distribution;
- Annex 4: Estimated payments to each local authority from specific grants;
- Annex 5: Non-Domestic Rates: 2004-05 Distributable Amount;
- Annex 6: Capital Expenditure 2004-05 and 2005-06

PART A – SETTLEMENT ALLOCATIONS 2004-05 & 2005-06

5. Finance Circular 1/2003, issued in February 2003, provided the final settlement allocations for each local authority for 2003-04 to 2005-06.

6. As stated in this circular, these allocations were guaranteed and are not the subject of redetermination during the 3 year settlement period, other than for new burdens for which additional financial provision is being made, transfers into or out of the settlement or for adjustments to agreed 'Level Playing Field' projects. The minimum grant increase floor adjustments set out in Annex C of Circular 1/2003 will not be recalculated.

7. There are additionally 3 redistributions - the need for which has been agreed with COSLA. Whilst Care Home fees has already been incorporated within these figures, the other two – fire pensions and free personal care – have yet to be finalised. Details will be confirmed by the relevant SE department once agreement has been reached.

8. **Annex 1** confirms the revised all-Scotland aggregate grant totals for 2004-05 and 2005-06.

9. **Annex 2** details the agreed additional allocations and transfers on top of the existing guaranteed allocations for next year and the year after. The majority of these have been the subject of separate notification to local authorities, for which references are provided.

10. There are also a number of other areas where resources for 2004/05 and 2005/06 are yet to be agreed. These include the funding to be transferred from DWP for Residential Allowance cases (in 2003-04 the amount will be £17.899m – including a one-off transfer of £0.399m for administration - with future years still to be determined) and police partnership monies (£1 million for Police Partnerships in 2004/05; £6 million in 2005/06). In addition, these allocations do not include any resources for Partnership Agreement commitments where the distribution arrangements are still being considered.

11. **Annex 3** sets out the distribution of the revised distributable Aggregate External Finance (AEF) between authorities and the allocation of the 3 elements of AEF (Revenue Support Grant, Non-Domestic Rates Income and Specific Grants) for each authority. As noted above, the revenue grant distribution arrangements for the 3 year settlement allocations, including population projections, were agreed last year and have not been revised. The distribution arrangements for the new allocations and transfers were discussed at the Joint Ministerial/COSLA quarterly meeting on 27 November 2003.

12. The calculations outlined in Annex 3 are broadly as follows. Estimated Service Expenditure (ESE) includes an element of Special Islands Needs Allowance. To the assessments of ESE were added allowances for loan and leasing charges and the floor adjustment. This produces a figure for Total Estimated Expenditure (TEE) for each authority. AEF totalling £7667.721 million was then distributed to produce a uniform difference between TEE and AEF per Band D equivalent property across Scotland. Annex 3 also shows the allocation of the 3 elements of AEF for each authority.

13. The methodology for calculating loan charges and support for Public and Private Partnerships (PPP) projects is the same as that set out in Circular 10/2002. However, allocations of PPP support have changed slightly from those given in Finance Circular 1/2003 to reflect changes in PPP project details. The revised total amounts included for loan charge support and PPP support are now £915.349m in 2004-05 and £924.829m in 2005-06.

14. In keeping with the move towards simplification agreed previously, the circular focuses on each council's total grant allocation. Separate Grant Aided Expenditure (GAE) allocations for individual services are not identified. Once the final figures are approved through the Local Government Finance (Scotland) Order 2004, the associated circular confirming final figures will give reconciliation details of each new fund.

15. **Annex 4** gives a breakdown of individual councils' shares of specific grants as used in the calculation of RSG. These are unchanged from Circular 1/2003, other than for an increase to the provision for GAELIC grant for 2003-04 to 2005-06; an increase to the provision for National Priorities Action Fund (NPAF) grant for 2003-04 to 2005-06; and an adjustment to reflect the distribution of the previously unallocated NPAF grant for 2003-04.

PART B - NON-DOMESTIC RATES 2004-05

16. The Minister for Finance and Public Services announced his provisional decision on the national rate poundage for 2004-05 on 17 December in a statement to Parliament. The Scottish rate poundage has been set provisionally at **48.8p**, with the small business rare relief supplement (to be levied on larger ratepayers to fund the small business rate relief scheme) set at **0.3p**. An announcement on the final Scottish poundage is expected early next year.

