



# THE SCOTTISH OFFICE

Local Government Group

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**Finance Circular No. 4/1999**

The Chief Executive  
Scottish Local Authorities

15 March 1999

Dear Sir

- 1. AGGREGATE EXTERNAL FINANCE 1999-2000**
- 2. REDETERMINATION OF AEF AND RSG FOR 1998-99**

1. The 1999 Local Government Finance (Scotland) Order was debated and approved on 11 February 1999. This Circular provides authorities with a summary of the figures contained in that Order.

### Aggregate External Finance 1999-2000

2. Finance Circular 19/1998 covered the Secretary of State's proposals for AEF distribution for 1999-2000. A letter was sent out to authorities on 23 December 1998, revising slightly the AEF figures taking into account a change in the distribution of loan charge support. Annex A provides the figures for AEF distribution as approved by Parliament on 11 February. Annex B repeats the summary of total AEF and GSE for 1999-2000 included in Circular 19.

### Redetermination of AEF and RSG for 1998-99

3. At its meeting on 14 January, the Working Party on Local Government Finance considered redetermined 1998-99 AEF and RSG figures, taking into account:

- revisions to Teachers for Deprivation GAEs;
- the net effect of revisions to Self-Governing Schools GAEs for 1997-98 and 1998-99; and
- revisions to loan and leasing charges.

4. The Working Party also noted that The Scottish Office intended to take into account in this redetermination:



- the Spend to Save Scheme (now in its second year);
- the additional education monies to assist with raising school standards, the development of a national childcare strategy, and the implementation of Higher Still;
- the additional housing benefit expenditure for 4 authorities in relation to Scottish Homes Stock transfers;
- additional RSG to be distributed in respect of the Disabled Persons and Enterprise Zones Rate Relief Grant issue;
- an additional amount to help Stirling Council meet the continuing revenue costs arising from the Dunblane tragedy; and
- an additional amount for Comhairle Nan Eilean Siar for its supported air service.

#### Redetermined Council Tax Safety Net

5. Included with the adjustments to RSG outlined above is the effect of the 1998-99 Council Tax Safety Net, recalculated to take account of the redeterminations of the Teachers for Deprivation and Self-Governing Schools GAEs.

#### Total Adjustments for Redeterminations

6. Annex C summarises the adjustments to RSG resulting from redeterminations of 1998-99, and Annex D further breaks down the changes to each councils' GAE shown in Annex C, Column 1. These adjustments will be made in the 31 March RSG/NDRI payment to councils.

#### Further Information

7. An additional copy of this Circular is enclosed for your Director of Finance. A copy also goes to Albert Tait, COSLA.

8. Enquiries regarding this Circular should be addressed to Jonathan Pryce (0131 244 7012) or Mrs Rosemary Polland (0131 244 7004).

Yours sincerely

*John W.H. Irvine.*

**J W H Irvine**

AEF Distribution 1999-00  
(Loan and Leasing Charges Revised at 23 December 1998)

