

Local Government Finance Circular No. 2/2011

By e-mail

Chief Executives and Directors of Finance of Scottish Local Authorities
Chief Executive, Convention of Scottish Local Authorities (COSLA)

Our ref: B4480143
10 February 2011

Dear Chief Executive/Director of Finance

LOCAL GOVERNMENT FINANCE (SCOTLAND) ORDER 2011 - SETTLEMENT FOR 2011-12

1. The Scottish Parliament today debated and approved the Local Government Finance (Scotland) Order 2011. This Order provides the statutory authority to pay the General Revenue Grant (GRG) for 2011-12. The Order also confirms the changes made to amounts payable to each authority for 2010-11 since the 2010 Amendment Order. This Circular provides a summary of the figures contained in the 2011 Order, together with details of individual council allocations of Total Revenue and Capital Support for 2010-11 and 2011-12.

2. The various parts and annexes to this Circular, listed below, provide more detail behind the calculations.

Part A: Local Government Finance Settlement – Revenue: 2011-12 and changes in 2010-11.

Part B: Local Government Finance Settlement – Capital: 2011-12 and changes in 2010-11.

Annex A: All Scotland Aggregate Funding Totals 2010-12;

Annex B: Individual Revenue Allocations for 2011-12;

Annex C: Explanatory Notes on Revenue Distribution;

Annex D: Estimates of Ring-Fenced Grant Revenue for 2011-12;

Annex E: Calculation of the floor adjustment;

Annex F: Reconciliation of Revenue Allocations for 2011-12;

Annex G: Redeterminations of General Revenue Grant for 2010-11;

Annex H: Loan Charge Support for Local Authority Debt and PPP;

Annex I: Individual Capital Grant Funding for 2011-12;

Annex J: Estimates of Ring-Fenced Grant Capital for 2011-12; and

Annex K: Changes in Capital Grant Funding for 2011-12.

Part A: Local Government Finance Settlement – Revenue: 2011-12 and changes in 2010-11.

3. Local Government Finance Circular 14/2010 issued on 9 December 2010 set out the provisional distribution of Total Revenue and Capital Support for 2011-12, and the known redeterminations for 2010-11. The total amount of distributed Capital support for 2011-12 has been updated since then and the revised summary of the All Scotland Aggregated Funding Totals is provided at **Annex A**.
4. **Annex B** of this Circular shows the planned distribution of the individual revenue funding for 2011-12 for each local authority. Local authorities have until 28 February to accept the terms set out in the offer letter of 17 November 2010 and, as a result, the additional funding 'heldback' is still shown separately. Approval of this additional funding will be subject to a further Order to be laid before the Scottish Parliament once local authorities have formally set their budgets for 2011-12 and have confirmed that the budgets include provision to deliver the specified commitments set out in the 17 November 2010 letter. **Annex C** explains the basis behind the calculation of the individual council grant allocations. **Annex D** gives a breakdown of the individual council shares of revenue ring-fenced grant allocations.
5. **Annex E** sets out the revised calculation and effects of the floor adjustment for 2011-12.
6. **Annex F** provides a full reconciliation of the 2011-12 revenue allocations between Local Government Finance Circular 14/2010 and the figures in this Circular.
7. **Annex G** provides details of the final redeterminations for the 2010-11 General Revenue Grant, which are included within the 2011 Order.

Further Changes to Revenue Allocations for 2010-11 and 2011-12

8. It should be noted that discussions are ongoing between the Scottish Government and COSLA officials over a number of outstanding issues. These include the distribution of the £15 million for the protection of teaching posts. The Cabinet Secretary for Finance and Sustainable Growth announced on 9 February 2011, as part of the debate on the Scottish Budget, a further £5 million for Supporting People and an additional £0.4 million funding for the Edinburgh Capital City supplement. Discussions are also continuing on the level and distribution of the Teachers Induction Scheme funding for 2010-11. For consistency at this stage, the additional amounts announced on 9 February are not included in the totals given in this Circular. It is the Scottish Government's intention that outstanding issues be finalised and the relevant figures included in: (i) the Amendment Order for which Parliamentary approval will be sought in March 2011; and (ii) the further Circular which will be issued at that time to accompany it.

Part B: Local Government Finance Settlement – Capital: 2011-12 and changes in 2010-11.

9. **Annex H** describes how loan charges support and PPP/LPFS are calculated.
10. **Annex I** provides a summary of the total individual Capital Grant Allocations for 2011-12 broken down between General Capital Grant and Ring-fenced Capital Grants by local authorities. There is no capital grant that remains undistributed at this time.
11. **Annex J** provides details of the shares of the individual grants that make up the total Ring-fenced Capital Grants by local authorities.
12. **Annex K** provides a reconciliation of the changes in capital grant for 2011-12 from Local Government Finance Circular 14/2010 to this Circular.
13. There have been no changes to the level of capital support for 2010-11 from Finance Circular 14/2010 and the individual levels of Capital Support remain as listed in Annex J to that Circular. It

should be noted that this includes an amount for the Western Isles Schools Programme which does not form part of the local government settlement.

14. In addition to the support provided to local authorities in the settlement, the Scottish Government will also be providing a further £20 million of capital grants in support of the Scotland's Schools for the Future programme in 2011-12.

Enquiries relating to this Circular

15. It should be noted that a few of the figures in this Circular may be marginally different because of roundings. Local authorities should note that if they have any substantive specific enquiries relating to this Circular, these should in the first instance be addressed through COSLA. We have given an undertaking to COSLA to respond to these queries as quickly as possible. Contact details for COSLA are:

Brenda Campbell 0131 474 9229
Brenda@cosla.gov.uk

Any other queries should be addressed to the following:

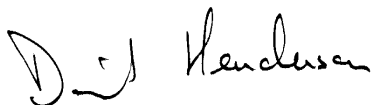
Local Government Finance Settlement (Revenue)
Bill Stitt 0131 244 7004
bill.stitt@scotland.gsi.gov.uk

Local Government Finance Settlement (Capital)
Simon Stone 0131 244 7950
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16. This Circular is being sent electronically to Local Authority Chief Executives and Directors of Finance and to COSLA's Chief Executive. It will also be made available through the Local Government section of the Scottish Government website at:

