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From the Private Secretary

24 November 1986

LOCAL AUTHORITY NEEDS INDICATORS

BK1
I showed the Prime Minister the document you sent me which sets out the definitions of the indicators used in assessing RSG (Appendix 2 to Annex J of some document or other.) The Prime Minister found this absurd and has said it must be stopped. She looks forward to seeing the paper which the Treasury has in preparation and to chairing a discussion to bring this to an end.

DAVID NORGROVE

Alex Allan, Esq.,
H.M. Treasury.

ed



Prime Minister ^A

David, A paper is in preparation.

These are the full ^{ORN} 14/11

horrors of the needs indicators for LA spending in England.

The particular idiom mentioned to you is highlighted on p 53.

Alex

This is absurd. The
next step is a system with no
more than 10% withdrawal

010
CCBG

Appendix 2 to Annex J

DEFINITIONS OF INDICATORS

(The indicator references in this Appendix differ in many cases from those used in previous rate support grant reports)

A. PEOPLE IN THE AREA

Population. For the purpose of the Report, the population of an area and the number of persons of particular ages in the area shall be the number estimated by the Registrar General and certified by him to the Secretary of State for Rate Support Grant purposes; and, except where the Report otherwise provides, the number shall be estimated by reference to the population on 30 June 1984.

A1. Residents. Total population in the area of a local authority on 30 June 1984.

A2. Daytime net inflow. The number of persons working but not resident in the area at the date of the 1981 Census, and subtracting therefrom the number of persons resident in but working outside the area.

A3. Visitor nights. The total estimated number of nights stayed by visitors in the local authority's area per year as estimated by the Secretary of State on the basis of the Long Distance Travel Surveys.

A4. Children under 5. The number of children under 5 years of age on 30 June 1984.

A5. Children under 11. The number of children under 11 years of age on 30 June 1984.

A6. Children 11-15. The number of children 11-15 years of age on 30 June 1984.

A7. Children 11-17. The number of children 11-17 years of age on 30 June 1984.

Pupils counted for the purposes of Indicators A8, A9 and A10 are those for whom the authority is financially responsible. They comprise pupils who, as estimated by the Secretary of State for Education and Science and certified by him for Rate Support Grant purposes on the basis of a count at the beginning of the Spring term 1985:

- (i) belonged to the area of the authority and were registered as pupils at county, voluntary or special schools maintained by the authority or by any other authority in England or Wales; or
- (ii) did not belong to the area of any authority and were registered as pupils at county, voluntary or special schools maintained by the authority or by any other authority in England or Wales; or
- (iii) were registered as pupils at independent schools, or schools not maintained by an authority and approved by the Secretary of State as special schools under Section 9(5) of the Education Act 1944, and in respect of whom the tuition fees were paid in full by the authority; or
- (iv) were receiving education outside school in pursuance of arrangements made by the authority.

A8. School pupils of primary age. The number of pupils who had attained the age of 5 and had not attained the age of 11 on 31 August 1984.

A9. School pupils - secondary under 16. The number of pupils who had attained the age of 11 and had not attained the age of 16 on 31 August 1984.

A10. School pupils aged 16 and over. The number of secondary school pupils who had attained the age of 16 on 31 August 1984.

All. Non-advanced further education students. Non-advanced further education students counted for rate support grant purposes comprise those home students (a term which includes citizens of any member country of the European Community) attending relevant courses as defined at (a) below who live in the authority's area and attend its colleges or those of another authority, and also those who attend its colleges and are regarded as not belonging to the area of any authority in England or Wales. Student numbers are weighted according to fee status and the cost of provision. The definition is formally expressed as: the sum to one decimal place of the number of full-time equivalent further education students in the area of the authority (as defined at (a) below) in each of the categories listed at (b) below.

- (a) The number of full-time equivalent further education students in the area of an authority is the number estimated by the Secretary of State for Education and Science and certified by him for rate support grant purposes who on 1 November 1984 either:
- (i) belonged to the area of the authority and were enrolled on courses at establishments of further education maintained or assisted by an authority in England or Wales; or
 - (ii) did not belong to the area of any authority in England or Wales and were enrolled on courses at establishments of further education maintained or assisted by the authority, except persons attending:
 - courses in the evening only or on a part-time basis not involving release from employment; or
 - courses for which the establishment is deemed to have charged a full-cost fee; or
 - advanced further education courses which are specified in Schedule 2 to the Block Grant (Education Adjustments) (England) Regulations 1984.
- (b) (i) Home students who had not attained the age of 19 on 31 August 1984 attending courses within Group A as specified below, multiplied by 1.3735;
- (ii) home students who had not attained the age of 19 on 31 August 1984 attending courses within Group B as specified below, multiplied by 0.9677;
- (iii) home students who had attained the age of 19 on 31 August 1984 attending courses within Group A as specified below, multiplied by 1.0301;
- (iv) home students who had attained the age of 19 on 31 August 1984 attending courses within Group B as specified below, multiplied by 0.6243;
- (v) home students attending a Mode A course under the Manpower Services Commission's Youth Training Scheme, multiplied by 0.4370.

GROUP A comprises courses (except as specified under GROUP B below) in the following subjects—health, engineering and technology, agriculture and forestry, mathematics, biological and physical sciences, chemistry, architecture and planning, nautical science, transport, art, design, drama, and music.

GROUP B comprises all courses in other subjects; and courses in any subject in preparation for any of the following qualifications:

General Certificate of Education; Certificate of Secondary Education;
Certificate of Further Education; and Certificate of Extended Education.

A12. People aged 16-24. The number of persons 16-24 years of age in the area of the authority on 30 June 1984.