ANNEX A

	(1) Grant Aided Expenditure 1999-00	(2) Special needs of the Islands	(3) Council Tax Safety Net 1999-00	(4) Loan Charges 1999-00 (scaled) including PFI LPFS	(5) Non-Relevant Expenditure (housing and council tax benefit)	(6) Adjustment for Urban Programme 1999-00	(7) Adjusted GSE 1999-00 (Cols.1 to 6)	(8) Band D Properties as at October 1998	(9) Deduction for GSE not supported by AEF ((Tot Col7-Tot Col10) * Col8/Tot Col8)	(10) Total AEF (Col 7-9)	(11) Specific Grants	(12) NDRI	(13) RSG (Col 10-11-12)
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Aberdeen City	211.069		0.850	29.856	2.089	0.267	244.130	83,837	51.651	192.480	19.967	60.723	111.790
Aberdeenshire	239.058		0.000	24.712	1.417	0.130	265.317	84,737	52.205	213.112	16.397	63.678	133.036
Angus	120.690		0.000	10.462	1.248	0.050	132.450	38,449	23.688	108.762	9.317	30.998	68.447
Argyll & Bute	108.878		1.198	22.493	1.038	0.004	133.610	36,888	22.726	110.884	8.788	25.464	76.632
Clackmannanshire	52.558		0.000	5.149	0.693	0.050	58.450	16,264	10.020	48.430	3.801	13.726	30.903
Dumfries & Galloway	170.482		-0.450	21.402	1.807	0.151	193.392	54,649	33.668	159.723	14.663	41.423	103.637
Dundee City	174.983		0.000	23.583	3.291	1.223	203.080	47,172	29.062	174.018	16.963	41.879	115.176
East Ayrshire	135.803		-1.315	12.837	1.895	0.522	149.742	38,278	23.583	126.160	10.779	34.266	81.115
East Dunbartonshire	113.616		0.000	10.892	0.715	0.005	125.227	45,619	28.105	97.122	7.723	31.178	58.221
East Lothian	91.989		0.000	11.975	1.037	0.025	105.026	35,230	21.705	83.321	7.217	25.028	51.076
East Renfrewshire	92.497		-0.257	7.670	0.610	0.252	100.772	37,657	23.200	77.572	6.151	24.916	46.506
City of Edinburgh	450.903		0.000	79.839	5.880	3.772	540.394	185,424	114.237	426.157	47.406	126.547	252.205
Eilean Siar	44.896	10.930	0.598	19.184	0.331	0.000	75.940	8,953	5.516	70.424	3.747	7.942	58.736
Falkirk	149.555		0.000	14.206	2.002	0.108	165.871	47,979	29.559	136.312	12.525	40.273	83.514
Fife	377.328		0.000	36.864	4.783	0.439	419.414	121,551	74.886	344.529	29.121	97.975	217.432
City of Glasgow	770.976		8.435	135.028	15.981	6.271	936.692	200,299	123.401	813.291	86.343	172.008	554.940
Highland	254.272		0.000	41.721	2.303	0.005	298.301	78,591	48.419	249.883	21.650	58.661	169.571
Inverclyde	100.265		0.000	13.139	1.540	0.621	115.565	27,875	17.173	98.391	9.100	24.325	64.966
Midlothian	85.822		0.000	10.952	0.936	0.045	97.756	27,958	17.225	80.531	7.334	22.688	50.509
Moray	94.285		0.000	11.798	0.824	0.000	106.906	29,001	17.867	89.039	7.178	24.193	57.668
North Ayrshire	155.286		-1.936	16.376	2.057	0.571	172.354	46,743	28.798	143.556	11.708	39.308	92.540
North Lanarkshire	355.079		-2.780	35.600	5.215	1.586	394.699	98,629	60.764	333.935	28.804	91.822	213.309
Orkney	32.081	4.884	-0.673	8.117	0.163	0.000	44.571	6,731	4.147	40.424	1.784	5.579	33.061
Perth & Kinross	143.875		0.000	14.531	1.327	0.132	159.865	53,451	32.930	126.934	11.343	37.472	78.120
Renfrewshire	191.824		0.000	20.989	2.853	1.176	216.842	64,130	39.510	177.333	16.097	50.129	111.106
Scottish Borders	120.938		0.000	17.415	1.228	0.000	139.580	39,876	24.567	115.013	10.424	29.865	74.724
Shetland	39.793	7.442	0.000	14.234	0.144	0.000	61.613	7,277	4.483	57.130	2.466	6.474	48.190
South Ayrshire	123.609		0.000	13.147	1.405	1.283	139.445	44,144	27.196	112.248	8.996	32.303	70.949
South Lanarkshire	326.576		-1.489	36.096	4.026	0.610	365.819	102,169	62.945	302.874	24.397	86.431	192.046
Stirling	94.806		0.000	12.912	0.884	0.253	108.855	32,462	19.999	88.856	7.484	23.504	57.868
West Dunbartonshire	115.424		0.000	12.666	1.772	0.730	130.593	33,179	20.441	110.152	11.647	26.909	71.595
West Lothian	166.360		-1.888	19.498	2.027	0.717	186.714	49,447	30.464	156.250	13.786	42.835	99.630
Scotland	5705.576	23.256	0.293	765.343	73.520	20.999	6,588.986	1,824,649	1,124.140	5464.846	495.106	1,440.522	3,529.218

0.00062

**GOVERNMENT SUPPORTED EXPENDITURE 1999-2000**

	£m
(1) Grant Aided Expenditure 1999-00	5,781.676
(2) Loan and Leasing Charges (scaled and including PFI LPFS)	765.343
<b>Total Government Supported Expenditure</b>	<b>6,547.019</b>