[HTTP://WWW.SCOTLAND.GOV.UK/TOPICS/GOVERNMENT/LOCAL-GOVERNMENT/17999/LGF-CIRCULAR-2-2011](http://www.scotland.gov.uk/topics/government/local-government/17999/LGF-CIRCULAR-2-2011)

Yours faithfully



David Henderson
Deputy Director

ALL SCOTLAND AGGREGATED FUNDING TOTALS 2010-12

ANNEX A

	2010-11 £ million	2011-12 £ million
Total Revenue Funding	11,140.987	10,856.246
Total Capital Funding	843.199	691.800
Revised Total Funding <i>year-on-year change</i>	11,984.186 <i>0.9%</i>	11,548.046 <i>-3.7%</i>
Total Revenue Funding <i>year-on-year change</i>	11,140.987 <i>2.9%</i>	10,856.246 <i>-2.6%</i>
<i>less top slice for police numbers</i>	39.500	38.485
<i>less top slice for police pensions bulge</i>	17.362	n/a
<i>less top slice for police pension commutations</i>	9.800	n/a
<i>less top slice for fire pension commutations</i>	3.700	n/a
<i>less top slice for fire pensions bulge</i>	8.638	n/a
<i>less transfer of police pensions</i>	190.184	211.146
<i>less transfer of fire pensions</i>	43.838	56.176
<i>less Revenue Funding to be distributed later</i>		
Teachers Induction Scheme	37.547	37.600
Criminal Justice Social Work	86.450	86.450
Adult Support and Protection	15.600	0.000
Protection of Teaching Posts	n/a	15.000
Distributable Revenue Funding	10,688.368	10,411.389
General Revenue Funding	8,087.090	7,738.103
Non-Domestic Rate Income	2,068.200	2,170.500
Ring-Fenced Revenue Grants	533.078	502.786
Capital <i>year-on-year change</i>	843.199 <i>-19.4%</i>	691.800 <i>-18.0%</i>
<i>less Capital Funding to be distributed directly to SPT, Fire Boards</i>	49.600	40.694
General Capital Grant	333.053	520.929
Ring-Fenced Capital Grant	155.390	130.177
Supported Borrowing	305.156	0.000

INDIVIDUAL REVENUE ALLOCATIONS FOR 2011-12
ANNEX B

EXPENDITURE						FUNDING					Illustration of Share of 2011-12 Package Funding - Rounded
£million	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
	Updated Service Provision	SR07 and SR10 Net Extra Funding	Loan Charges/ PPP/LPFS	Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Ring-fenced Grants	Non-Domestic Rates	General Revenue Funding	Total	
Local Authority											
Aberdeen City	385.495	31.457	26.437	-1.183	442.206	81.794	23.697	160.578	176.137	360.412	-15.275
Aberdeenshire	459.151	37.719	26.643	-1.456	522.057	95.580	17.143	68.308	341.026	426.477	-18.879
Angus	220.811	18.431	14.870	-0.709	253.403	39.861	9.170	23.267	181.105	213.542	-8.936
Argyll & Bute	208.389	17.828	30.389	-0.720	255.886	35.864	9.617	25.447	184.958	220.022	-8.082
Clackmannanshire	101.909	8.185	6.565	-0.316	116.343	17.767	3.834	12.219	82.523	98.576	-3.921
Dumfries & Galloway	321.398	26.238	23.196	-1.044	369.788	54.770	14.211	38.285	262.522	315.018	-12.783
Dundee City	315.139	25.132	23.108	-1.022	362.357	44.980	17.075	60.992	239.310	317.377	-12.141
East Ayrshire	242.605	19.898	15.006	-0.779	276.730	39.127	10.187	25.185	202.231	237.603	-9.532
East Dunbartonshire	205.657	16.184	11.797	-0.617	233.021	42.986	6.735	20.239	163.061	190.035	-8.073
East Lothian	183.857	16.188	14.461	-0.589	213.917	38.412	7.230	19.217	149.058	175.505	-7.336
East Renfrewshire	185.597	14.644	16.152	-0.583	215.810	36.325	5.242	11.913	162.330	179.485	-7.460
Edinburgh, City of	839.236	69.007	67.842	2.831	978.916	187.803	48.052	295.874	447.187	791.113	-33.796
Eilean Siar	81.661	6.749	17.363	15.084	120.857	9.065	3.423	5.951	102.418	111.792	-5.105
Falkirk	297.230	23.987	24.798	-0.942	345.073	52.692	13.666	55.226	223.489	292.381	-11.805
Fife	696.498	57.740	42.983	-2.256	794.965	126.079	30.606	134.294	503.986	668.886	-28.316
Glasgow City	1341.469	111.333	142.131	-4.464	1590.469	198.062	86.294	301.549	1004.564	1392.407	-51.616
Highland	492.156	40.508	44.812	-1.642	575.834	86.225	21.887	94.870	372.852	489.609	-19.793
Inverclyde	178.412	14.371	14.867	0.108	207.758	26.056	8.494	18.602	154.606	181.702	-7.445
Midlothian	161.555	13.633	12.052	-0.515	186.725	28.974	6.951	23.131	127.669	157.751	-6.451
Moray	169.647	14.303	11.735	-0.569	195.116	30.382	8.264	26.911	129.559	164.734	-7.005
North Ayrshire	288.115	23.195	19.434	-0.921	329.823	46.777	12.123	32.908	238.015	283.046	-11.170
North Lanarkshire	667.074	54.043	42.232	-2.173	761.176	106.041	27.595	96.249	531.291	655.135	-26.253
Orkney	66.055	5.279	8.302	-0.258	79.378	7.144	1.438	7.681	63.115	72.234	-2.739
Perth & Kinross	278.553	23.095	16.897	-0.859	317.686	57.715	11.702	45.046	203.223	259.971	-11.137
Renfrewshire	347.844	28.414	12.243	8.519	397.020	62.083	16.437	84.788	233.712	334.937	-14.374
Scottish Borders	229.275	19.592	18.381	-0.030	267.218	42.691	10.173	23.822	190.532	224.527	-9.931
Shetland	81.423	6.589	13.524	0.446	101.982	7.467	2.921	14.232	77.362	94.515	-4.187
South Ayrshire	224.046	18.378	13.029	-0.696	254.757	43.579	9.073	34.651	167.454	211.178	-8.872
South Lanarkshire	610.935	49.858	39.047	-1.957	697.883	108.862	25.421	242.692	320.908	589.021	-24.387
Stirling	182.335	14.850	14.860	-0.133	211.912	33.782	8.500	31.723	137.907	178.130	-7.592
West Dunbartonshire	207.269	16.897	13.476	0.509	238.151	31.403	10.661	65.630	130.457	206.748	-8.570
West Lothian	329.900	28.108	17.328	-1.064	374.272	56.752	14.964	69.020	233.536	317.520	-13.326
Scotland	10600.696	871.833	815.960	0.000	12288.489	1877.100	502.786	2170.500	7738.103	10411.389	-426.288