A13. People aged 25-44. The number of persons 25-44 years of age in the area of the authority on 30 June 1984.

A14. People aged 45-64. The number of persons 45-64 years of age in the area of the authority on 30 June 1984.

A15. People aged 18-64. The number of persons 18-64 years of age in the area of the authority on 30 June 1984.

A16. Elderly people aged 65 and over. The number of persons 65 years of age or over living in the area of the authority on 30 June 1984.

B. PHYSICAL FEATURES OF THE AREA

B1. Area. The number of hectares comprised in the area of a local authority on 1 April 1985 and certified by the Ordnance Survey.

B2. Sparseness of school population:

- (i) (a) For primary education, the sparsity of each education authority area as defined below multiplied by the sum of (i) and (ii) below:
 - (i) the value of Indicator A8, multiplied by 1.0;
 - (ii) the value of Indicator C2 as defined below, multiplied by 0.166;
- (b) For secondary education for pupils below school leaving age, the sparsity of each education authority area as defined below multiplied by the sum of (i) and (ii) below:
 - (i) the value of Indicator A9, multiplied by 1.0;
 - (ii) the value of Indicator C3 as defined below, multiplied by 0.166;
- (c) For secondary education for pupils above school leaving age, the sparsity of each education authority area as defined below multiplied by the sum of (i) to (iii) below:
 - (i) the value of Indicator A10, multiplied by 1.0;
 - (ii) the value of Indicator A9, multiplied by 0.0014;
 - (iii) the value of Indicator C3 as defined below, multiplied by 0.0018.

In each of the three cases above, the sparsity is calculated as the sum of the population of those wards within the education authority area with $\frac{1}{2}$ or less persons per hectare as at the 1981 Census, divided by the total population of the education authority as at the 1981 Census, as estimated by the Secretary of State.

- (ii) (a) For primary education, the sparsity of each education authority area as defined below multiplied by the sum of (i) and (ii) below:
 - (i) the value of Indicator A8, multiplied by 1.0;
 - (ii) the value of Indicator C2 as defined below, multiplied by 0.166;
- (b) For secondary education for pupils below school leaving age, the sparsity of each education authority area as defined below multiplied by the sum of (i) and (ii) below:
 - (i) the value of Indicator A9, multiplied by 1.0;
 - (ii) the value of Indicator C3 as defined below, multiplied by 0.166;
- (c) For secondary education for pupils above school leaving age, the sparsity of each education authority area as defined below multiplied by the sum of (i) to (iii) below:
 - (i) the value of Indicator A10, multiplied by 1.0;
 - (ii) the value of Indicator A9, multiplied by 0.0014;
 - (iii) the value of Indicator C3 as defined below, multiplied by 0.0018.

In each of the three cases above, the sparsity is calculated as the sum of the population of those wards within the education authority area with more than $\frac{1}{2}$ persons per hectare but less than or equal to 4 persons per hectare as at the 1981 Census, divided by the total population of the education authority as at the 1981 Census, as estimated by the Secretary of State.

Density of Settlement

(i). *Ward-weighted density: general indicator.* For every district and London borough this shall be the resident population of the area on 30 June 1984 multiplied by the factor for ward-weighted density as defined below. For any area which consists of two or more districts or London boroughs the indicator shall be the sum of the district or borough figures.

B3a(ii). Ward-weighted density: refuse collection indicator. For every district and London borough this shall be the number of domestic hereditaments in the area of the authority, as shown in the valuation list on 1 April 1985, multiplied by the factor for ward-weighted density defined below.

Factor for ward-weighted density. The sum over all wards within the area of the authority of the number of persons per hectare within each ward as at the 1981 Census multiplied by that ward's share of the total population in the authority at the 1981 Census, as estimated by the Secretary of State, multiplied by:

the ratio of the resident population of the authority at 30 June 1984 to the resident population at 30 June 1981 as estimated by the Registrar General.

B3b. Simple density. The resident population of the authority at 30 June 1984 multiplied by the ratio of the resident population of the authority at 30 June 1984 to the number of hectares comprised in the area of the authority at 1 April 1985 as certified by the Ordnance Survey.

Length of roads. Following the abolition of the metropolitan counties and the Greater London Council, the Secretary of State for Transport will become the highway authority for certain roads from 1 April 1986. Indicators of road lengths as at 1 April 1984 (B4 to B6, B7a and B8) reflect this transfer of responsibilities. Indicators of road lengths as at 1 April 1981 (Indicators B7b and B9b) relate to roads for which the relevant local authority was the highway authority on 1 April 1981.

Department of Transport roads (for which the Secretary of State for Transport is the highway authority, subject to the notes above):

B4. Motorways. The main-line length (in kilometres) of trunk roads defined as motorways in the area of the authority, as at 1 April 1984.

B5. Trunk roads in built-up areas. The length (in kilometres) of trunk roads, excluding motorways, in the area of the authority which are subject to a speed restriction not exceeding 40 miles per hour, as at 1 April 1984.

B6. Trunk roads in non-built-up areas. The length (in kilometres) of trunk roads, excluding motorways, in the area of the authority which are not subject to a speed restriction of 40 miles per hour or less, as at 1 April 1984.

Local authority roads (for which the relevant local authority is the highway authority subject to the notes above):

B7. Principal roads in built-up areas. The length (in kilometres) of principal roads in the area of the authority which are subject to a speed limit not exceeding 40 miles per hour:

- (a) as at 1 April 1984;
- (b) as at 1 April 1981.

B8. Principal roads in non-built-up areas. The length (in kilometres) of principal roads in the area of the authority which are not subject to a speed limit of 40 miles per hour or less, as at 1 April 1984.