17. Scottish Ministers have decided that the Distributable Amount of NDRI for 2004-05 will be £1,895.941 million. The balance of Distributable AEF comprises (a) an estimated total of £655.533 million for specific grants (including Police Loan Charges specific grant) and (b) RSG for the year of £5,116.247 million.

18. The Distributable Amount of NDRI incorporates a forecast of net income from non-domestic rates in 2004-05. It draws on councils' estimates of the amounts they will contribute to the pool from NDRI in 2003-04. Included in the calculation are: gross income; expected losses from appeals; the expected in-year cost of the transitional relief scheme; estimated expenditure on mandatory and other reliefs as well as write-offs and provisions for bad debts. Adjustments are also made for amounts carried over from previous years. **Annex 5** shows how the Distributable Amount was calculated.

CAPITAL ALLOCATIONS

19. From 2004-05, the existing section 94 capital controls will be replaced with the new Prudential framework. Neil Rennick's letter of 17 April 2003 to all local authority Directors of Finance set out the methodology used for calculating the notional 2004-05 capital allocations for loan charges support with the 3-year local government settlement.

20. Details of the capital grants in 2004-05 and 2005-06 are shown in **Annex 6**. Not all of these have been allocated at local authority level – councils will be notified separately by the responsible departments within the Executive.

Conclusion & Contacts

21. Separate copies of this Circular have been sent by e-mail to Directors of Finance and to Norie Williamson at COSLA.

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

General queries	(grant distribution, NDRI)
Irene Little	0131 244 7004

General queries (settlement totals)
Ann Thomson 0131 244 7002

General queries (capital allocations)
Hilary Pearce 0131 244 7950

Yours sincerely

A handwritten signature in black ink, appearing to read 'CS', is positioned below the text 'Yours sincerely'.

CHRISTIE SMITH
Head of Local Government Finance & Performance Division

ALL SCOTLAND AGGREGATE TOTALS

	2004-05	£ million 2005-06
Total Aggregate External Finance ¹	7,660.521	7,985.052
% increase over previous year	5.1%	4.2%
<i>less</i> Undistributed NPAF	5.000	5.000
<i>less</i> Undistributed INSET (SEN) Specific Grant	1.226	1.226
<i>less</i> Undistributed loan charge support	0.651	1.171
<i>plus</i> Police Loan Charge Specific Grant	14.077	14.077
 Distributable Aggregate External Finance	 7,667.721	 7,991.732
% increase over previous year	5.2%	4.2%

Breakdown of Specific Grants

Police ²	476.180	505.452
Civil Protection grant for the Police	0.574	0.574
Supported Employment	4.348	4.348
In-Service Training of Teachers (SEN)	8.386	8.386
Gaelic	3.034	3.034
Mental Illness	14.000	14.000
Social Work Training	5.500	5.500
NPAF ³	149.737	157.178
 Total Specific Grants	 661.759	 698.472

² Police Specific Grant includes police loan charge provision.

³The distribution of the presently unallocated amounts in the National Priorities Action Fund (NPAF) of £5.000/£5.000 million is being considered by the Scottish Executive Education Department. Enquiries on the NPAF should be referred to Peter Allan, 0131 244 0942.

Loan and Leasing Charges	915.349	924.829
---------------------------------	---------	---------

ADDITIONAL ALLOWANCES AND TRANSFERS INCLUDED IN THE SETTLEMENT

This Annex summarises the main transfers and additional allocations for the 2004-05 and 2005-06 settlement, as discussed at the Joint Ministerial/COSLA quarterly meeting on Local Government Finance in November 2003. Figures are given for 2003-06.

McCrone additions: Additional funding of £15.0m/£8.0m/£26.0m is being provided from 2003-04 linked to Modernising the Teaching Profession. (Reference: SE: Education Department (Donald Henderson) letter dated 29 July 2003.)