The explanation of each of the columns in the tables in Annex B is as follows:

Column 1 – represents the updated ongoing service provision and includes the following combined information: (i) the updated Grant Aided Expenditure (GAE) assessments; (ii) the revised Special Islands Needs Allowance (SINA); (iii) each council's individual share of the ongoing revenue grants which have been rolled up into the core local government finance settlement; (iv) each council's share of all the baselined redeterminations since Spending Review 2007; (v) the shares of both the £210 million for the council tax freeze over the period 2008-11 and the £70 million for the council tax freeze in 2011-12.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007 and 2010 and allocated pro-rata to each council's share of GAE plus SINA.

Column 3 – represents the updated share of the loan charges support for outstanding and new debt and the same level of ongoing PPP level playing field support.

Column 4 – is the floor adjustment which has been calculated as in previous years by excluding PPP level playing field support. The amount of the ongoing revenue grants which have been rolled up into the core local government finance settlement and the council tax freeze amounts were also excluded on the grounds of stability.

Column 5 – this is the net revenue expenditure recognised by the Scottish Government and represents the sum of columns 1 to 4.

Column 6 – is the assumption of the amount of Total Estimated Expenditure to be funded from the council tax. Any changes are as a result of buoyancy or projected numbers of properties.

Column 7 – is each council's share of the ongoing ring-fenced revenue grants.

Column 8 – is each council's share of the estimated non-domestic rate income which has been distributed proportionately on the basis of council's 2010-11 mid-year income returns net of prior year adjustments.

Column 9 – is the balance of funding provided by means of general revenue funding and is calculated by deducting columns 6, 7 and 8 from the Total Estimated Expenditure in column 6.

Column 10 – represents the total revenue funding available to each council in 2011-12 assuming that Councils accept the full package agreed with COSLA's Leadership.

The final column shows the amount, for illustrative purposes, which the Scottish Government plans to holdback under the terms of the 17 November 2010 offer letter, set out on a council by council basis. This has been distributed using the same underlying methodology as was used in calculating the actual settlement.

ESTIMATES OF RING-FENCED GRANT REVENUE FUNDING FOR 2011-12

ANNEX D

Local Authority	Hostels Grant AME Grant	Housing Support Grant AME Grant	Police	Gaelic	Total
	£m	£m	£m	£m	£m
Aberdeen City	0.499	0.000	23.058	0.140	23.697
Aberdeenshire	0.047	0.000	17.066	0.030	17.143
Angus	0.000	0.000	9.120	0.050	9.170
Argyll & Bute	0.000	0.000	9.242	0.375	9.617
Clackmannanshire	0.000	0.000	3.834	0.000	3.834
Dumfries & Galloway	0.070	0.000	14.141	0.000	14.211
Dundee City	0.107	0.000	16.968	0.000	17.075
East Ayrshire	0.307	0.000	9.730	0.150	10.187
East Dunbartonshire	0.000	0.000	6.665	0.070	6.735
East Lothian	0.000	0.000	7.230	0.000	7.230
East Renfrewshire	0.136	0.000	5.066	0.040	5.242
Edinburgh, City of	0.246	0.000	47.516	0.290	48.052
Eilean Siar	0.000	0.000	2.441	0.982	3.423
Falkirk	1.119	0.000	12.547	0.000	13.666
Fife	0.496	0.000	30.110	0.000	30.606
Glasgow City	0.520	0.000	85.264	0.510	86.294
Highland	0.000	0.000	20.942	0.945	21.887
Inverclyde	0.458	0.000	7.931	0.105	8.494
Midlothian	0.000	0.000	6.951	0.000	6.951
Moray	0.450	0.000	7.814	0.000	8.264
North Ayrshire	0.436	0.000	11.597	0.090	12.123
North Lanarkshire	0.000	0.000	27.325	0.270	27.595
Orkney	0.000	0.000	1.438	0.000	1.438
Perth & Kinross	0.335	0.000	11.287	0.080	11.702
Renfrewshire	0.451	0.000	15.951	0.035	16.437
Scottish Borders	0.000	0.000	10.173	0.000	10.173
Shetland	0.014	1.247	1.660	0.000	2.921
South Ayrshire	0.209	0.000	8.864	0.000	9.073
South Lanarkshire	1.380	0.000	23.881	0.160	25.421
Stirling	0.473	0.000	7.887	0.140	8.500
West Dunbartonshire	0.000	0.000	10.641	0.020	10.661
West Lothian	0.000	0.000	14.964	0.000	14.964
Scotland	7.753	1.247	489.304	4.482	502.786