B9. Other roads in built-up areas. The length (in kilometres) of all other roads in the area of the authority which are subject to a speed limit not exceeding 40 miles per hour:

- (a) as at 1 April 1984;
- (b) as at 1 April 1981.

B10. Other roads in non-built-up areas. The length (in kilometres) of all other roads in the area of the authority which are not subject to a speed limit of 40 miles per hour or less, as at 1 April 1984.

B11. Usage adjustment factor for road maintenance. The sum in the area of the authority of (i) and (ii) below:—

- (i) Indicator B7a as defined above, multiplied by 1.0;
- (ii) Indicator B9a as defined above, multiplied by 0.3283;

multiplied by the sum of the following:—

- (iii) -1107.542;
- (iv) Indicator A1 divided by the sum of Indicators B7a, B8, B9a and B10 as defined above, multiplied by 9.05309;
- (v) annual average vehicle kilometres on principal roads in built-up areas during 1982 and 1983 as estimated by the Secretary of State for Transport, divided by B7a as defined above, multiplied by 0.0007265;
- (vi) annual average heavy goods vehicle kilometres on principal roads in built-up areas during 1982 and 1983 as estimated by the Secretary of State for Transport, divided by B7a as defined above, multiplied by 0.02218.

B12. Weather adjustment factor for road maintenance. The sum in the area of the authority of Indicators B7a, B8, B9a and B10 as defined above, multiplied by the sum of the following:—

- (i) the annual average number of days of snow-lying during 1979/80 to 1982/83 as estimated by the Secretary of State for Transport, multiplied by 8.89429;
- (ii) the annual average number of days of frost during 1979/80 to 1982/83 as estimated by the Secretary of State for Transport, multiplied by 0.86349.

Properties

B13 and B14. Number of properties. The number of non-domestic and domestic hereditaments respectively in the area of the authority as shown in the valuation list on 1 April 1985.

B15. Shopping and restaurant floorspace. The floorspace in square metres of shops and restaurants (excluding combined shops and dwellinghouses) at 1 April 1984 as estimated by the Secretary of State from data supplied to him by the Inland Revenue Valuation Office.

Development

B16. Building Regulations applications. The number of applications for building regulation work determined by the authority (excluding the City of London and inner London boroughs) in 1984/85 as estimated by the Secretary of State on the basis of figures published by CIPFA in "Planning and Development Statistics 1985/86 Estimates". For the City of London and inner London boroughs the number of applications received by District Surveyors' Offices between January 1984 and December 1984 as estimated by the Secretary of State from data supplied to him by the Greater London Council.

B17. Planning applications. The total number of planning applications determined by the authority in the year 1983/84 as estimated by the Secretary of State from the returns of planning decisions and the number of applications for development determined by the Secretary of State in 1983/84 under section 7(1) of the New Towns Act 1981.

Other

B18. Protected coastline. The length in metres of coastline protected by works under the Coast Protection Act 1949, as estimated by the Secretary of State.

C. SOCIAL AND ENVIRONMENTAL PROBLEMS

Additional educational needs, as indicated by socio-economic factors, are deemed to give rise to a need for additional expenditure in the provision of nursery education (C1), compulsory schooling (C2 and C3) and the youth service (C6). These additional needs shall be calculated from the proportions of the total number of children in private households aged 0-17 in the area of the authority, who:

- (a) were born outside the UK, Ireland, Old Commonwealth or the USA or whose head of household was born outside the UK, Ireland, Old Commonwealth or the USA, multiplied by a weight of 2.0;
- (b) lack exclusive use of a bath or inside WC or live at a density of occupation greater than 1.5 persons per room;
- (c) live in a household containing a lone-parent family;
- (d) live in households containing four or more dependent children aged under 16;

and from that proportion of dependent children (defined as all persons under 16, as well as persons aged 16 and under 25 who have never married and are in full-time education) in private households in the area of the authority whose:

- (e) head of household is classified as a semi-skilled or unskilled manual worker or a farm worker;

all as estimated by the Secretary of State on the basis of the 1981 Census; and from:

- (f) the average number of dependent children of claimants receiving Supplementary Benefit, as estimated by the Secretary of State on the basis of quarterly returns for February 1983 to December 1983, as a proportion of all children aged under 18 as at 30 June 1983, as estimated by the Registrar General.

C1. Shall be the sum (to the nearest whole number) of proportions (a) to (f) multiplied by the number of children under 5 years of age in the area of the authority (Indicator A4).

C2. Shall be the sum (to the nearest whole number) of proportions (a) to (f) multiplied by the number of school pupils of primary age in the area of the authority (Indicator A8).

C3. Shall be the sum (to the nearest whole number) of proportions (a) to (f) multiplied by the number of school pupils—secondary under 16 in the area of the authority (Indicator A9).

C4. School pupils in families receiving Supplementary Benefit. The proportion at (f) above multiplied by the number of school pupils in the area of the authority (Indicators A8, A9 and A10).

C5. Youth unemployment. The average number of persons under the age of 20 in the area of the authority claiming Unemployment Benefit, Supplementary Benefit or National Insurance Credits at Unemployment Benefit Offices, as estimated by the Secretary of State on the basis of quarterly returns for October 1984 to July 1985 supplied by the Department of Employment.

C6. Children aged 11-17 in less advantaged areas. The sum of the proportions (a) to (f) above multiplied by the number of children 11-17 years of age in the area of the authority, expressed to the nearest whole number.

C7. Residents living in privately rented accommodation. The number of persons in the area of the authority living in privately rented or housing association accommodation as estimated by the Secretary of State on the basis of the 1981 Census.