Enterprise Act (Stop Now Orders): £0.440m/£0.881m/£0.881m of additional money is being given from the current year, with reference to the implementation of new Stop Now Orders for consumer protection. (Reference: Local Government Finance (Colin Cummins) letter dated 25 April 2003.)

Rough Sleepers Initiative: £0.5m/£0.5m/£0.5m for future funding of Turning Point project transferred from specific grant allocation to unhypothecated RSG, linked to a local outcome agreement. (Reference: Housing Division (Lindsay Manson) letter dated 11 December 2002.)

Care Home fees: Additional provision of £0.422m/£0.422m/£0.422m has been included from 2003-04 and the total amount – £62.646m - has subsequently been adjusted to reflect changes to the distribution data. (Reference: SE: Health Department (Shaun Eales) letter dated 11 July 2003.)

Free School Meals: £3m for 2003-04 to 2005-06 is to be allocated to local government for the costs of changes to the tax credit system. Guidance on the transfers will be issued shortly from SE Education Department.

National Priorities Action Fund (NPAF): Additional £14.062m/£22.660m/£25.762m will be allocated from 2003-04 within NPAF specific grant. (Reference: SE: Education Department Circular No. 2/2003.)

Gaelic: Additional £0.200m/£0.200m/£0.200m will be allocated from 2003-04 within Gaelic specific grant. (Reference: SE: Education Department (Douglas Ansdell) letter dated 25 March 2003.)

Youth Crime: Provisions of £0m/£3m/£5m was added during Spending Review 2002 and remained undistributed within local government numbers. Subsequently local authorities were informed that this provision would be distributed pro-rata the “Children’s Services Development Fund” GAE. (Reference: SE: Education Department (Jackie Brook) letter dated 15 August 2003)

Teachers Pension: Transfer to local authorities from Treasury for local authority teachers’ pension scheme of £42.1m/£86.3m/£90.6m (Reference: Local Government Finance (Hilary Pearce) letter dated 5 September 2003).

HB/CTB residual subsidy: £92.800m/£97.333m will transfer out of RSG for 2004-05 and 2005-06 to allow 100% grant funding to be done by Department of Work and Pensions (DWP Housing Benefit and Council Tax Benefit Circular S9/2003, dated 1 December 2003. Copies can be obtained by phoning DWP Corporate Document Services Ltd Orderline on: 0113 399 4040)

EXPLANATORY NOTES AND AEF DISTRIBUTION

The calculations are set out in the table at Annex 3. Column numbers are consistent throughout the separate sections for mainland and islands authorities. Columns 1 to 8 relate to the distributions for 2004-05 and 2005-06. Columns 9 to 11 are relevant to 2004-05 only.

1. Column 1 of the table is the estimated service expenditure of each authority. This column includes Special Islands Needs Allowance.
2. Column 2 of the table is each authority's share of the Quality of Life funds. The distribution is based on each authority's share of ESE as calculated in circular 10/2002.
3. Column 3 contains allocations of loan charge support. Capital from current revenue continues to be excluded.
4. Column 4 is the assessment of the floor adjustments for each authority.
5. Column 5 is the total of columns 1 to 4. That is, it is Total Estimated Expenditure (TEE).
6. Column 6 is the forecast number of Band D equivalent properties as at September 2003 on which council tax will be levied, as estimated at SR2002.
7. Column 7 represents the portion of adjusted TEE which is not supported through AEF. This amount is distributed among authorities in proportion to their share of the national council tax base. This is achieved by a formula:

$$(\text{Total adjusted TEE less total AEF}) \times \frac{\text{band D equivalent properties in authority}}{\text{total band D equivalent properties}}$$
8. Column 8 is the difference between columns 5 and 7 being the total amount of AEF. The total of column 8 is AEF of £7667.721 in 2004-05, (i.e. the total of £7660.521, less NPAF and INSET specific grant, £6.226m, less unallocated loan charge support, £0.651m, plus the amount of specific grant on police loan charges, £14.077m, which are supported by grant but are accounted for outside AEF). AEF distributed for 2005-06 is £7991.732.
9. Column 9 shows the amount of specific grants (excluding Police CPS, but including Police specific grant loan charges) for 2004-05. A number of specific grants (e.g. police) are paid directly to joint boards. In these cases, for AEF distribution purposes only, the estimated amount for each force or brigade has been broken down on the same basis as is used for the relevant GAEs. Distribution to constituent council level of common police services and police specific grant loan charges as used in the calculation of Police Specific grant for 2004-05, has been based on advice from treasurers of the Police Boards.
10. Column 10 shows the amount of Distributable NDRI. This has been distributed amongst authorities in proportion to 2002 mid-year population estimates.
11. Column 11 distributes RSG, being the remainder of AEF after deductions for Specific Grants and NDRI.