CALCULATION OF THE FLOOR ADJUSTMENT FOR 2011-12

ANNEX E

Local Authority £million	Grant without Floor	Change without Floor	Change as a result of the Floor	Grant with Floor	Year on year change
Orkney	67.919	-1.25	-0.258	67.661	-1.62
West Lothian	281.702	-1.26	-1.064	280.638	-1.64
East Lothian	155.872	-1.33	-0.589	155.283	-1.70
East Renfrewshire	154.359	-1.97	-0.583	153.776	-2.34
Falkirk	249.315	-2.63	-0.942	248.373	-3.00
Dundee City	270.482	-2.72	-1.022	269.460	-3.09
North Lanarkshire	575.265	-2.90	-2.173	573.092	-3.27
Aberdeenshire	385.541	-3.01	-1.456	384.085	-3.38
East Dunbartonshire	163.454	-3.02	-0.617	162.837	-3.38
Dumfries & Galloway	276.284	-3.03	-1.044	275.240	-3.40
South Lanarkshire	518.186	-3.08	-1.957	516.229	-3.44
North Ayrshire	243.746	-3.08	-0.921	242.825	-3.45
Argyll & Bute	190.499	-3.10	-0.720	189.779	-3.47
South Ayrshire	184.161	-3.32	-0.696	183.465	-3.69
Highland	434.716	-3.41	-1.642	433.074	-3.77
Perth & Kinross	227.529	-3.51	-0.859	226.670	-3.87
Angus	187.644	-3.64	-0.709	186.935	-4.00
Aberdeen City	313.196	-3.75	-1.183	312.013	-4.11
Glasgow City	1181.666	-3.80	-4.464	1177.202	-4.16
Moray	150.665	-3.85	-0.569	150.096	-4.21
Clackmannanshire	83.657	-3.86	-0.316	83.341	-4.22
Midlothian	136.382	-3.91	-0.515	135.867	-4.27
East Ayrshire	206.292	-4.04	-0.779	205.513	-4.40
Fife	597.210	-4.14	-2.256	594.954	-4.50
Stirling	152.773	-4.42	-0.133	152.640	-4.50
Scottish Borders	199.691	-4.49	-0.030	199.661	-4.50
Inverclyde	152.748	-4.57	0.108	152.856	-4.50
West Dunbartonshire	171.791	-4.78	0.509	172.300	-4.50
Edinburgh, City of	676.639	-4.90	2.831	679.470	-4.50
Shetland	87.868	-4.98	0.446	88.314	-4.50
Renfrewshire	280.468	-7.32	8.519	288.987	-4.50
Eilean Siar	87.560	-18.53	15.084	102.644	-4.50
Scotland	9045.280	3.79	-15.085	9030.195	-3.79

RECONCILIATION OF REVENUE ALLOCATIONS FOR 2011-12 (DISTRIBUTIONAL CHANGES IN 2011-12 ALLOCATIONS)

ANNEX F

Local authority £million	Change 1			Change 2			Change 3			Change 4		
	Circ PPP	Revised PPP	Change	Circ Customer First	Revised Customer First	Change	Circ Gaelic GAE	Revised Gaelic GAE	Change	Circ Police GAE	Revised Police GAE	Change
Aberdeen City	5.874	5.759	-0.115	0.000	0.000	0.000	0.140	0.174	0.034	45.671	45.632	-0.038
Aberdeenshire	3.400	3.400	0.000	0.000	0.000	0.000	0.030	0.037	0.007	33.802	33.774	-0.028
Angus	3.759	3.753	-0.006	0.000	0.000	0.000	0.050	0.062	0.012	17.930	17.915	-0.015
Argyll & Bute	6.290	6.290	0.000	0.000	0.000	0.000	0.375	0.466	0.091	18.342	18.326	-0.015
Clackmannanshire	3.548	3.428	-0.120	0.000	0.000	0.000	0.000	0.000	0.000	7.486	7.479	-0.006
Dumfries & Galloway	7.379	7.346	-0.033	0.000	0.000	0.000	0.000	0.000	0.000	27.847	27.823	-0.023
Dundee City	5.836	5.835	-0.001	0.000	0.000	0.000	0.000	0.000	0.000	33.362	33.334	-0.028
East Ayrshire	4.484	4.484	0.000	0.000	0.000	0.000	0.150	0.186	0.036	19.312	19.295	-0.016
East Dunbartonshire	7.220	7.174	-0.046	0.000	0.000	0.000	0.070	0.087	0.017	13.227	13.216	-0.011
East Lothian	2.950	2.950	0.000	0.000	0.000	0.000	0.000	0.000	0.000	14.415	14.403	-0.012
East Renfrewshire	3.950	3.950	0.000	0.000	0.000	0.000	0.040	0.050	0.010	10.053	10.044	-0.008
Edinburgh, City of	13.517	13.553	0.036	0.000	0.000	0.000	0.290	0.360	0.070	94.196	94.117	-0.079
Eilean Siar	0.000	1.524	1.524	0.000	0.000	0.000	0.982	1.220	0.238	4.734	4.730	-0.004
Falkirk	5.186	4.994	-0.192	0.000	0.000	0.000	0.000	0.000	0.000	24.494	24.474	-0.021
Fife	4.168	4.168	0.000	0.000	0.000	0.000	0.000	0.000	0.000	58.497	58.448	-0.049
Glasgow City	0.000	0.000	0.000	0.000	0.000	0.000	0.510	0.634	0.124	169.219	169.077	-0.142
Highland	7.436	7.436	0.000	0.000	0.000	0.000	0.945	1.174	0.229	40.601	40.567	-0.034
Inverclyde	5.394	5.394	0.000	0.000	0.000	0.000	0.105	0.130	0.025	15.740	15.727	-0.013
Midlothian	3.689	3.689	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.941	13.930	-0.012
Moray	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15.477	15.464	-0.013
North Ayrshire	5.857	5.857	0.000	0.000	0.000	0.000	0.090	0.112	0.022	23.015	22.996	-0.019
North Lanarkshire	11.598	11.598	0.000	0.000	2.700	2.700	0.270	0.336	0.066	54.231	54.186	-0.046
Orkney	0.174	0.000	-0.174	0.000	0.000	0.000	0.000	0.000	0.000	2.788	2.786	-0.002
Perth & Kinross	6.891	6.891	0.000	0.000	0.000	0.000	0.080	0.099	0.019	22.192	22.174	-0.019
Renfrewshire	7.790	7.790	0.000	0.000	0.000	0.000	0.035	0.043	0.008	31.657	31.630	-0.027
Scottish Borders	3.713	3.713	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.176	20.159	-0.017
Shetland	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.219	3.216	-0.003
South Ayrshire	4.513	4.501	-0.012	0.000	0.000	0.000	0.000	0.000	0.000	17.592	17.577	-0.015
South Lanarkshire	10.714	10.696	-0.018	2.700	0.000	-2.700	0.160	0.199	0.039	47.397	47.357	-0.040
Stirling	4.435	4.435	0.000	0.000	0.000	0.000	0.140	0.174	0.034	15.398	15.385	-0.013
West Dunbartonshire	7.257	7.257	0.000	0.000	0.000	0.000	0.020	0.025	0.005	21.119	21.102	-0.018
West Lothian	3.627	3.557	-0.070	0.000	0.000	0.000	0.000	0.000	0.000	29.766	29.741	-0.025
Scotland	160.649	161.424	0.775	2.700	2.700	0.000	4.482	5.570	1.088	966.897	966.085	-0.812

