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P.0744

PRIME MINISTER

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Local Authority Current Expenditure  
1982-83 and 1983-84

E(82)43 to 46

BACKGROUND

Information from local authorities in England, Scotland and Wales about their budgets for current expenditure in 1982-83 reveals prospective cash overspends as follows:

England:	£1,418 million (7.7 per cent) *
Scotland:	£203.5 million (8.3 per cent)
Wales:	£ 57 million (4.8 per cent)

These figures show the overspends compared with provision in the respective Rate Support Grant (RSG) settlements; this provision took account of the Government's decision last year to increase its public expenditure plans for the local authority sector in 1982-83 by £1.3 billion.

2. It also appears that there were substantial overspends on local authority current expenditure in 1981-82 in all three countries. The exact amounts are still subject to revision; but they are currently estimated at about 7.9 per cent in England; 6 per cent in Scotland; and 4.3 per cent in Wales.

3. Obviously there is nothing that can be done to affect expenditure in 1981-82. For 1982-83, it is necessary to consider whether the Government can and should do anything to reduce the prospective over-spend. This question is addressed in memoranda by the Secretaries of

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\* Other figures may be quoted in discussion. A reconciliation is given in Annex A to this brief.



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State for the Environment, Scotland and Wales (respectively E(82)45, 46 and 43) and by the Chief Secretary, Treasury (E(82)44). The three Secretaries of State propose to confine action to selective measures against overspending authorities. This action would involve reduction of Exchequer grant to local authorities for 1982-83 by some £315 million in England and £45 million in Scotland. The Secretary of State for Wales proposes first to call for revised budgets from local authorities; but he envisages a reduction of grant equivalent to 50 per cent of any overspend. This reduction would take account of the overspend in 1981-82; action to withhold grant from certain authorities in respect of that year has already been agreed in England and Scotland.

4. The Chief Secretary accepts that, as a result of events during the passage of the Local Government Finance Bill, it is impossible to take selective action against overspending authorities on a scale greater than that proposed by the Secretary of State for the Environment (and already announced, in general terms, as the Government's intention, subject to the Local Government Finance Bill becoming law). But he regards it as necessary to impose a further general reduction in Exchequer grant in England, and suggests that the Secretary of State for the Environment should be asked to exemplify the effect of various levels of reduction. Similarly he proposes that there should be a general abatement of about £50 million in Exchequer grant to Scottish local authorities. For Wales, he does not disagree with the Secretary of State's present approach, but is likely to ask for certain options to be kept open.

5. The memoranda also discuss prospects for 1983-84. It is clear that local authority expenditure plans for that year are likely to be well in excess of provision in the latest Public Expenditure White Paper. The Secretary of State for Scotland proposes that Ministers should agree in principle now that the Government's plans should be adjusted upwards for greater realism. The Secretary of State for the Environment, while apparently taking a similar view of the prospects, merely seeks preliminary views from his colleagues, and proposes to make an early statement intended to persuade local authorities to cut back their spending plans. The





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Chief Secretary, Treasury is opposed to taking any specific decisions on 1983-84 now, and suggests that firm action in respect of 1982-83 is the best way of signalling the Government's views for next year.

6. It is important that the meeting on 17 May should resolve the issues, since both the Secretary of State for the Environment and the Secretary of State for Wales are meeting their Consultative Councils on Local Government Finance on 19 May.

#### MAIN ISSUES

7. No issue arises on 1981-82. The main issues before the Committee are:

(i) should there be a general abatement of Exchequer grant in England, Scotland or both in respect of 1982-83?

(ii) what decision, if any, should Ministers take now on local authority expenditure in their public expenditure plans for 1983-84?

(iii) what, if anything, should be said now to local authorities about the Government's intentions for both 1982-83 and 1983-84?

There is also a less important issue involving Wales:

(iv) Should Ministers now agree that grant withholding should not exceed 50 per cent of the overall expenditure excess, and that it should be achieved solely by selective action?