C8. Residents—effects of area's social conditions. The resident population of the area multiplied by the sum, expressed to two decimal places, of the factors below:

- (a) a constant of -40.570;
- (b) Indicator B3a(i) divided by population (A1), multiplied by 0.20358;

- (c) annual average population decline in the area of the authority between 1974 and 1984 as a proportion of population in 1984, on the basis of population estimated by the Registrar General, multiplied by 980.39;
- (d) the proportion of persons in the area of the authority in households in accommodation which is not self-contained, multiplied by 317.68;
- (e) the proportion of persons in the area of the authority in households without exclusive use of a bath or inside WC, multiplied by 224.30;
- (f) the proportion of persons in the area of the authority in households living at a density of occupation greater than 1.5 persons per room, multiplied by 379.72;
- (g) the proportion of persons in the area of the authority in households with only one adult aged 16 or over with one or more children aged under 16, multiplied by 648.74;
- (h) the proportion of persons in households in the area of the authority whose head was born in the New Commonwealth or Pakistan, multiplied by 67.922;

where the proportions in (d) to (h) are as estimated by the Secretary of State on the basis of the 1981 Census.

C9. Total unemployment. The average number of persons in the area of the authority claiming Unemployment Benefit, Supplementary Benefit or National Insurance Credits at Unemployment Benefit Offices, as estimated by the Secretary of State on the basis of quarterly returns for October 1984 to July 1985 supplied by the Department of Employment.

C10. Public transport demand factor. The proportion of persons in households in the area of the authority without a car or van as estimated by the Secretary of State on the basis of the 1981 Census, multiplied by Indicator B3a(i) as defined above.

C11. Recreation net unit cost adjustment factor. The sum in the area of the authority of (i) to (ix) below:—

- (i) Indicator A1 as defined above, multiplied by 5.74793;
- (ii) Indicator A2 as defined above, multiplied by 1.1618;
- (iii) Indicator A3 as defined above, multiplied by 0.101901;
- (iv) Indicator A5 as defined above, multiplied by 16.66174;
- (v) Indicator A6 as defined above, multiplied by 35.1096;
- (vi) Indicator A12 as defined above, multiplied by 10.60072;
- (vii) Indicator A13 as defined above, multiplied by 5.5567;
- (viii) Indicator A14 as defined above, multiplied by 0.73871;
- (ix) Indicator C9 as defined above, multiplied by 37.3771;

multiplied by the sum of the following:—

- (x) Indicator A3 divided by A1 as defined above, multiplied by -0.0014952 ;
- (xi) Indicator B3a(i) divided by A1 as defined above, multiplied by 0.0169587 ;
- (xii) Indicator C10 divided by B3a(i) as defined above, multiplied by 0.406572 .

C12. Concessionary fares for the elderly and handicapped. Calculated as:

- (i) the number of persons of pensionable age in the area of the authority (the sum of Indicator A16 and the number of women aged 60-64 years) as at 30 June 1984;

multiplied by:

- (ii) the square root of predicted bus vehicle miles per hectare in the area of the authority as defined below, expressed to four decimal places;

this product expressed to the nearest whole number.

Predicted bus vehicle miles per hectare. The sum in the area of the authority of (a) and (b) below:

- (a) The proportion of persons in households without a car or van as estimated by the Secretary of State on the basis of the 1981 Census, multiplied by Indicator A1, multiplied by 97.848;
- (b) Indicator A1 multiplied by -7.998;

divided by Indicator B1; this quotient expressed to six decimal places.

D. COSTS OF PROVIDING SERVICES

D1. Higher costs in the London area. The sum of:

- (a) the proportionate addition to education costs resulting from the payment of London Weighting and other cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State for Education and Science, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A4, A7 to A11, A15, A16, B2(i)(a) to B2(ii)(c), C1 to C6;
- (b.1) the proportionate addition to costs of arts and libraries services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(a), A2(a), B15(a);
- (b.2) the proportionate addition to costs of personal social services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: E12 to E14, E17;
- (b.3) the proportionate addition to costs of police and fire services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(b), B1(a), B3a(i)(a), B4, B5(a), B6, B7a(a), B8(a), E1, E4, E5;
- (b.4) the proportionate addition to costs of other Home Office services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(c), B5(b), B7a(b), B9a(a), E2, E3;
- (b.5) the proportionate addition to costs of road maintenance, road safety, parking, and debt charges on roads resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(d), B7a(c), B7b, B8(b), B9a(b), B9b, B10 to B12;
- (b.6) the proportionate addition to costs of concessionary fares and public transport revenue support resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: C10, C12;
- (b.7) the proportionate addition to costs of recreational services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(e), A2(b), A3(a), A5, A6, A12 to A14, C9(a), C11;

- (b.8) the proportionate addition to costs of refuse collection and disposal resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(f), A2(c), B1(b), B3a(ii), B3b, B14(a);
- (b.9) the proportionate addition to costs of planning services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(g), B3a(i)(b), B16, B17, C9(b);
- (b.10) the proportionate addition to costs of other services resulting from the cost differences between London and surrounding areas and the rest of the country as estimated by the Secretary of State, multiplied by the amounts of grant-related expenditure allocated to an authority in respect of the following Indicators: A1(h), A2(d), A3(b), B13, B14(b), B15(b), B18, C7, C8, E8;
- (c) an adjustment for additional high labour costs for personal social services as estimated by the Secretary of State.

D2. Special costs in the Isles of Scilly. The amount of additional expenditure by the Council of the Isles of Scilly estimated by the Secretary of State to arise because of special circumstances affecting the Isles of Scilly and not taken into account elsewhere in the formula.