RECONCILIATION OF REVENUE ALLOCATIONS FOR 2011-12 (DISTRIBUTIONAL CHANGES IN 2011-12 ALLOCATIONS)

ANNEX F

Local authority £million	Change 5						Impact of Changes on SINA and Floor					
	Circ SR07 Increase	Revised Circ SR07 Increase	Change	Circ 2011-12 Reduction	Revised 2011-12 Reduction	Change	Circ SINA	Revised SINA	Change	Circ Floor	Revised Floor	Change
Aberdeen City	42.458	39.158	-3.300	-6.511	-4.002	2.509	0.000	0.000	0.000	-1.134	-1.183	-0.049
Aberdeenshire	50.232	46.699	-3.533	-8.048	-4.947	3.101	0.000	0.000	0.000	-1.398	-1.456	-0.059
Angus	24.206	22.815	-1.391	-3.811	-2.342	1.469	0.000	0.000	0.000	-0.689	-0.709	-0.019
Argyll & Bute	23.031	21.617	-1.414	-3.450	-2.122	1.328	1.970	1.970	0.000	-0.692	-0.720	-0.027
Clackmannanshire	10.754	10.106	-0.648	-1.672	-1.027	0.645	0.000	0.000	0.000	-0.302	-0.316	-0.014
Dumfries & Galloway	34.175	32.309	-1.866	-5.453	-3.351	2.102	0.000	0.000	0.000	-1.001	-1.044	-0.043
Dundee City	33.128	31.366	-1.762	-5.182	-3.185	1.997	0.000	0.000	0.000	-0.985	-1.022	-0.036
East Ayrshire	26.147	24.676	-1.471	-4.066	-2.499	1.567	0.000	0.000	0.000	-0.745	-0.779	-0.034
East Dunbartonshire	21.867	20.216	-1.651	-3.441	-2.115	1.326	0.000	0.000	0.000	-0.592	-0.617	-0.026
East Lothian	21.147	19.784	-1.363	-3.129	-1.923	1.206	0.000	0.000	0.000	-0.563	-0.589	-0.025
East Renfrewshire	19.769	18.381	-1.388	-3.180	-1.955	1.225	0.000	0.000	0.000	-0.576	-0.583	-0.007
Edinburgh, City of	92.664	85.766	-6.898	-14.044	-8.632	5.412	0.000	0.000	0.000	1.134	2.831	1.698
Eilean Siar	8.490	8.196	-0.294	-1.394	-0.86	0.534	6.040	6.064	0.024	15.600	15.084	-0.516
Falkirk	31.754	29.923	-1.831	-5.034	-3.094	1.940	0.000	0.000	0.000	-0.932	-0.942	-0.010
Fife	76.872	72.182	-4.690	-12.076	-7.422	4.654	0.000	0.000	0.000	-2.172	-2.256	-0.084
Glasgow City	146.367	138.584	-7.783	-22.033	-13.544	8.489	0.000	0.000	0.000	-4.327	-4.464	-0.137
Highland	53.066	49.831	-3.235	-8.441	-5.191	3.250	0.443	0.443	0.000	-1.573	-1.642	-0.069
Inverclyde	18.871	17.831	-1.040	-2.885	-1.774	1.111	0.000	0.000	0.000	0.208	0.108	-0.100
Midlothian	17.954	16.846	-1.108	-2.751	-1.691	1.060	0.000	0.000	0.000	-0.504	-0.515	-0.011
Moray	18.812	17.67	-1.142	-2.988	-1.837	1.151	0.000	0.000	0.000	-0.544	-0.569	-0.025
North Ayrshire	30.577	28.844	-1.733	-4.765	-2.929	1.836	0.832	0.832	0.000	-0.881	-0.921	-0.040
North Lanarkshire	71.233	67.561	-3.672	-11.200	-6.884	4.316	0.000	0.000	0.000	-2.068	-2.173	-0.105
Orkney	6.728	6.496	-0.232	-1.170	-0.719	0.451	5.822	5.822	0.000	-0.244	-0.257	-0.012
Perth & Kinross	30.669	28.515	-2.154	-4.747	-2.918	1.829	0.000	0.000	0.000	-0.827	-0.859	-0.032
Renfrewshire	37.729	35.363	-2.366	-5.778	-3.552	2.226	0.000	0.000	0.000	8.394	8.519	0.125
Scottish Borders	25.525	24.001	-1.524	-3.935	-2.418	1.517	0.000	0.000	0.000	-0.012	-0.030	-0.018
Shetland	8.454	8.198	-0.256	-1.458	-0.896	0.562	5.974	5.974	0.000	0.767	0.446	-0.321
South Ayrshire	24.458	22.794	-1.664	-3.783	-2.325	1.458	0.000	0.000	0.000	-0.666	-0.696	-0.030
South Lanarkshire	66.167	62.245	-3.922	-10.400	-6.393	4.007	0.000	0.000	0.000	-1.883	-1.957	-0.075
Stirling	19.738	18.365	-1.373	-3.053	-1.877	1.176	0.000	0.000	0.000	-0.353	-0.133	0.220
West Dunbartonshire	22.159	20.951	-1.208	-3.326	-2.044	1.282	0.000	0.000	0.000	0.587	0.509	-0.079
West Lothian	36.897	34.807	-2.090	-5.683	-3.493	2.190	0.000	0.000	0.000	-1.024	-1.064	-0.040
Scotland	1152.096	1082.096	-70.000	-178.886	-109.961	68.925	21.080	21.105	0.025	0.000	0.000	0.000

RECONCILIATION OF REVENUE ALLOCATIONS FOR 2011-12 (DISTRIBUTIONAL CHANGES IN 2011-12 ALLOCATIONS)