#### General Abatement of Grant

8. Since it appears to be common ground that selective action in England and Scotland beyond that proposed by the responsible Secretaries of State is not feasible, any further action to reduce grant in those countries would have to be general. The RSG system and the relevant legislation are different in England and Scotland; but it would no doubt be difficult to impose a substantial general reduction in grant in one country but not the other, especially as the selective action envisaged bears much the same relation to the overspend in each case.



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9. It may therefore be best to have a fairly general discussion of the broad political issues rather than a detailed examination of the figuring in the numerous annexes to E(82)45. Your colleagues are unlikely to agree to a general reduction in grant, even in principle, let alone at a particular level, without a further opportunity to examine the figures. But they may be able to reach agreement, either that a general abatement is unacceptable, or that it is worth considering further and that additional material should be produced.

10. As for the general issues, on the one hand it will be argued that the Government's underlying approach to the RSG settlement for 1982-83 was to rely on selective penalties on overspending authorities rather than on a low rate of grant; that this approach has been largely nullified by events during the passage of the relevant legislation; that the Government cannot remain idle in the face of continued heavy overspending and retain credibility; and that a general abatement of grant is the only course open.

11. On the other hand, it will be argued that, by definition, general action will hurt authorities which have conformed to the Government's plans as well as those which have not; that the overspending is largely due to authorities not of the Government's political persuasion; and that it will not be acceptable to the Government's supporters that the sins of those authorities should be visited on the innocent.

12. More particular issues that may be raised are as follows:

England.

13. Paragraphs 4 and 5 of E(82)45 analyse the overspend in England. The implication appears to be that of the total of £1418 million, £910 million should somehow be regarded in a different light from the rest. You will probably wish to avoid detailed discussion of the figures, especially as it could be argued that under a cash planning system what counts is money.



14. Paragraphs 14 to 16 of E(82)45 also advance more detailed arguments against a general reduction of grant. Again, you may prefer to avoid debating them, though the Attorney General has been invited to attend the meeting in case the potential legal difficulties mentioned in paragraph 15 should be raised. If the arguments are valid, they appear to be largely as effective against selective as against general reduction in Exchequer grant. It may therefore be right to discount them, since they would tend to rule out any Government action against overspenders.

Scotland

15. Paragraph 10 of E(82)46 mentions only one possible figure for a general abatement of grant (£50 million). If, however, the Committee should conclude that it wished to see exemplification of various possible levels of abatement in England (the Chief Secretary suggests £200 million, £300 million, and £500 million - all, of course, additional to the selective £315 million) it might wish to see a similar range of figures for Scotland.

16. A point to which the Secretary of State for Scotland is particularly anxious to secure agreement is that a reduction in rates induced by threats of selective grant reduction should equate to a grant reduction. Presumably he means that if he threatens grant reduction of £45 million, and the authority concerned responds by reducing its rate call by, say, £10 million, the grant reduction should then be only £35 million.

17. This seems logical at first sight. But a rates reduction of £10 million does not mean that current expenditure will necessarily be reduced by the same amount (there are various accounting devices available to local authorities in this area); and in any event, the Public Sector Borrowing Requirement will remain largely unaffected and, presumably, at a higher level than the Government would wish.

18. You may therefore wish to avoid accepting the Secretary of State for Scotland's opposition as a general principle even if, <sup>in</sup> the particular circumstances that he has in mind, he may have to be allowed to make concessions to the local authority concerned in his negotiations with it.



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Wales

19. The Secretary of State for Wales can take selective action to a greater extent than is possible in England; and there is likely to be little disagreement with the substance of what he proposes. The main potential issue is that the Secretary of State does not believe that a reduction in Exchequer grant of more than 50 per cent of any prospective overspend in 1982-83 (after authorities have been given an opportunity to revise their budgets) is realistic. The Chief Secretary, Treasury is likely to argue that the position should be kept open, largely on the grounds that a reduction in respect of 1982-83 in Wales (unlike England and Scotland) will need to take account of the overspend in 1981-82. He may also suggest that the possibility of a general abatement of Exchequer grant should not be ruled out at this stage. It should be possible to reach quick agreement by suggesting that these issues should be considered, if necessary, when revised budgets are available and meanwhile asking the Secretary of State for Wales to say nothing that might prejudice the eventual decision.