E. SPECIAL REQUIREMENTS OF PARTICULAR SERVICES

E1. Notifiable offences recorded by the police. The average number of notifiable offences in the area of the appropriate police authority recorded by the police in 1982 and 1983 as published in "Criminal Statistics 1982" and "Criminal Statistics 1983" by the Secretary of State for the Home Department. For authorities served by a combined police authority (and Northumberland County Council where police services are provided entirely by Northumbria Metropolitan Police Authority) the number of such offences shall be apportioned to the authorities in proportion to their resident population.

E2. Defendants proceeded against at magistrates' courts for indictable offences. The number of defendants against whom there were proceedings for indictable offences at magistrates courts in the area of the authority for the year 1983, excluding courts in the Inner London Commission Area, and excepting Tottenham Magistrates Court (where numbers are assigned to the London Borough of Enfield) as notified to the Secretary of State by the Secretary of State for the Home Department.

E3. Defendants proceeded against at magistrates' courts for summary offences. The number of defendants against whom there were proceedings for summary offences at magistrates courts in the area of the authority for the year 1983, excluding courts in the Inner London Commission Area, and excepting Tottenham Magistrates Court (where numbers are assigned to the London Borough of Enfield) as notified to the Secretary of State by the Secretary of State for the Home Department.

E4. Number of fires. The average in 1983 and 1984 of the number of fire calls in the area of the authority involving either large or small fires, including chimney fires, as notified to the Secretary of State by the Secretary of State for the Home Department.

E5. Area of high fire risk. The number of hectares within the area of the authority which are classified as highest fire risk areas published by CIPFA in "Fire Services Actual Statistics 1984/85", as subsequently amended by CIPFA ("Errata", December 1985).

E6a. Expenditures on mandatory student awards, education pools, rate rebates, rent allowances and rebates and land drainage. The sum, to the nearest pound, for the authority of:

- (i) the amounts estimated by the Secretary of State for Education and Science to be incurred in respect of:
 - (a) the contribution to education pools (under regulations made under Schedule 10 to the Local Government Planning and Land Act 1980) during the financial year 1986/87 relating to that or earlier years as notified to the authority by the Secretary of State for Education and Science;

- (b) 10 per cent of the amount of mandatory student awards eligible for grant in respect of 1986/87 under section 8(2) of the Local Government Act 1974;
- (ii) (a) 13.15 per cent of the gross amount of non-certificated statutory rate rebates plus 0.88 per cent of the gross amount of certificated rate rebates eligible for subsidy in respect of 1986/87 under section 32 of the Social Security and Housing Benefits Act 1982, as estimated by the Secretary of State;
- (b) 10 per cent of the gross amount of rate rebates for the disabled eligible for rate rebate grant in respect of 1986/87 under section 69 of the Local Government Planning and Land Act 1980, as estimated by the Secretary of State;
- (iii) 12.32 per cent of the gross amount of non-certificated statutory rent rebates plus 0.013 per cent of the gross amount of certificated rent rebates eligible for subsidy in respect of 1986/87 under section 32 of the Social Security and Housing Benefits Act 1982, as estimated by the Secretary of State;
- (iv) 13.12 per cent of the gross amount of non-certificated statutory rent allowances plus 1.18 per cent of the gross amount of certificated rent allowances eligible for subsidy in respect of 1986/87 under section 32 of the Social Security and Housing Benefits Act 1982, as estimated by the Secretary of State;
- (v) the net expenditure in 1986/87 on land drainage and flood prevention and on precepts paid in respect of land drainage to Regional Water Authorities or internal drainage boards, as estimated by the Secretary of State.

E6b. Passenger transport debt charges. The amount of debt charges on passenger transport services as estimated by the Secretary of State from revenue outturn forms submitted to him for 1980/81.

E7. Notional Housing Revenue Account (HRA) Deficit in 1986/87 calculated as:

- (i) the projected total of HRA capital charges in 1986/87, calculated as the sum of:
 - (a) projected net interest payments in 1986/87, defined as interest payments on outstanding debt less interest receipts from the sale of HRA dwellings, and estimated from 1983/84 outturn information for each authority projected to 1986/87 using estimated capital expenditure based on housing capital allocations, and the index of sales potential as defined below;
 - (b) projected principal repayments in 1986/87 estimated from each authority's actual repayments in 1983/84 and estimated capital expenditure;
- and (c) the estimated amount of HRA capital expenditure met from revenue in 1986/87, calculated as a standard proportion of estimated 1986/87 capital expenditure;
- plus* (ii) the projected expenditure on management and maintenance of HRA dwellings in 1986/87, net of income from heating charges, estimated as each authority's average level of management and maintenance expenditure per dwelling (in 1980/81 prices) for the years 1978/79, 1979/80 and 1980/81, multiplied by its estimated 1986/87 dwelling stock; to which product is added a standard amount per dwelling multiplied by the authority's estimated 1986/87 dwelling stock such that the national total equals the 1986/87 control total;
- less* (iii) the projected rent income on HRA dwellings in 1986/87 estimated from the average rent that the authority would have received in 1980/81 if it had charged the average rents for authorities in its economic planning region for HRA dwellings in each of the 33 categories as described in CIPFA "Housing Rent Statistics", increased to 1986/87 in line with ministerial rent guidelines, and charged on its estimated 1986/87 dwelling stock reduced for the level of void lettings accepted for GRE purposes; plus an amount multiplied by the estimated net voluntary rate fund contribution in 1980/81 adjusted for unrecharged general administration;
- plus* (iv) the projected net total of other expenditure and income items in the HRA in 1986/87, excluding those items relating to rent rebates, and including an estimated amount for unrecharged general administration attributable to the HRA. It is calculated on the basis of information for 1983/84 multiplied by a

standard inflation factor, from which product is deducted a standard amount per dwelling multiplied by the authority's estimated 1986/87 dwelling stock such that the national total for this item equals the 1986/87 control total;

- less* (v) the projected amount of housing subsidy receivable in respect of 1986/87 expenditure, estimated from the basic amount for calculation of 1984/85 housing subsidy, and the application of housing subsidy rules to changes in income and expenditure items consistent with the calculation of items (i) to (iv) above;
- plus* (vi) the projected deficit on dwellings transferred to the authority from the GLC after 1 April 1985, not included in the calculation of items (i) to (v) above.