ANNEX F

Local authority £million	Change 6		Total Changes
	Police Specific Grant	General Revenue Grant	
Aberdeen City	0.000	0.000	-0.959
Aberdeenshire	0.000	0.000	-0.511
Angus	0.000	0.000	0.050
Argyll & Bute	0.000	0.000	-0.037
Clackmannanshire	0.000	0.000	-0.143
Dumfries & Galloway	0.000	0.000	0.137
Dundee City	0.000	0.000	0.170
East Ayrshire	0.000	0.000	0.081
East Dunbartonshire	0.000	0.000	-0.391
East Lothian	-0.027	0.027	-0.194
East Renfrewshire	0.000	0.000	-0.168
Edinburgh, City of	0.097	-0.097	0.239
Eilean Siar	0.000	0.000	1.506
Falkirk	0.000	0.000	-0.112
Fife	0.000	0.000	-0.170
Glasgow City	0.000	0.000	0.551
Highland	0.000	0.000	0.141
Inverclyde	0.000	0.000	-0.017
Midlothian	-0.067	0.067	-0.070
Moray	0.000	0.000	-0.029
North Ayrshire	0.000	0.000	0.066
North Lanarkshire	0.000	0.000	3.259
Orkney	0.000	0.000	0.031
Perth & Kinross	0.000	0.000	-0.356
Renfrewshire	0.000	0.000	-0.033
Scottish Borders	0.017	-0.017	-0.042
Shetland	0.000	0.000	-0.018
South Ayrshire	0.000	0.000	-0.263
South Lanarkshire	0.000	0.000	-2.708
Stirling	0.000	0.000	0.044
West Dunbartonshire	0.000	0.000	-0.018
West Lothian	-0.020	0.020	-0.035
Scotland	0.000	0.000	0.000

REDETERMINATIONS OF GENERAL REVENUE GRANT 2010-11
ANNEX G

Local Authority £million	Adult Support and Protection	Teachers Induction Scheme	Curriculum for Excellence/ Quality assurance & moderation assessment	Business Gateway Funding	Flood Risk Management	Customer First - Oracle Licenses	Migration Impact Fund	Public Services Obligation Air Services	Fire Pensions- Injury Payments	Business Gateway National Marketing	Argyll Air Services	Change In GRG	Revised Total GRG
Aberdeen City	0.650	0.899	0.101	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.710	259.944
Aberdeenshire	0.710	2.399	0.154	-0.015	0.060	0.000	0.000	0.000	0.000	0.000	0.000	3.308	323.161
Angus	0.333	0.995	0.068	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.456	167.183
Argyll & Bute	0.281	0.188	0.053	0.000	0.060	0.000	0.000	0.000	0.015	0.000	0.800	1.397	186.750
Clackmannanshire	0.151	0.427	0.030	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	0.668	77.580
Dumfries & Galloway	0.454	0.519	0.093	-0.005	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.121	249.276
Dundee City	0.438	0.660	0.087	-0.013	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.232	246.476
East Ayrshire	0.362	1.332	0.073	0.000	0.060	0.000	0.000	0.000	0.018	0.000	0.000	1.845	187.574
East Dunbartonshire	0.316	1.699	0.068	0.000	0.060	0.000	0.000	0.000	0.015	0.000	0.000	2.158	145.241
East Lothian	0.281	1.610	0.058	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	2.009	134.110
East Renfrewshire	0.264	2.135	0.070	0.000	0.060	0.000	0.000	0.000	0.011	0.000	0.000	2.540	144.104
Edinburgh, City of	1.462	2.042	0.191	-0.027	0.060	0.000	0.000	0.000	0.000	0.000	0.000	3.728	579.737
Eilean Siar	0.083	0.280	0.023	0.000	0.060	0.000	0.000	0.150	0.000	0.000	0.000	0.596	102.518
Falkirk	0.452	1.511	0.090	-0.009	0.060	0.000	0.000	0.000	0.000	0.000	0.000	2.104	222.460
Fife	1.086	2.181	0.206	-0.012	0.060	0.000	0.000	0.000	0.000	0.000	0.000	3.521	516.083
Glasgow City	1.782	1.407	0.290	-0.019	0.060	0.000	0.000	0.000	0.131	0.000	0.000	3.651	1,122.346
Highland	0.657	1.014	0.146	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.877	392.094
Inverclyde	0.247	0.599	0.047	0.000	0.060	0.000	0.000	0.000	0.019	0.000	0.000	0.972	144.109
Midlothian	0.238	0.470	0.051	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	0.819	123.417
Moray	0.264	0.403	0.055	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	0.782	129.978
North Ayrshire	0.409	0.764	0.078	0.143	0.060	0.000	0.000	0.000	0.025	0.000	0.000	1.479	223.203
North Lanarkshire	0.961	1.943	0.212	-0.021	0.060	2.700	0.150	0.000	0.041	0.000	0.000	6.046	515.035
Orkney	0.063	0.257	0.016	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	0.396	65.518
Perth & Kinross	0.433	0.864	0.079	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.436	196.510
Renfrewshire	0.512	1.732	0.093	-0.011	0.060	0.000	0.000	0.000	0.026	0.100	0.000	2.512	264.974
Scottish Borders	0.338	0.641	0.067	-0.004	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.102	175.841
Shetland	0.068	0.197	0.024	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	0.349	86.894
South Ayrshire	0.344	0.769	0.063	0.000	0.060	0.000	0.000	0.000	0.018	0.000	0.000	1.254	163.067
South Lanarkshire	0.927	2.469	0.188	0.000	0.060	0.000	0.000	0.000	0.041	0.000	0.000	3.685	454.456
Stirling	0.266	1.385	0.055	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	1.766	140.608
West Dunbartonshire	0.277	1.112	0.056	-0.007	0.060	0.000	0.000	0.000	0.025	0.000	0.000	1.523	169.744
West Lothian	0.491	2.609	0.115	0.000	0.060	0.000	0.000	0.000	0.000	0.000	0.000	3.275	239.416
Scotland	15.600	37.512	3.000	0.000	1.920	2.700	0.150	0.150	0.385	0.100	0.800	62.317	8,149.407