Local Authority Expenditure in 1983-84

20. The Secretaries of State for the Environment and for Scotland argue that provision for local authority expenditure in the Government's expenditure plans for 1983-84 is unrealistic. The Secretary of State for Scotland asks that this should be explicitly recognised now for the purposes of planning within Government; the Secretary of State for the Environment goes less far in his memorandum but may well support this line at the meeting. No doubt the Chief Secretary, Treasury will argue that such a decision would be premature before Ministers have been able to consider the general prospects for public expenditure. They will not be able to do this before July. Certainly it is not easy to see how such a general decision as the Secretary of State for Scotland proposes could help either Ministers or Departments to progress the Public Expenditure Survey.

Possible Statement.

21. The Secretary of State for the Environment also proposes (Annex C to E(82)45) to make a statement about 1983-84 when he sees the Consultative Council on Local Government Finance on 19 May. The Chief Secretary is likely to argue that such a statement will lack credibility if the



  
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Government also says that it has decided to make no reduction in grant beyond what has been already announced in face of the substantial over-spending in 1981-82 and, prospectively, in 1982-83. He will probably argue that the possibility of a further reduction should be mentioned in the statement; and that if Ministers eventually decide not to proceed with it any resulting damage to the Government's credibility could be avoided, when the decision is made known (presumably in July), by foreshadowing a severe RSG settlement for 1983-84. On the other hand, if Ministers decide immediately against a general reduction in Exchequer grant it may be thought desirable that the Secretary of State for the Environment should give a warning on 19 May about the prospects for 1983-84; and if the Secretary of State threatens a general reduction in respect of 1982-83 and the Government later decides not to impose it, it may be difficult to avoid damage to the Government's credibility whatever is said about later years.

22. Since time will be short, you will probably wish to concentrate discussion on the general features of the proposed statement, leaving a precise text to be agreed between the Secretary of State for the Environment and the Chief Secretary during Tuesday 18 May.

#### HANDLING

23. You will wish to ask the Secretary of State for the Environment, the Secretary of State for Scotland and the Secretary of State for Wales to introduce their memoranda. The Chief Secretary, Treasury will no doubt wish to speak to his memorandum. Most of your colleagues are likely to have views, either from a general political stand-point or as Ministers with responsibilities to which local authority current expenditure is relevant.

#### CONCLUSIONS

24. You will wish the Committee to reach conclusions on the following points:

- (i) Should the proposed selective withdrawal of grant in respect of prospective overspends by local authorities in 1982-83 in England, Scotland and Wales be approved?



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(ii) Should the possibility of a further, general, abatement in England and Scotland be ruled out? If not -

(a) does the Committee wish to decide forthwith on the size of such an abatement; or

(b) should the Secretaries of State for the Environment and for Scotland be invited to exemplify various possibilities with a view to a later decision?

(iii) Does the Committee agree that a reduction in rates by a Scottish local authority in response to threat of selective grant reduction should equate to a grant reduction?

(iv) Should the Secretary of State for Wales be invited to keep open the possibilities of a reduction in Exchequer grant greater than 50 per cent of the prospective overspend by Welsh authorities in 1982-83 and of a general reduction if selective action is judged inadequate?

(v) Does the Committee wish to express any views regarding the level of provision for local authority current expenditure in 1983-84 in the current Public Expenditure Survey?

(vi) What, if anything, should be said to local authority representatives on 19 May about:

(a) the possibility of a general abatement in Exchequer grant in 1982-83?

(b) the prospects for 1983-84?

PLG

P L GREGSON  
Cabinet Office  
14 May 1982

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## ANALYSIS OF PROSPECTIVE OVERSPENDS

The figures of prospective overspending by English local authorities are made up as follows:

	<u>£m</u>	<u>(Cash)</u>	<u>Percentage</u>
Total current expenditure	1244		6.9
Other relevant expenditure	229		
Total relevant expenditure		1473	7.2
Non-relevant expenditure, and grants	- 55		
Total expenditure		1418	7.7

2. The Scottish figure of £203.5 million is most closely comparable to the £1244 million for total current expenditure. (Strictly, it is current expenditure plus revenue contributions to capital outlay, for which the English figure is £1210 million).