For authorities in receipt of dwellings transferred from the GLC there is:

- (vii) an amount estimated to reflect the projected deficit on the transferred stock (included in the calculation of items (i) to (vi) above) that, but for the abolition of the GLC, would have been funded by the GLC.

Subject to the overall constraint that the value of this Indicator is the highest of:

- (a) the result of the formula described in items (i) to (vi) above;
- (b) item (vii);
- (c) zero.

The number of void lettings accepted for GRE purposes is defined as 2 per cent of the average HRA dwelling stock, plus half of any amount by which the authority's void lettings exceeded 2 per cent, up to a maximum allowance of 3 per cent of stock, as estimated by the authority for 1984/85.

The index of sales potential is calculated as the total number of sales in progress for an authority (as at 31 March 1984, and subject to a ceiling of 10% of housing stock) multiplied by the average sale price to tenants in that authority in 1983/84 (as a measure of price variations in different parts of the country). Where sales in progress figures are missing for an individual authority, an estimate based on earlier returns of that authority is used. Where fewer than 50 dwellings were sold in 1983/84, or the relevant data are missing, the regional average sale price is used instead.

The amounts specified in subparagraphs (i) to (vii) above and within the above definitions are as estimated by the Secretary of State on the basis of returns made to him on FH8102, FH8402 and FH8412 housing subsidy claim forms, Housing Investment Programme (HIP) returns, P1 forms on sales of council houses for the first quarter of 1984, CIPFA's "Housing Rent Statistics", a special return on uncharged general administration for 1982/83, and information supplied to him by the GLC; the relevant amounts for dwellings transferred from certain New Town Corporations have been included in amounts specified in subparagraphs (i) to (v) for the authorities who now hold them.

E8. Deaths. The number of deaths registered in 1983 in the area of the authority of the deceased's former usual residence as published by OPCS in "1983 Vital Statistics (Series VS No. 10)".

E9. Financing of new capital expenditure. The estimated cost falling on rates and block grant in 1986/87 of financing capital expenditure for the financial years 1981/82 to 1986/87 on most rate fund services. E9 covers all services except housing, police, magistrates' and coroners' courts, probation, land drainage and all trading services. Gross prescribed capital allocations for transport, education, personal social services, Urban Aid and the other services block for 1986/87 are scaled to the total capital provision net of capital receipts for each service; and deductions made to reflect income from capital grants including Transport Supplementary Grant and expenditure on trading services and land drainage. The financing cost of these net allocations are the estimated debt charges, revenue contributions to capital account, and uncapitalised expenditure, using assumptions common to all authorities. An allowance for leasing charges is made. The continuing debt charges from the financing of 1981/82, 1982/83, 1983/84, 1984/85 and 1985/86 capital expenditure are calculated on a similar basis with the exception that those for 1981/82 to 1983/84 are scaled to take account of total outturn debt incurred. These debt charges are added to the 1986/87 figures. Estimated specific grants attributable to these financing costs, and the financing costs of pooled education capital expenditure are deducted.

The estimated debt charges on those assets assumed to become the responsibility of residuary bodies following the abolition of the Metropolitan County Councils and the Greater London Council are distributed amongst the successor authorities on the basis of population.

Final prescribed expenditure allocations are not available. Estimates based generally on 1985/86 allocations have been used. It is intended to substitute actual allocations in a supplementary report.

E10. Local rail networks. Calculated as the sum, in the area of the authority, of the following:

- (i) the route mileage of local rail networks (defined as associated local railway services on more than one route) in 1985/86 supported by local authorities, as estimated by the Secretary of State for Transport, multiplied by 60661.2;
- (ii) the costs (in £ million to six decimal places) of infrastructure (defined as expenditure in the nature of revenue expenditure on track, signalling and terminals) in 1985/86, as estimated by the Secretary of State for Transport, multiplied by 773934.5.

E11. Adjustments for police and probation authorities. For a local authority in a combined probation area and/or served by a combined police authority, the adjustment is the difference as estimated by the Secretary of State between the relevant portion of grant-related expenditure calculated for the area of the local authority and its share, apportioned on the basis of expenditure, of that calculated for the combined probation area or the area of the combined police authority.

For counties in which services are partly provided by a county police force and partly by the Metropolitan Police, the adjustment is the difference between the relevant portion of grant-related expenditure for the area of the county and that calculated for the county police area, as estimated by the Secretary of State.

For Northumberland County Council, where police services are provided entirely by Northumbria Police Authority, the adjustment has the effect of subtracting from Northumberland County Council's grant-related expenditure an amount equal to the component relating to police services which it would otherwise receive according to the formula described in Appendix 1 to Annex J.

Personal Social Services

Children under 5 at risk (X1) is calculated as Indicator A4 multiplied by the sum of the proportions of children under 5 in the area of an authority who:

- (i) live in households without exclusive use of a bath or inside WC or live in households at a density of occupation greater than 1.5 persons per room, multiplied by 0.047661;
- (ii) live in households containing a lone-parent family, multiplied by 0.45864;
- (iii) live in households whose head was born in the New Commonwealth or Pakistan, multiplied by 0.029293;

all as estimated by the Secretary of State on the basis of the 1981 Census.