2004-05	(1) Estimated Service Expenditure	(2) Quality of Life	(3) Loan Charges Support 2004-05 including PPP LPFS	(4) Floor Adjustment 2004-05	(5) Total Estimated Expenditure (Cols.1 to 4)	(6) Band D Properties forecast	(7) Deduction for TEE not supported by AEF (Tot Col 5-Tot Col 8) * Col 6/Tot Col 6) 0.00074	(8) Total AEF (Col 5-7)	(9) Specific Grants	(10) NDRI	(11) RSG (Col 8-9- 10)
	£M	£M	£M	£M	£M		£M	£M	£M	£M	£M
Aberdeen City	307.437	2.228	31.971	1.458	343.094	84,834	69.445	273.649	27.435	78.492	167.722
Aberdeenshire	351.454	2.549	30.177	-1.277	382.903	90,529	74.107	308.796	23.625	85.248	199.923
Angus	175.548	1.274	11.640	-0.648	187.814	39,819	32.596	155.218	12.560	40.557	102.101
Argyll & Bute	159.479	1.157	29.667	-0.659	189.644	37,412	30.625	159.019	11.796	34.143	113.080
Clackmannanshire	74.243	0.539	6.747	0.625	82.154	16,926	13.855	68.299	5.109	17.977	45.213
Dumfries & Galloway	248.561	1.801	25.879	-0.951	275.290	55,842	45.712	229.578	18.625	55.253	155.700
Dundee City	248.469	1.807	26.126	0.071	276.473	47,460	38.851	237.622	21.478	54.079	162.065
East Ayrshire	192.967	1.403	15.555	-0.740	209.185	39,582	32.402	176.784	14.378	44.912	117.494
East Dunbartonshire	165.215	1.199	13.890	-0.588	179.716	46,452	38.026	141.691	10.378	40.249	91.064
East Lothian	137.164	0.997	13.957	-0.505	151.613	37,257	30.499	121.114	10.133	34.038	76.943
East Renfrewshire	139.605	1.012	11.867	-0.490	151.994	39,716	32.512	119.483	8.088	33.618	77.777
Edinburgh, City of	654.301	4.772	91.531	-2.296	748.308	193,857	158.691	589.618	60.867	168.065	360.686
Eilean Siar	69.535	0.504	21.327	6.406	97.772	9,091	7.442	90.330	4.530	9.827	75.973
Falkirk	220.519	1.605	26.181	-0.825	247.480	51,220	41.928	205.551	16.437	54.596	134.518
Fife	551.896	4.013	43.311	-2.047	597.173	126,676	103.697	493.477	39.331	131.540	322.606
Glasgow City	1,057.253	7.713	167.068	13.132	1245.166	207,317	169.710	1075.457	108.345	216.551	750.561
Highland	372.288	2.702	48.471	-1.463	421.998	82,793	67.774	354.224	29.979	78.069	246.176
Inverclyde	141.971	1.033	15.711	-0.474	158.241	28,183	23.071	135.170	12.008	31.357	91.805
Midlothian	127.409	0.921	13.619	-0.476	141.473	29,251	23.945	117.528	9.397	30.194	77.937
Moray	136.887	0.992	13.863	-0.523	151.219	30,112	24.650	126.569	9.845	32.534	84.190
North Ayrshire	221.977	1.615	19.676	-0.851	242.417	47,925	39.232	203.186	15.792	50.879	136.515
North Lanarkshire	509.988	3.709	41.884	-1.547	554.034	105,930	86.714	467.319	39.117	120.531	307.671
Orkney	48.821	0.356	9.073	-0.218	58.032	6,970	5.706	52.326	2.442	7.205	42.679
Perth & Kinross	213.440	1.551	18.078	-0.775	232.294	56,299	46.086	186.208	15.164	50.695	120.349
Renfrewshire	277.383	2.018	27.914	-1.056	306.259	65,807	53.869	252.390	21.818	64.491	166.081
Scottish Borders	179.344	1.303	19.649	-0.690	199.606	42,004	34.384	165.222	14.036	40.283	110.903
Shetland	63.114	0.455	16.108	1.142	80.819	7,478	6.122	74.698	3.112	8.229	63.357
South Ayrshire	176.812	1.287	13.450	-0.015	191.534	45,734	37.438	154.096	12.087	41.885	100.124
South Lanarkshire	477.489	3.476	39.430	-1.800	518.595	108,229	88.596	429.999	34.041	113.315	282.643
Stirling	139.962	1.021	16.538	-0.530	156.991	34,779	28.470	128.521	10.163	32.313	86.045
West Dunbartonshire	164.680	1.201	14.267	-0.470	179.678	33,246	27.215	152.463	15.116	34.818	102.529
West Lothian	245.317	1.785	20.724	-0.920	266.906	54,714	44.789	222.116	18.301	59.997	143.818
Scotland	8,250.530	60.000	915.349	0.000	9,225.879	1,903,446	1,558.158	7,667.721	655.533	1,895.941	5,116.247