Calculation of Loan Charge Support

1. The purpose of loan charge support (LCS) to local authorities is to support capital investment through borrowing.
2. LCS is designed to recognise the costs associated with servicing a certain level of debt, i.e. interest, the statutory charge representing repayments of principal, and the cost of managing the debt, i.e. loans fund expenses. LCS forms part of the General Revenue Grant paid to local authorities.
3. For the 2011-12 settlement, the Scottish Government will provide LCS for five 'types' of debt based on methodology agreed by the Three Year Settlement Group in 2007-08:
 - i) Pre-1999 'historic' and covenant debt – The Three Year Settlement Group agreed that pre-1999 and covenant debt should form one category. LCS for this debt is included in each settlement taking into consideration loans fund repayment profiles provided by local authorities in 1999;
 - ii) Joint board debt – In 2004-05 Joint boards moved to being funded directly by capital grant rather than through a supported borrowing allocation. LCS for this debt reflects allocations made to joint boards prior to 2004-05. LCS for this debt is included in each settlement taking into consideration loans fund repayment profiles provided by each joint board in December 2006;
 - iii) 1999-2004 'Section 94 consent' debt – This is support for borrowing consents under the 'Section 94' regime. The Three Year Settlement Group agreed the remaining balance for this debt (from 2008-09) would be included in settlements over a 19 year period based on Equal Instalments of Principal (EIP) redemptions;
 - iv) 2004-08 supported borrowing – LCS is calculated based on a supported borrowing allocation of £303.800m in each of 2004-05 and 2005-06, £297.713m in 2006-07 and £305.156m for 2007-08. The Three Year Settlement Group agreed the remaining balance for this debt (from 2008-09) would be included in settlements over a 23 year period based on EIP redemptions; and
 - v) 2008-11 supported borrowing – LCS is calculated based on a supported borrowing allocation of £305.156m in each of the three years 2008-09 to 2010-11. LCS for this debt is included in each settlement over 25 years based on EIP redemptions.
4. Orkney Islands Council receives a notional element of LCS for debt types i) to iii), and is included in the distribution methodology for debt types iv) and v). Shetland Islands Council receive an allocation for debt types i) to iv) at a set proportion of the all Scotland support, and receive an allocation for debt type v) in accordance with the distribution formula for supported borrowing.
5. The Three Year Settlement Group in 2007-08 agreed that any new supported for borrowing be distributed using a fixed notional element of £1 million with the remainder being distributed on the basis of 75% population and 25% transport (weighted road lane length). No new supported borrowing is included in the 2011-12 settlement.
6. The same interest rate is applied to each debt type. This is the weighted average of the loans fund interest rates for all local authorities in Scotland (including joint board debt). The interest rate is calculated from the latest available loans fund data. The data used are taken from the 2009-10 Capital Return – Final. This provides an interest rate for the 2011-12 settlement of 4.86%.

7. A loans fund expenses rate, set at 0.069%, is also applied to the balance of each debt type to cover local authority loans fund administration costs.

Public Private Partnership (PPP) Projects

8. In addition to LCS, 'level playing field' support (LPFS) is also provided to some local authorities for Public Private Partnership (PPP) projects.

9. PPP LPFS was introduced on the principle that the choice between PFI and conventional procurement should not be determined by differences in loan charge support.

10. The calculation of PPP LPFS includes similar cost types as LCS; namely, interest, the repayment of principal, and loans fund expenses. The calculation of these elements is made on an annuity basis reflecting the interest rate at the start of the contract, the initial life of the contract and the capital value of the project (taking into account the residual value of any new asset). The calculations are not revisited each year and, other than for adjustments for part-years at the beginning and end of a contract, remain constant over the life of the contract. No new PPP contracts have been added since 2004-05, and the amounts reflected in the settlement will be the same until 2019-20.

11. Allocations of PPP LFFS are detailed in the table below.

Aberdeenshire	1.400
Angus	3.400
Argyll & Bute	1.371
Dumfries & Galloway	1.270
Dundee City	2.319
East Ayrshire	0.099
East Dunbartonshire	0.064
East Renfrewshire	5.032
Edinburgh, City of	6.620
Falkirk	8.640
Fife	3.680
Glasgow City	15.531
Highland	1.550
Inverclyde	0.088
Midlothian	3.116
North Ayrshire	0.106
North Lanarkshire	0.265
Perth & Kinross	1.405
Renfrewshire	0.153
South Ayrshire	0.079
South Lanarkshire	0.223
Stirling	1.590
West Dunbartonshire	0.113
West Lothian	1.916
Scotland	60.029

Local Authority (£million)	Ring-Fenced Capital Grants	General Capital Grant	Total Capital Grant
Aberdeen City	0.307	19.306	19.613
Aberdeenshire	0.350	23.253	23.603
Angus	0.158	10.980	11.138
Argyll & Bute	0.129	12.522	12.651
Clackmannanshire	0.073	4.877	4.950
Dumfries & Galloway	0.213	16.567	16.780
Dundee City	1.642	15.485	17.127
East Ayrshire	0.173	8.936	9.109
East Dunbartonshire	0.150	7.969	8.119
East Lothian	0.139	9.188	9.327
East Renfrewshire	0.128	5.978	6.106
Edinburgh, City of	30.296	48.655	78.951
Eilean Siar	0.038	8.622	8.660
Falkirk	0.219	12.800	13.019
Fife	0.522	28.256	28.778
Glasgow City	87.637	64.207	151.844
Highland	1.547	28.549	30.096
Inverclyde	0.115	7.889	8.004
Midlothian	0.116	7.810	7.926
Moray	0.126	22.708	22.834
North Ayrshire	0.195	11.998	12.193
North Lanarkshire	2.560	25.921	28.481
Orkney Islands	0.029	5.766	5.795
Perth & Kinross	0.209	14.014	14.223
Renfrewshire	0.244	15.547	15.791
Scottish Borders	0.162	12.374	12.536
Shetland Islands	0.032	5.904	5.936
South Ayrshire	0.160	9.743	9.903
South Lanarkshire	2.005	24.103	26.108
Stirling	0.127	8.762	8.889
West Dunbartonshire	0.130	8.717	8.847
West Lothian	0.246	13.523	13.769
Councils Total	130.177	520.929	651.106
Fire Boards	20.183	0.000	20.183
Strathclyde RPT	20.511	0.000	20.511
All Scotland Total	170.871	520.929	691.800