Children under 5—effects of area's social conditions (X2) is calculated as the sum, expressed to two decimal places, of the factors below:

- (i) a constant of -37.513;
- (ii) Indicator B3a(i) divided by Indicator A1, both for the authority, multiplied by 0.22355;
- (iii) annual average population decline between 1974 and 1984 in the area of the authority as a proportion of population in 1984, on the basis of population estimated by the Registrar General, multiplied by 985.18;
- (iv) the proportion of persons in the area of the authority in households living in accommodation which is not self-contained, multiplied by 336.87;
- (v) the proportion of children under 5 in the area of the authority in households without exclusive use of a bath or inside WC, multiplied by 283.62;

- (vi) the proportion of children under 5 in the area of the authority in households with a density of occupation greater than 1.5 persons per room, multiplied by 154.69;
- (vii) the proportion of children under 5 in the area of the authority in households containing a lone-parent family, multiplied by 101.29;
- (viii) the proportion of children under 5 in households in the area of the authority whose head was born in the New Commonwealth or Pakistan, multiplied by 42.152;

where the proportions in (iv) to (viii) are as estimated by the Secretary of State on the basis of the 1981 Census.

Children under 5 – adjustment for fostering (X3) is calculated as the sum of the factors below:

- (i) a constant of -0.06334 ;
- (ii) the proportion of persons aged 18 and over in the area of the authority with a density of occupation greater than 1.5 persons per room, multiplied by 4.1574;
- (iii) the proportion of married women aged 25-59 in the area of the authority who are economically active, multiplied by 0.20077;

where the proportions in (ii) and (iii) are as estimated by the Secretary of State on the basis of the 1981 Census.

E12. Social services for children under 5. The sum of the following:

- (i) Indicator X1 as defined above, multiplied by 1297.0505;
- (ii) Indicator X1 multiplied by X2 as defined above, multiplied by 3.48596;
- (iii) Indicator X1 multiplied by X3 as defined above, multiplied by 1360.385;
- (iv) Indicator X1 multiplied by X2, multiplied by X3, multiplied by 5.4964.

Children aged 5-17 – effects of area's economic conditions (X4) is calculated as the sum, expressed to two decimal places, of the factors below:

- (i) a constant of -8.7307 ;
- (ii) the proportion of children aged 5-17 in the area of the authority in households with four or more dependent children aged under 16, multiplied by 143.94;
- (iii) the proportion of children aged 5-17 in the area of the authority in households without exclusive use of a bath or inside WC, multiplied by 371.98;
- (iv) the proportion of children aged 5-17 in the area of the authority in households with a density of occupation greater than 1.5 persons per room, multiplied by 245.02;
- (v) the proportion of dependent children in the area of the authority in households whose head is classified as a personal service worker, unskilled manual worker or farm worker, multiplied by 211.28;
- (vi) the average number of dependent children in the area of the authority of claimants receiving Supplementary Benefit, as estimated by the Secretary of State on the basis of quarterly returns for February 1983 to December 1983, as a proportion of all children aged under 18 as at 30 June 1983, as estimated by the Registrar General, multiplied by 68.315;
- (vii) the average number of persons in the area of the authority claiming Unemployment Benefit, Supplementary Benefit or National Insurance Credits at Unemployment Benefit Offices, as estimated by the Secretary of State on the basis of quarterly returns for October 1984 to July 1985 supplied by the Department of Employment (Indicator C9), divided by the total number of residents at 30 June 1984 as estimated by the Registrar General (Indicator A1), multiplied by 209.11;

- (viii) the ratio of the average income of tax-units with an income greater than the tax threshold in the area of the authority to the average income of tax-units with an income greater than the tax threshold in England, as estimated by the Secretary of State on the basis of the Inland Revenue 1982/83 Survey of Personal Incomes, multiplied by -54.037 ;

where the proportions in (ii) to (v) are as estimated by the Secretary of State on the basis of the 1981 Census.

Children aged 5-17—effects of area's social conditions (X5) is calculated as the sum, expressed to two decimal places, of the factors below:

- (i) a constant of -42.408 ;
- (ii) Indicator B3a(i) divided by population (A1), both for the authority, multiplied by 0.31736 ;
- (iii) annual average population decline between 1974 and 1984 in the area of the authority as a proportion of population in 1984, on the basis of population estimated by the Registrar General, multiplied by 1373.0 ;
- (iv) the proportion of persons in the area of the authority in households living in accommodation which is not self-contained, multiplied by 483.69 ;
- (v) the proportion of children aged 5-17 in the area of the authority in households containing a lone-parent family, multiplied by 164.67 ;
- (vi) the proportion of children aged 5-17 in households in the area of the authority whose head was born in the New Commonwealth or Pakistan, multiplied by 65.671 ;

where the proportions in (iv) to (vi) are as estimated by the Secretary of State on the basis of the 1981 Census.

Children aged 5-17—factor for residential care (X6) is calculated as the number of children aged 5-17 in the area of the authority, multiplied by the sum of the factors below:

- (i) a constant of -0.0033014 ;
- (ii) Indicator X4 as defined above, multiplied by 0.000028512 ;
- (iii) Indicator X5 as defined above, multiplied by -0.000016818 ;
- (iv) the proportion of children aged 5-17 in households containing a lone-parent family in the area of the authority as estimated by the Secretary of State on the basis of the 1981 Census, multiplied by 0.04786 .