2005-06	(1) Estimated Service Expenditure	(2) Quality of Life	(3) Loan Charges Support 2005-06 including PPP LPFS	(4) Floor Adjustment 2005-06	(5) Total Estimated Expenditure (Cols.1 to 4)	(6) Band D Properties forecast	(7) Deduction for TEE not supported by AEF ((Tot Col 5-Tot Col 8) * Col 6/Tot Col 6) 0.00078	(8) Total AEF (Col 5-7)
	£M	£M	£M	£M	£M		£M	£M
Aberdeen City	321.537	2.597	31.970	0.450	356.554	85,183	73.171	283.384
Aberdeenshire	368.126	2.970	30.115	-1.184	400.027	91,472	78.573	321.455
Angus	183.745	1.484	12.466	-0.603	197.092	40,004	34.362	162.730
Argyll & Bute	165.930	1.342	30.287	-0.609	196.950	37,605	32.302	164.647
Clackmannanshire	77.728	0.628	6.910	0.254	85.520	17,062	14.656	70.864
Dumfries & Galloway	260.613	2.102	25.733	-0.884	287.564	56,127	48.212	239.352
Dundee City	258.790	2.098	26.161	-0.499	286.550	47,353	40.675	245.874
East Ayrshire	201.965	1.634	15.684	-0.688	218.595	39,720	34.118	184.477
East Dunbartonshire	173.167	1.398	14.232	-0.546	188.251	46,933	40.314	147.936
East Lothian	144.301	1.167	14.302	-0.471	159.299	37,785	32.457	126.842
East Renfrewshire	146.791	1.184	12.123	-0.457	159.641	40,257	34.580	125.060
Edinburgh, City of	686.936	5.577	92.995	-2.277	783.231	196,245	168.570	614.661
Eilean Siar	71.502	0.580	21.498	7.528	101.108	9,145	7.856	93.252
Falkirk	232.060	1.880	26.412	-0.772	259.580	51,655	44.371	215.210
Fife	579.996	4.696	44.816	-1.916	627.592	127,788	109.767	517.825
Glasgow City	1,106.285	8.985	165.342	13.219	1293.831	209,315	179.797	1114.034
Highland	388.298	3.142	49.189	-1.356	439.273	83,518	71.740	367.533
Inverclyde	148.322	1.200	16.205	-0.527	165.200	28,243	24.260	140.940
Midlothian	133.593	1.076	13.722	-0.444	147.947	29,595	25.421	122.526
Moray	143.472	1.157	14.025	-0.487	158.167	30,252	25.986	132.182
North Ayrshire	232.362	1.881	20.183	-0.792	253.634	48,328	41.513	212.121
North Lanarkshire	536.739	4.343	42.984	-1.829	582.237	106,935	91.855	490.382
Orkney	50.644	0.412	9.182	-0.091	60.147	7,037	6.044	54.103
Perth & Kinross	223.984	1.812	18.427	-0.722	243.501	56,741	48.739	194.761
Renfrewshire	291.429	2.359	28.735	-0.987	321.536	66,208	56.871	264.666
Scottish Borders	188.293	1.524	19.434	-0.641	208.610	42,366	36.391	172.218
Shetland	65.150	0.526	16.258	1.552	83.486	7,534	6.471	77.015
South Ayrshire	185.149	1.500	13.563	-0.596	199.616	45,974	39.491	160.125
South Lanarkshire	501.037	4.058	40.419	-1.679	543.835	109,091	93.707	450.128
Stirling	147.192	1.195	16.562	-0.493	164.456	35,264	30.291	134.165
West Dunbartonshire	172.688	1.402	14.406	-0.596	187.900	33,418	28.706	159.194
West Lothian	258.088	2.089	20.490	-0.857	279.810	55,578	47.741	232.070
Scotland	8,645.913	70.000	924.829	0.000	9,640.742	1,919,731	1,649.009	7,991.732