3. The Welsh figure of £57 million is described as 'total expenditure', and is therefore presumably comparable to the English figure of £1418 million.





Prime Minister

Mus 14/8

cc JV

Local Govt.

2 MARSHAM STREET  
LONDON SW1P 3EB

My ref:

Your ref:

14 May 1982

Dear Andrew

LOCAL AUTHORITY CURRENT EXPENDITURE 1982-3 and 1983-4

In his paper E(82) 44 the Chief Secretary suggests that my Secretary of State should exemplify the effects of imposing an additional across the board holdback of grant in 1982-3 of £200m, £300m and £500m. Mr Heseltine, before he left earlier today for Merseyside, agreed that this should be done.

I therefore attach, as further background material for the meeting of E Committee on 17 May, a set of exemplifications with a covering note by officials explaining the basis on which they have been prepared.

It will of course be for Ministers to draw the appropriate political conclusions. Meanwhile it may be helpful if I draw particular attention to the consequences for the 3 shire county authorities referred to in paragraph 18 of my Secretary of State's paper E(82) 45: Buckinghamshire, Essex, and Hertfordshire.

Buckinghamshire exceed their target by £14m, though not to exceed their GRE. Holdback of £500m could deprive them of up to £7m, or 12% of their total block grant.

a.r.f. Essex have budgetted to exceed their target by £35m, though not to exceed their GRE. Holdback of £500m could deprive them of up to £16m, or 11% of their total block grant.

Hertfordshire have budgetted to exceed their target by £5m, though not to exceed their GRE. Holdback of £500m could deprive them of up to £12m, or 14% of their total block grant and more than twice the amount of their overspend.

Ministers may also wish to look particularly at the position of the London authorities. The positive figures in column 8 show cases in which the potential grant loss could be greater than the amount of the overspend.

I am sending copies of this letter to the Private Secretaries to the members of E Committee and to Sir Robert Armstrong.

Yours sincerely  
Dail [Signature]

D A EDMONDS  
Private Secretary



THE EFFECTS OF A FURTHER ACROSS-THE-BOARD HOLDBACK OF BLOCK GRANT IN 1982-83

The attached table exemplifies the effects of a further across-the-board holdback of block grant in 1982-83 for the major spending authorities.

Col 1 shows the overspend against the Government's targets revealed by local authority budgets

Col 2 shows the basic block grant entitlement that would arise for each authority on their budget expenditure figures under the 1982/83 RSG Order and before any grant holdback.

Col 3 shows the effect of imposing the differential holdback scheme which would take £312m of grant away from those authorities that have overspent their targets or their GREs.

Cols 4-7 show the effect of alternative schemes of further across-the-board holdback, ie of further grant reductions in addition to the differential scheme at Col 3. Cols 4-6 would reduce the block grant total by £200m, £300m and £500m respectively, and would distribute the reduction by means of a parallel shift of the poundage schedule, which would thus distribute the cost equally in rate poundage terms on all authorities. Col 7 shows the effect of reducing the total of grant by £500m and at the same time increasing the slope of the poundage schedule so as to distribute more of the burden of the grant reduction onto authorities spending high in relation to GRE, and less onto those spending low in relation to GRE. This would significantly reduce the cost to most of the non-metropolitan counties and districts, but would substantially increase the grant reductions for the highest spenders such as the GLC, Manchester, Tower Hamlets and various other metropolitan and London authorities. It would increase the loss to partnership and programme authorities by 60%.

Col 8 compares the total grant holdback that might be imposed on each authority (£312m differential + £500m across-the-board on the Col 7 basis) with its overspend against target. Positive figures in this column indicate that the authority would lose more grant than the extent of its overspend against target.