Children aged 5-17—factor for fostering care (X7) is calculated as the number of children aged 5-17 in the area of the authority, multiplied by the sum of the factors below:

- (i) a constant of -0.0017347 ;
- (ii) Indicator X4 as defined above, multiplied by 0.000014387 ;
- (iii) Indicator X5 as defined above, multiplied by -0.000019434 ;
- (iv) the proportion of children aged 5-17 in households containing a lone-parent family in the area of the authority as estimated by the Secretary of State on the basis of the 1981 Census, multiplied by 0.037894 .

E13. Social services for children aged 5-17. The sum of the following:

- (i) Indicator X6 as defined above, multiplied by 19478.01 ;
- (ii) Indicator X7 as defined above, multiplied by 3183.894 ;
- (iii) Indicator X6 multiplied by X5 as defined above, multiplied by 86.5220 ;
- (iv) Indicator X7 multiplied by X5, multiplied by 10.0549 .

Elderly—factor for people in severe need (X8) is calculated as the sum in the area of the authority of the following:

- (i) the number of persons aged 65 or over with mobility problems and living alone, as estimated by the Secretary of State on the basis of the National Dwelling and Housing Survey 1977-79, multiplied by 0.17235;
- (ii) the number of persons aged 75 or over in households without exclusive use of a bath or inside WC, multiplied by 0.08472;
- (iii) the number of persons aged 85 or over living alone, multiplied by 0.058739;
- (iv) the number of persons aged 75 or over in privately rented or housing association accommodation, multiplied by 0.0293;
- (v) Indicator A16 as defined above, multiplied by 0.0052147;

where the numbers in (ii) to (iv) are as estimated by the Secretary of State on the basis of the 1981 Census.

Elderly—factor for people in moderate need (X9) is calculated as the sum in the area of the authority of the following:

- (i) the number of persons aged 65 or over with mobility problems and living alone, as estimated by the Secretary of State on the basis of the National Dwelling and Housing Survey 1977-79, multiplied by 0.46698;
- (ii) the average number of persons of pensionable age in receipt of Supplementary Benefit as estimated by the Secretary of State on the basis of quarterly returns for February 1983 to December 1983, multiplied by 0.039617;
- (iii) the number of persons aged 65-74 living alone, multiplied by 0.15539;
- (iv) the number of persons aged 75-84 living alone, multiplied by 0.25294;
- (v) the number of persons aged 85 or over living alone, multiplied by 0.29964;
- (vi) Indicator A16 as defined above, multiplied by 0.020066;

where the numbers in (iii) to (v) are as estimated by the Secretary of State on the basis of the 1981 Census.

E14. Social services for elderly people. The sum of the following:

- (i) Indicator A16 as defined above, multiplied by -9.09921;
- (ii) Indicator X8 as defined above, multiplied by 3333.064;
- (iii) Indicator X9 as defined above, multiplied by 524.999;
- (iv) the sum of Indicators X8 and X9, multiplied by X8, divided by A16, multiplied by 18535.79.

E15. Adjustment for debt charges, revenue contributions to capital outlay and income on residential care for the elderly. The difference between (i) and (ii) below:

- (i) 341.8238;
- (ii) the income from elderly residential care services in the area of the authority, as estimated by the Secretary of State from revenue outturn forms submitted to him for 1981/82, divided by the average number of local authority supported residents aged 65 or over between 1 April 1981 and 31 March 1982 in the area of the authority as estimated by the Secretary of State on the basis of forms RA1 submitted to the Secretary of State for Health and Social Security;

multiplied by the sum of the following:

- (iii) Indicator A16 as defined above, multiplied by -0.0019159 ;
- (iv) Indicator X8 as defined above, multiplied by 0.53655 ;
- (v) Indicator X9 as defined above, multiplied by 0.038411 ;
- (vi) the sum of Indicators X8 and X9, multiplied by X8, divided by A16, multiplied by 3.421651 .

E16. Income adjustment for home-help services for the elderly. The sum of the following:

- (i) Indicator X8 as defined above, multiplied by -102.043 ;
- (ii) Indicator X9 as defined above, multiplied by -58.2226 ;
- (iii) the average number of persons of pensionable age in the area of the authority in receipt of Supplementary Benefit, as estimated by the Secretary of State on the basis of quarterly returns for February 1983 to December 1983, as a proportion of persons aged 65 or over (Indicator A16), multiplied by the sum of:
 - (a) Indicator X8, multiplied by 287.88 ;
 - (b) Indicator X9, multiplied by 164.257 .

E17. Other social services. The sum of the following:

- (i) Indicator A1 as defined above, multiplied by 10.897676 ;
- (ii) Indicator C8 as defined above, multiplied by 0.150552 .

E18. Leasing charges. An adjustment for the costs of leasing as estimated by the Secretary of State.

E19. An adjustment for interest receipts and contributions from the rate fund to special and capital funds, as estimated by the Secretary of State.

E20. Rounding adjustment. Such additional amount as is required to be added in order to make the grant-related expenditure of each authority a whole number of thousands of pounds.

NOTES:

In this Appendix, references to the 1981 Census (of population) relate to extracts from either the Small Area Statistics tabulations or from special tables requested by the Secretary of State for districts (or wards for density and sparsity).

References to data on elderly with mobility problems living alone from the National Dwelling and Housing Survey relate to special estimates for each local authority area, made for rate support grant purposes by the Secretary of State. These estimates made for 1978 are of estimated proportions of all persons within the category specified and were derived by pooling all information collected between 1977 and 1979 during the three phases of the Survey.

Ratios of the data are then applied to population estimates to produce the above Indicators.