2004-05 SPECIFIC GRANTS ¹

	POLICE	CIVIL PROTECTION	SUPPORTED EMPLOY- MENT	IN-SERVICE TRAINING OF TEACHERS	GAELIC	MENTAL ILLNESS	SOCIAL WORK TRAINING	NATIONAL PRIORITY ACTION FUND	TOTAL SPECIFIC GRANTS
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Aberdeen City	20,434	59	380	259	108	708	220	5,266	27,435
Aberdeenshire	15,234	44	145	334	4	578	181	7,104	23,625
Angus	8,803	13	0	142	30	321	131	3,120	12,560
Argyll & Bute	8,363	4	5	127	255	312	110	2,619	11,796
Clackmannanshire	3,450	9	13	93	14	111	55	1,365	5,109
Dumfries & Galloway	13,375	55	140	217	0	374	130	4,335	18,625
Dundee City	16,380	25	500	186	0	342	180	3,865	21,478
East Ayrshire	10,196	6	15	182	112	321	124	3,423	14,378
East Dunbartonshire	6,571	3	0	160	36	164	59	3,385	10,378
East Lothian	6,969	4	84	100	10	223	110	2,633	10,133
East Renfrewshire	4,883	3	13	127	27	57	55	2,923	8,088
City of Edinburgh	48,603	31	400	447	133	1,345	495	9,413	60,867
Eilean Siar	2,224	4	51	84	820	164	56	1,126	4,530
Falkirk	11,289	28	220	254	4	367	165	4,111	16,437
Fife	26,961	55	840	489	0	893	330	9,762	39,331
City of Glasgow	88,364	50	490	861	210	2,775	935	14,660	108,345
Highland	20,460	44	420	280	690	598	220	7,268	29,979
Inverclyde	9,032	5	30	131	70	193	110	2,437	12,008
Midlothian	6,441	4	55	99	0	266	57	2,475	9,397
Moray	6,877	20	80	121	0	160	58	2,529	9,845
North Ayrshire	10,892	6	25	209	24	197	165	4,275	15,792
North Lanarkshire	27,300	15	140	495	200	563	330	10,074	39,117
Orkney	1,371	3	10	91	0	133	55	779	2,442
Perth & Kinross	10,896	17	0	162	40	272	124	3,654	15,164
Renfrewshire	15,757	8	12	255	19	375	180	5,212	21,819
Scottish Borders	10,264	6	122	105	4	311	110	3,114	14,036
Shetland	1,811	4	30	70	0	165	55	978	3,112
South Ayrshire	8,090	4	35	154	0	301	130	3,373	12,088
South Lanarkshire	23,016	13	0	446	128	750	275	9,413	34,041
Stirling	7,096	18	30	142	85	207	61	2,524	10,163
West Dunbartonshire	11,631	6	20	146	11	251	110	2,941	15,116
West Lothian	13,147	8	44	192	0	204	124	4,581	18,301
Scotland	476,180	574	4,348	7,160	3,034	14,000	5,500	144,737	655,533