## Effect of different levels of across the board holdback

Authority	Overspend on target Col 1	Grant before holdback Col 2	Differential holdback Col 3	Further holdback with				Holdback (C3 + C7) minus C1 Col 8
				£200m parallel shift Col 4	£300m parallel shift Col 5	£500m holdback Parallel shift Col 6	Increase slope Col 7	
TOTAL England	£1,451.305m	£8,673.846m	£312.468m	£200.000m	£299.999m	£499.999m	£500.004m	£-638.833m
Non-met districts	£49.933m	£627.050m	£14.147m	£16.365m	£24.547m	£40.841m	£27.441m	£-8.344m
Non-met counties	£573.174m	£4,081.829m	£114.837m	£106.320m	£159.481m	£265.842m	£181.566m	£-276.771m
Metropolitan districts	£216.487m	£2,109.635m	£68.477m	£37.227m	£55.840m	£93.081m	£89.766m	£-58.244m
Metropolitan counties	£136.731m	£518.749m	£38.818m	£8.606m	£12.909m	£21.518m	£48.321m	£-49.592m
Non-met total	£623.107m	£4,708.879m	£128.984m	£122.685m	£184.028m	£306.684m	£209.007m	£-285.115m
Metropolitan total	£353.218m	£2,628.384m	£107.295m	£45.832m	£68.749m	£114.599m	£138.088m	£-107.835m
City & Westminster	£5.888m	£-63.612m	-	-	-	-	-	£-5.888m
Rest of Inner London	£54.091m	£395.299m	£14.291m	£3.717m	£5.576m	£9.294m	£35.395m	£-4.404m
Inner London inc ILEA	£153.032m	£331.687m	£14.291m	£3.717m	£5.576m	£9.294m	£35.395m	£-103.345m
Outer London	£83.486m	£791.068m	£32.445m	£16.897m	£25.346m	£42.250m	£48.805m	£-2.236m
GLC & Met Police	£238.399m	£213.094m	£29.452m	£10.857m	£16.286m	£27.147m	£68.698m	£-140.249m
London total	£474.917m	£1,335.849m	£76.189m	£31.472m	£47.208m	£78.692m	£152.898m	£-245.830m
Partnership authorities	£103.355m	£881.306m	£33.416m	£13.661m	£20.492m	£34.158m	£66.620m	£-3.319m
Programme authorities	£98.878m	£740.699m	£23.154m	£11.385m	£17.078m	£28.467m	£31.572m	£-44.152m
Partnership & programme	£202.233m	£1,622.005m	£56.571m	£25.046m	£37.569m	£62.625m	£98.192m	£-47.470m