**AGGREGATE EXTERNAL FINANCE**

	£m
(1) Specific Grants	543.385
(2) Revenue Support Grants	- 3,529.218
(3) Distributable Amount of NDRI	- 1,440.522
<b>Total Aggregate External Finance</b>	<b>- 5,513.125</b>
(4) <i>plus</i> Police Loan Charge Specific Grant	13.421
(5) <i>less</i> Urban Programme	43.200
(6) <i>less</i> Excellence Fund Special Programme	18.500
<b>Distributable Aggregate External Finance</b>	<b>5,464.846</b>

Breakdown of Specific Grants 1999-00

	£m
Police*	351.900
Urban Programme	43.200
Civil Defence	2.700
Supported Employment	4.417
In-Service Training of Teachers (SEN)	1.580
Gaelic	2.434
Housing Benefit and Council Tax Rebate Administration	16.654
Mental Health	12.600
Social Work Training	3.700
School Security	10.000
Excellence Fund (Core and special programmes)	74.700
Excellence Fund Special Programme and SEN special grant	18.500
Alternative Exclusion	1.000
<b>Total Specific Grants</b>	<b>543.385</b>

\*Excludes specific grant on Police Loan Charges and CFCR

## Effect of redeterminations on 1998-99 AEF and RSG

	1	2	3	4	5	6	7	8	9
	GAE	Housing	Loan	AEF	Disabled	Funding		Net Effect	RSG
	Change <sup>(1)</sup>	Benefit	Charges	Total	Persons/	for	Spend	of Safety	Total
		Change	Change	Change	Enterprise Zones	Dunblane	to Save	Net on AEF <sup>(2)</sup>	Change
				(1+2+3)					(4+5+6+7+8)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	0.851		0.134	0.986	0		0.000	0.028	1.013
Aberdeenshire	1.103		0.112	1.215	0		0.284	-0.037	1.462
Angus	0.542		0.045	0.588	0		0.000	-0.014	0.573
Argyll & Bute	0.448		0.100	0.548	0		0.305	-0.014	0.839
Clackmannanshire	0.278		-0.362	-0.084	0		0.000	-0.019	-0.102
Dumfries & Gallowa	0.731		-0.412	0.319	0		1.000	-0.024	1.295
Dundee City	0.871		0.097	0.968	1.057		0.000	-0.105	1.919
East Ayrshire	0.480	0.006	-2.043	-1.557	0		1.500	-0.016	-0.073
East Dunbartonshire	0.693		0.048	0.741	0		0.000	-0.070	0.671
East Lothian	0.419		-0.212	0.207	0		0.400	-0.015	0.592
East Renfrewshire	0.535		0.032	0.567	0		0.000	-0.013	0.554
City of Edinburgh	2.908		0.359	3.267	0.154		0.575	-0.081	3.915
Eilean Siar	0.343		0.085	0.428	0		0.000	-0.004	0.424
Falkirk	0.740		0.077	0.817	0		0.649	-0.021	1.445
Fife	1.801		0.161	1.963	0		0.750	-0.053	2.660
Glasgow City	3.802	0.029	0.529	4.359	0		0.000	-1.297	3.063
Highland	1.565		0.176	1.741	0.183		0.750	-0.034	2.640
Inverclyde	0.307		0.064	0.370	0		0.150	0.167	0.688
Midlothian	0.521		0.050	0.571	0		0.000	-0.124	0.447
Moray	0.446		0.049	0.495	0		0.000	-0.012	0.483
North Ayrshire	0.175	0.005	0.073	0.253	0		1.350	0.549	2.152
North Lanarkshire	1.130		0.159	1.289	0		1.700	-0.043	2.946
Orkney Islands	0.161		0.039	0.200	0		0.000	-0.003	0.198
Perth & Kinross	0.644		0.068	0.712	0		0.000	-0.023	0.689
Renfrewshire	0.541	0.061	0.090	0.692	0		0.000	-0.029	0.663
Scottish Borders	0.502		0.077	0.579	0		0.000	-0.017	0.562
Shetland	0.164		0.000	0.164	0		0.000	0.020	0.184
South Ayrshire	-0.381		0.052	-0.328	0		0.000	0.964	0.636
South Lanarkshire	1.917		0.155	2.072	0		1.720	-0.045	3.747
Stirling	0.543		0.056	0.599	0	0.515	1.500	-0.014	2.600
West Dunbartonshire	0.090		0.055	0.146	0		0.500	0.420	1.066
West Lothian	1.058		0.087	1.145	0		0.538	-0.021	1.662
<b>Scotland</b>	<b>25.929</b>	<b>0.101</b>	<b>0.000</b>	<b>26.030</b>	<b>1.394</b>	<b>0.515</b>	<b>13.671</b>	<b>0.000</b>	<b>41.610</b>