¹ All figures are Scottish Executive Estimates. Figures exclude undistributed INSET (SEN) and NPAF Specific Grant (£1.226 million and £5.000 million respectively)

² Includes loan charges of £14.077 million

2005-06 SPECIFIC GRANTS ¹

	POLICE ²	CIVIL PROTECTION	SUPPORTED EMPLOY- MENT	IN-SERVICE TRAINING OF TEACHERS	GAELIC	MENTAL ILLNESS	SOCIAL WORK TRAINING	NATIONAL PRIORITY ACTION FUND	TOTAL SPECIFIC GRANTS
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Aberdeen City	21,581	59	380	259	108	708	220	5,349	28,664
Aberdeenshire	16,083	44	145	334	4	578	181	7,484	24,853
Angus	9,291	13	0	142	30	321	131	3,298	13,227
Argyll & Bute	8,917	4	5	127	255	312	110	2,763	12,494
Clackmannanshire	3,616	9	13	93	14	111	55	1,453	5,363
Dumfries & Galloway	14,228	55	140	217	0	374	130	4,570	19,714
Dundee City	17,288	25	500	186	0	342	180	4,138	22,658
East Ayrshire	10,871	6	15	182	112	321	124	3,642	15,272
East Dunbartonshire	7,006	3	0	160	36	164	59	3,594	11,022
East Lothian	7,375	4	84	100	10	223	110	2,691	10,597
East Renfrewshire	5,205	3	13	127	27	57	55	3,098	8,585
City of Edinburgh	51,394	31	400	447	133	1,345	495	10,039	64,285
Eilean Siar	2,294	4	51	84	820	164	56	1,173	4,647
Falkirk	11,833	28	220	254	4	367	165	4,188	17,059
Fife	29,374	55	840	489	0	893	330	10,356	42,336
City of Glasgow	94,209	50	490	861	210	2,775	935	15,715	115,244
Highland	21,102	44	420	280	690	598	220	7,409	30,763
Inverclyde	9,630	5	30	131	70	193	110	2,597	12,766
Midlothian	6,821	4	55	99	0	266	57	2,624	9,927
Moray	7,266	20	80	121	0	160	58	2,673	10,377
North Ayrshire	11,612	6	25	209	24	197	165	4,364	16,602
North Lanarkshire	29,107	15	140	495	200	563	330	10,730	41,580
Orkney	1,414	3	10	91	0	133	55	814	2,520
Perth & Kinross	11,500	17	0	162	40	272	124	3,848	15,962
Renfrewshire	16,800	8	12	255	19	375	180	5,560	23,210
Scottish Borders	10,856	6	122	105	4	311	110	3,280	14,795
Shetland	1,867	4	30	70	0	165	55	1,017	3,208
South Ayrshire	8,625	4	35	154	0	301	130	3,429	12,679
South Lanarkshire	24,539	13	0	446	128	750	275	9,625	35,776
Stirling	7,439	18	30	142	85	207	61	2,668	10,650
West Dunbartonshire	12,401	6	20	146	11	251	110	3,125	16,070
West Lothian	13,905	8	44	192	0	204	124	4,864	19,341
Scotland	505,452	574	4,348	7,160	3,034	14,000	5,500	152,178	692,245

¹ All figures are Scottish Executive Estimates. Figures exclude undistributed INSET (SEN) and NPAF Specific Grant (£1.226 million and £5.000 million respectively)