## Effect of different levels of across the board holdback

Authority	Overspend on target Col 1	Grant before holdback Col 2	Differential holdback Col 3	-----Further holdback with-----				Holdback (C3 + C7) minus C1 Col 8
				£200m parallel shift Col 4	£300m parallel shift Col 5	-----£500m holdback-----		
						Parallel shift Col 6	Increase slope Col 7	
ISLES OF SCILLY	£0.063m	£0.734m	-	£0.010m	£0.015m	£0.025m	£0.011m	£-0.052m
SHIRE COUNTIES								
Avon	£33.566m	£137.251m	£15.005m	£3.327m	£4.990m	£8.318m	£8.272m	£-10.290m
Bedfordshire	£19.701m	£61.813m	£10.707m	£2.374m	£3.561m	£5.936m	£6.835m	£-2.158m
Berkshire	£24.798m	£57.201m	£12.171m	£3.455m	£5.183m	£8.640m	£6.902m	£-5.725m
Buckinghamshire	£13.781m	£58.847m	-	£2.676m	£4.014m	£6.691m	£4.197m	£-9.583m
Cambridgeshire	£11.207m	£75.424m	-	£2.352m	£3.528m	£5.881m	£3.305m	£-7.901m
Cheshire	£28.761m	£136.427m	£17.213m	£3.816m	£5.724m	£9.542m	£9.820m	£-1.729m
Cleveland	£18.486m	£110.705m	£9.683m	£2.147m	£3.220m	£5.368m	£6.151m	£-2.653m
Cornwall	£5.870m	£70.736m	-	£1.305m	£1.957m	£3.263m	£1.334m	£-4.536m
Cumbria	£6.771m	£95.441m	£3.938m	£1.301m	£1.952m	£3.254m	£2.542m	£-0.291m
Derbyshire	£24.527m	£155.098m	£7.530m	£2.898m	£4.346m	£7.245m	£5.475m	£-11.522m
Devon	£13.313m	£143.059m	-	£3.190m	£4.784m	£7.975m	£3.514m	£-9.799m
Dorset	£-1.135m	£66.401m	-	£2.331m	£3.497m	£5.829m	£3.626m	£4.761m
Durham	£6.539m	£124.131m	£4.623m	£1.513m	£2.270m	£3.784m	£3.400m	£1.483m
East Sussex	£4.401m	£66.948m	-	£2.659m	£3.989m	£6.649m	£4.177m	£-0.224m
Essex	£34.903m	£152.011m	-	£6.510m	£9.765m	£16.278m	£10.021m	£-24.882m
Gloucestershire	£7.111m	£71.330m	-	£1.819m	£2.728m	£4.547m	£2.796m	£-4.316m
Hampshire	£20.085m	£188.225m	-	£5.886m	£8.830m	£14.718m	£9.254m	£-10.831m
Hereford and Worcester	£12.562m	£87.186m	-	£2.399m	£3.598m	£5.997m	£3.768m	£-8.794m
Hertfordshire	£5.394m	£84.270m	-	£4.770m	£7.155m	£11.927m	£7.499m	£2.105m
Humberside	£34.444m	£176.085m	£11.922m	£2.643m	£3.965m	£6.609m	£6.440m	£-16.082m
Isle of Wight	£2.647m	£19.919m	-	£0.380m	£0.571m	£0.951m	£0.598m	£-2.049m
Kent	£15.046m	£213.183m	-	£5.257m	£7.885m	£13.144m	£5.543m	£-9.503m
Lancashire	£23.677m	£272.141m	-	£3.873m	£5.809m	£9.684m	£6.085m	£-17.592m
Leicestershire	£27.789m	£132.346m	-	£3.187m	£4.781m	£7.969m	£5.003m	£-22.785m
Lincolnshire	£10.209m	£96.094m	-	£1.694m	£2.542m	£4.237m	£2.602m	£-7.607m
Norfolk	£10.006m	£94.699m	-	£2.478m	£3.717m	£6.196m	£3.360m	£-6.646m
Northamptonshire	£18.928m	£83.680m	-	£2.021m	£3.031m	£5.053m	£3.166m	£-15.761m
Northumberland	£3.305m	£55.933m	£2.652m	£0.907m	£1.361m	£2.269m	£1.766m	£1.113m
North Yorkshire	£7.827m	£111.839m	-	£2.111m	£3.166m	£5.277m	£3.318m	£-4.509m
Notttinghamshire	£39.768m	£176.769m	£15.214m	£3.373m	£5.059m	£8.434m	£8.554m	£-16.001m
Oxfordshire	£3.855m	£55.604m	-	£2.293m	£3.439m	£5.733m	£3.555m	£-0.300m
Shropshire	£8.591m	£65.669m	-	£1.239m	£1.859m	£3.099m	£1.690m	£-6.901m
Somerset	£7.773m	£65.962m	-	£1.433m	£2.149m	£3.582m	£2.218m	£-5.554m
Staffordshire	£16.534m	£164.584m	£4.180m	£3.509m	£5.263m	£8.773m	£6.037m	£-6.317m
Suffolk	£12.638m	£80.002m	-	£2.202m	£3.303m	£5.505m	£3.460m	£-9.179m
Surrey	£9.566m	£67.287m	-	£4.630m	£6.946m	£11.578m	£6.465m	£-3.101m
Warwickshire	£10.824m	£61.734m	-	£1.929m	£2.893m	£4.823m	£3.032m	£-7.791m
West Sussex	£9.958m	£58.859m	-	£2.749m	£4.123m	£6.873m	£3.547m	£-6.411m
Wiltshire	£9.147m	£86.936m	-	£1.685m	£2.528m	£4.214m	£2.235m	£-6.912m