<sup>(1)</sup> Includes GAE redistribution as a result of data correction to the Teachers for Deprivation and Self-governing Schools GAE assessments

<sup>(2)</sup> Net effect of the equalised distribution of the additional £0.8 million for 1998-99 council tax safety net, flowing through from redeterminations of teachers for deprivation and self-governing schools GAEs.

## Effect of redeterminations on 1998-99 GAE

	1	2	3	4	5	6	7	8
	Budget 1998 money for schools	Budget 1998 money for schools. £4m CFCR	Childcare	Higher Still	Self Governing Schools <sup>(1)</sup>	Teachers for Deprivation	Eilean Siar Air Service	GAE Total Change (1+2+3+4+5+6+7)
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	0.526	0.177	0.126	0.110	-0.029	-0.059		0.851
Aberdeenshire	0.744	0.142	0.145	0.145	-0.038	-0.034		1.103
Angus	0.339	0.067	0.082	0.072	-0.018	0.000		0.542
Argyll & Bute	0.279	0.055	0.073	0.055	-0.014	0.000		0.448
Clackmannanshire	0.145	0.043	0.058	0.027	-0.008	0.013		0.278
Dumfries & Galloway	0.469	0.087	0.100	0.100	-0.024	0.000		0.731
Dundee City	0.418	0.181	0.122	0.085	-0.023	0.088		0.871
East Ayrshire	0.379	0.122	0.105	0.074	-0.020	-0.180		0.480
East Dunbartonshire	0.385	0.114	0.083	0.078	-0.021	0.053		0.693
East Lothian	0.249	0.067	0.072	0.044	-0.013	0.000		0.419
East Renfrewshire	0.305	0.110	0.075	0.062	-0.017	0.000		0.535
City of Edinburgh	0.950	0.413	0.240	0.175	-0.051	1.181		2.908
Eilean Siar	0.119	0.025	0.043	0.033	-0.005	0.000	0.128	0.343
Falkirk	0.407	0.130	0.104	0.082	-0.022	0.039		0.740
Fife	1.066	0.260	0.218	0.209	-0.058	0.107		1.801
Glasgow City	1.492	0.409	0.491	0.271	-0.080	1.218		3.802
Highland	0.704	0.079	0.135	0.156	-0.565	-0.074		1.565
Inverclyde	0.270	0.087	0.087	0.056	-0.015	-0.178		0.307
Midlothian	0.252	0.047	0.069	0.052	-0.014	0.114		0.521
Moray	0.275	0.059	0.072	0.058	-0.014	-0.004		0.446
North Ayrshire	0.429	0.138	0.114	0.085	-0.023	-0.566		0.175
North Lanarkshire	1.046	0.260	0.239	0.211	-0.057	-0.569		1.130
Orkney Islands	0.081	0.025	0.039	0.020	-0.004	0.000		0.161
Perth & Kinross	0.369	0.126	0.091	0.074	-0.019	0.003		0.644
Renfrewshire	0.538	0.153	0.135	0.107	-0.029	-0.363		0.541
Scottish Borders	0.316	0.059	0.077	0.066	-0.016	0.000		0.502
Shetland	0.097	0.025	0.041	0.028	-0.004	-0.023		0.164
South Ayrshire	0.352	0.106	0.087	0.074	-0.019	-0.981		-0.381
South Lanarkshire	0.948	0.165	0.205	0.185	-0.052	0.466		1.917
Stirling	0.255	0.043	0.070	0.053	0.186	-0.064		0.543
West Dunbartonshire	0.312	0.075	0.093	0.060	-0.017	-0.432		0.090
West Lothian	0.485	0.153	0.112	0.091	-0.026	0.243		1.058
<b>Scotland</b>	<b>15.001</b>	<b>4.000</b>	<b>3.800</b>	<b>3.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.128</b>	<b>25.929</b>

<sup>(1)</sup> In respect of both 1997-98 and 1998-99