ESTIMATES OF RING-FENCED CAPITAL GRANTS FOR 2011-12

ANNEX J

Local Authority (£ million)	Justice	Finance and Sustainable Growth		Health & Wellbeing			Total Specific Capital Grants
	Fire Capital	Cycling, Walking and Safer Streets	Strathclyde RPT	Vacant & Derelict Land	AHIP (TMDF)*	Assistance to Owners Affected by Glasgow Stock Transfer	
Aberdeen City	0.000	0.307	0.000	0.000	0.000	0.000	0.307
Aberdeenshire	0.000	0.350	0.000	0.000	0.000	0.000	0.350
Angus	0.000	0.158	0.000	0.000	0.000	0.000	0.158
Argyll & Bute	0.000	0.129	0.000	0.000	0.000	0.000	0.129
Clackmannanshire	0.000	0.073	0.000	0.000	0.000	0.000	0.073
Dumfries & Galloway	0.000	0.213	0.000	0.000	0.000	0.000	0.213
Dundee City	0.000	0.206	0.000	1.436	0.000	0.000	1.642
East Ayrshire	0.000	0.173	0.000	0.000	0.000	0.000	0.173
East Dunbartonshire	0.000	0.150	0.000	0.000	0.000	0.000	0.150
East Lothian	0.000	0.139	0.000	0.000	0.000	0.000	0.139
East Renfrewshire	0.000	0.128	0.000	0.000	0.000	0.000	0.128
Edinburgh, City of	0.000	0.686	0.000	0.000	29.610	0.000	30.296
Eilean Siar	0.000	0.038	0.000	0.000	0.000	0.000	0.038
Falkirk	0.000	0.219	0.000	0.000	0.000	0.000	0.219
Fife	0.000	0.522	0.000	0.000	0.000	0.000	0.522
Glasgow City	0.000	0.845	0.000	3.692	68.100	15.000	87.637
Highland	0.000	0.317	0.000	1.230	0.000	0.000	1.547
Inverclyde	0.000	0.115	0.000	0.000	0.000	0.000	0.115
Midlothian	0.000	0.116	0.000	0.000	0.000	0.000	0.116
Moray	0.000	0.126	0.000	0.000	0.000	0.000	0.126
North Ayrshire	0.000	0.195	0.000	0.000	0.000	0.000	0.195
North Lanarkshire	0.000	0.468	0.000	2.092	0.000	0.000	2.560
Orkney Islands	0.000	0.029	0.000	0.000	0.000	0.000	0.029
Perth & Kinross	0.000	0.209	0.000	0.000	0.000	0.000	0.209
Renfrewshire	0.000	0.244	0.000	0.000	0.000	0.000	0.244
Scottish Borders	0.000	0.162	0.000	0.000	0.000	0.000	0.162
Shetland Islands	0.000	0.032	0.000	0.000	0.000	0.000	0.032
South Ayrshire	0.000	0.160	0.000	0.000	0.000	0.000	0.160
South Lanarkshire	0.000	0.446	0.000	1.559	0.000	0.000	2.005
Stirling	0.000	0.127	0.000	0.000	0.000	0.000	0.127
West Dunbartonshire	0.000	0.130	0.000	0.000	0.000	0.000	0.130
West Lothian	0.000	0.246	0.000	0.000	0.000	0.000	0.246
Councils Total	0.000	7.458	0.000	10.009	97.710	15.000	130.177
Fire Boards	20.183	0.000	0.000	0.000	0.000	0.000	20.183
Strathclyde RPT	0.000	0.000	20.511	0.000	0.000	0.000	20.511
All Scotland Total	20.183	7.458	20.511	10.009	97.710	15.000	170.871

*Affordable Housing Investment Programme (Transfer of Management of Development Funding)

Local Authority (£million)	Circular 14/2010	Vacant & Derelict Land Fund Distribution	Transposition Error	Revised Capital Grant
Aberdeen City	19.613	0.000	0.000	19.613
Aberdeenshire	23.603	0.000	0.000	23.603
Angus	11.138	0.000	0.000	11.138
Argyll & Bute	12.651	0.000	0.000	12.651
Clackmannanshire	4.950	0.000	0.000	4.950
Dumfries & Galloway	16.780	0.000	0.000	16.780
Dundee City	15.691	1.436	0.000	17.127
East Ayrshire	9.109	0.000	0.000	9.109
East Dunbartonshire	8.119	0.000	0.000	8.119
East Lothian	9.327	0.000	0.000	9.327
East Renfrewshire	6.106	0.000	0.000	6.106
Edinburgh, City of	78.951	0.000	0.000	78.951
Eilean Siar	8.660	0.000	0.000	8.660
Falkirk	13.019	0.000	0.000	13.019
Fife	28.778	0.000	0.000	28.778
Glasgow City	148.152	3.692	0.000	151.844
Highland	28.866	1.230	0.000	30.096
Inverclyde	8.004	0.000	0.000	8.004
Midlothian	7.926	0.000	0.000	7.926
Moray	22.834	0.000	0.000	22.834
North Ayrshire	11.729	0.000	0.464	12.193
North Lanarkshire	26.853	2.092	-0.464	28.481
Orkney Islands	5.795	0.000	0.000	5.795
Perth & Kinross	14.223	0.000	0.000	14.223
Renfrewshire	15.791	0.000	0.000	15.791
Scottish Borders	12.536	0.000	0.000	12.536
Shetland Islands	5.936	0.000	0.000	5.936
South Ayrshire	9.903	0.000	0.000	9.903
South Lanarkshire	24.549	1.559	0.000	26.108
Stirling	8.889	0.000	0.000	8.889
West Dunbartonshire	8.847	0.000	0.000	8.847
West Lothian	13.769	0.000	0.000	13.769
Undistributed	10.009	-10.009	0.000	0.000
Councils Total	651.106	0.000	0.000	651.106
Fire Boards	20.183	0.000	0.000	20.183
Strathclyde RPT	20.511	0.000	0.000	20.511
All Scotland Total	691.800	0.000	0.000	691.800