## Effect of different levels of across the board holdback

Authority	Overspend on target Col 1	Grant before holdback Col 2	Differential holdback Col 3	Further holdback with				Holdback (C3 + C7) minus C1 Col 8
				£200m parallel shift Col 4	£300m parallel shift Col 5	£500m holdback		
						Parallel shift Col 6	Increase slope Col 7	
GREATER LONDON								
City of London	£2.423m	£-40.809m	-	-	-	-	-	£-43.232m
Camden	£0.497m	£12.008m	-	-	-	-	-	£-0.497m
Greenwich	£4.450m	£29.873m	£1.232m	£0.273m	£0.410m	£0.683m	£2.785m	£-0.433m
Hackney	£13.811m	£44.992m	£1.360m	£0.301m	£0.452m	£0.754m	£4.181m	£-8.270m
Hammersmith and Fulham	£7.912m	£34.884m	£1.279m	£0.283m	£0.425m	£0.709m	£2.669m	£-3.964m
Islington	£4.957m	£31.764m	£1.954m	£0.433m	£0.650m	£1.083m	£4.815m	£1.813m
Kensington and Chelsea	£2.051m	£16.675m	£2.160m	£0.582m	£0.873m	£1.455m	£1.416m	£1.525m
Lambeth	£6.160m	£57.561m	£2.175m	£0.482m	£0.723m	£1.206m	£5.407m	£1.422m
Lewisham	£3.524m	£47.149m	£1.268m	£0.281m	£0.422m	£0.703m	£3.405m	£1.149m
Southwark	£2.692m	£45.720m	£1.360m	£0.462m	£0.693m	£1.155m	£4.810m	£3.479m
Tower Hamlets	£7.462m	£27.070m	£1.195m	£0.265m	£0.397m	£0.663m	£5.164m	£-1.103m
Wandsworth	£0.574m	£47.602m	£0.307m	£0.353m	£0.530m	£0.883m	£0.742m	£0.475m
Westminster	£3.465m	£-22.803m	-	-	-	-	-	£-26.268m
Barking and Dagenham	£0.879m	£24.904m	£0.765m	£0.542m	£0.813m	£1.355m	£2.072m	£1.958m
Barnet	£1.846m	£37.021m	-	£1.244m	£1.866m	£3.110m	£1.950m	£0.103m
Bexley	£3.632m	£42.915m	£2.827m	£0.638m	£0.957m	£1.596m	£1.903m	£1.098m
Brent	£15.387m	£61.782m	£4.838m	£1.073m	£1.609m	£2.682m	£5.659m	£-4.890m
Bromley	£-0.355m	£43.984m	-	£1.016m	£1.524m	£2.540m	£1.396m	£1.751m
Croydon	£-0.038m	£46.821m	-	£1.348m	£2.022m	£3.371m	£0.844m	£0.882m
Ealing	£2.968m	£55.123m	£1.178m	£1.156m	£1.735m	£2.891m	£2.013m	£0.223m
Enfield	£2.654m	£40.869m	£2.757m	£1.015m	£1.522m	£2.538m	£2.154m	£2.257m
Haringey	£15.779m	£61.175m	£3.334m	£0.739m	£1.109m	£1.848m	£5.763m	£-6.681m
Harrow	£5.896m	£30.731m	£3.237m	£0.718m	£1.076m	£1.794m	£2.443m	£-0.216m
Havering	-	£40.678m	-	£0.792m	£1.189m	£1.981m	£1.802m	£1.802m
Hillingdon	£2.145m	£23.408m	£2.581m	£1.103m	£1.655m	£2.758m	£3.536m	£3.973m
Hounslow	£5.306m	£25.093m	£4.539m	£1.006m	£1.509m	£2.516m	£3.871m	£3.105m
Kingston-upon-Thames	£-1.320m	£17.164m	-	£0.547m	£0.820m	£1.367m	£0.903m	£2.223m
Merton	£0.037m	£25.970m	£0.037m	£0.620m	£0.930m	£1.550m	£1.107m	£1.107m
Newham	£12.557m	£71.245m	£3.371m	£0.747m	£1.121m	£1.869m	£3.752m	£-5.435m
Redbridge	£2.007m	£38.289m	-	£0.759m	£1.138m	£1.897m	£1.192m	£-0.815m
Richmond-upon-Thames	£0.034m	£20.145m	£0.038m	£0.590m	£0.885m	£1.476m	£1.084m	£1.088m
Sutton	£1.113m	£25.268m	-	£0.592m	£0.888m	£1.481m	£0.930m	£-0.183m
Waltham Forest	£12.961m	£58.484m	£2.943m	£0.652m	£0.979m	£1.631m	£4.431m	£-5.587m
GLC	£238.399m	£73.278m	£29.453m	£6.530m	£9.795m	£16.327m	£61.894m	£-165.122m
ILEA	£93.053m	-	-	-	-	-	-	£-93.053m
Metropolitan Police	-	£139.816m	-	£4.327m	£6.491m	£10.820m	£6.803m	£6.803m