² Includes loan charges of £14.077 million

NON DOMESTIC RATES 2004-05 DISTRIBUTABLE AMOUNT
NDRI Balance Sheet to 31.3.04

		£m	£m	£m	£m	£m
1	Balance b.f. 31.3.03 as per DA calc 03/04					160.512
	**Less: Diff between 01-02 Notified post DA calc					0.093
2	Closing Balance					160.419
<hr/>						
	Final Balance b.f. 31.3.03					
3	Opening Balance					160.419
4	Add: PCA Prov Cont Amnt 2003/04				1765.614	
5	Less: Dist Amnt 2003/04				1804.423	
					<u>-38.809</u>	
6	Reconciliation of 2002-03					121.610
7	Add: Notified Amnt 2002/03			1704.826		
8	Less Prov Cont Amnt 2002/03			1739.567		
9				<u>-34.741</u>		
10	Reconciliation of 2001-02					86.869
11	Add: Audited Amnt 2001/02		1672.775 *			
12	Less: Notified Amnt 2001/02		1671.722 **			
13			<u>1.053</u>			87.922
14	Closing Balance 2003-04					87.922
	<i>*Used notified figure for Renfrewshire as audited was not available, adjusted above.</i>					
	<i>**adjusted above (Stirling came in after DA calc)</i>					
<hr/>						
15	Balance b.f. 31.3 04					87.922
16	Opening Balance					
17	Add: estimated Prov Cont. Amnt 2004-05			1843.000		
18	Add:Mid Yr Estimate 2003/04		1730.633			
19	Less: Prov Cont Amnt 2003/04		1765.614			
20	Add/less Est. reconciliation of 2003/04		<u>-34.981</u>			
21	Estimated movement on Pool 2004-05					1,808.019
<hr/>						
22	Estimated movement on Pool 2004-05					1,808.019
23	Net Balance on 03/04 Pool inc. b/fd @ 31/3/04					1,895.941
24	Less: Distributable Amount for 2004/05					-1,895.941
25	Estimated balance at 31.3.05					0.000
<hr/>						

CAPITAL EXPENDITURE 2004-05 AND 2005-06

1. The introduction of the new prudential regime for capital expenditure in April 2004 will allow local authorities to determine their own level of prudential borrowing according to local needs and priorities.
2. Loan Charge Support for capital investment up to and including 2003-04 has been based on the formula and specific consent allocations at the time of each settlement. For 2004-05 and 2005-06 the formula for 2003-04 has been used to establish notional capital allocations on which loan charge support is calculated.
3. The prudential regime will mean capital investment in certain services being supported wholly or partially by capital grant. These are for services which were formerly supported by hypothecated consent allocations for specific policy areas, together with certain new ones. Local authorities will be free to invest in capital programmes for these policy areas by supplementing the grants with prudential borrowing.
4. From 1 April 2004 Ministerial consent for councils to meet capital expenditure under s94 Local Government (Scotland) Act 1973 will no longer exist nor be required. The arrangements for local authorities to receive the capital grants listed below have been set out by each of the relevant SE divisions which will administer the distribution of the grants.
5. Borrowing consents, either from the single formula allocation or from hypothecated allocations for 2003-04, which remain un-used at 31 March 2004 will lapse at that date. However as the unused amount was within the calculation of loan charge support, the support remains in place and councils/joint boards will be in a position to borrow the unused element prudentially on this basis. [Ann Whatcott \(0131 244 0837\)](#)

CAPITAL GRANTS

£m	2004-05	2005-06	Reference (letter) where applicable	SE Contact
Police	31.4	31.4		Pauline Scott (0131 244 2912)
Fire	23.6	23.6	5 Dec 03	John Nicholls (0131 244 2163)
Public Transport Fund	60.0	60.0	1 Sept 03	Alasdair Robertson (0131 244 0849)
Strathclyde PTA	11.0	11.0		Helen Cameron (0131 244 7241)
Flood prevention/coastal protection	14.2	14.0		Alan Burdekin (0131 244 0213)
Air Quality Monitoring	0.3	0.3	3 Sept 03	Andrew Taylor (0131 244 7813)
Land decontamination	5.0	5.0	8 Dec 03	Bob Cuthbertson (0131 244 0394)
20 MPH zones	11.0	11.0	8 Dec 03	Ann Whatcott (0131 244 0837)
Tay Bridge	2.3	2.3		Mary Calder (0131 244 7485)
Private Sector Housing Grant	60.0	60.0		Kelvin McBride (0131 244 5574)
Piers and Harbours	2.0	2.0		Steve Kerr (0131 244 1679)
Cities Growth Fund	30.0	40.0		Robin Benn (0131 244 4956)
Schools Fund	41.7	26.7	24 Oct 03	Graeme Stuart (0131 244 0944)