## Effect of different levels of across the board holdback

Authority	Overspend on target Col 1	Grant before holdback Col 2	Differential holdback Col 3	Further holdback with				Holdback (C3 + C7) minus C1 Col 8
				£200m parallel shift Col 4	£300m parallel shift Col 5	£500m holdback Parallel shift Col 6	Increase slope Col 7	
<b>GREATER MANCHESTER</b>								
Bolton	£5.144m	£52.222m	-	£0.751m	£1.126m	£1.877m	£1.057m	£-4.086m
Bury	£4.880m	£31.631m	£2.306m	£0.511m	£0.767m	£1.278m	£1.326m	£-1.248m
Manchester	£2.891m	£102.782m	£2.181m	£1.926m	£2.889m	£4.816m	£10.031m	£9.321m
Oldham	£3.699m	£49.793m	-	£0.616m	£0.923m	£1.539m	£0.968m	£-2.731m
Rochdale	£9.272m	£50.411m	£2.469m	£0.547m	£0.821m	£1.369m	£2.141m	£-4.662m
Salford	£2.524m	£54.056m	£1.849m	£0.711m	£1.067m	£1.778m	£1.685m	£1.011m
Stockport	£3.017m	£40.100m	-	£1.022m	£1.534m	£2.556m	£1.415m	£-1.601m
Tameside	£5.543m	£47.242m	£2.609m	£0.579m	£0.868m	£1.447m	£1.570m	£-1.364m
Trafford	£1.618m	£24.163m	-	£1.019m	£1.529m	£2.549m	£1.150m	£-0.467m
Wigan	£7.335m	£63.453m	£3.751m	£0.831m	£1.247m	£2.079m	£2.111m	£-1.473m
<b>MERSEYSIDE</b>								
Knowsley	£3.255m	£39.113m	£1.639m	£0.580m	£0.870m	£1.450m	£1.160m	£-0.456m
Liverpool	£13.328m	£120.700m	£7.865m	£1.744m	£2.616m	£4.360m	£5.375m	£-0.087m
St Helens	£2.355m	£35.279m	£2.050m	£0.620m	£0.929m	£1.549m	£1.448m	£1.144m
Sefton	£0.904m	£46.082m	-	£0.968m	£1.452m	£2.420m	£0.638m	£-0.266m
Wirral	£2.461m	£55.922m	£0.235m	£1.127m	£1.690m	£2.818m	£1.802m	£-0.424m
<b>SOUTH YORKSHIRE</b>								
Barnsley	£3.356m	£48.686m	£2.088m	£0.499m	£0.748m	£1.247m	£1.468m	£0.200m
Doncaster	£3.277m	£57.687m	£2.403m	£0.794m	£1.191m	£1.986m	£2.390m	£1.516m
Rotherham	-	£52.092m	-	£0.598m	£0.897m	£1.495m	£1.333m	£1.334m
Sheffield	£17.866m	£94.547m	£7.884m	£1.748m	£2.622m	£4.370m	£8.539m	£-1.443m
<b>TYNE AND WEAR</b>								
Gateshead	£6.857m	£43.587m	£2.556m	£0.567m	£0.850m	£1.417m	£1.837m	£-2.464m
Newcastle upon Tyne	£11.251m	£42.275m	£5.047m	£1.119m	£1.678m	£2.798m	£6.573m	£0.370m
North Tyneside	£8.467m	£39.064m	£2.491m	£0.552m	£0.828m	£1.381m	£2.469m	£-3.507m
South Tyneside	£1.668m	£39.277m	£1.034m	£0.403m	£0.605m	£1.008m	£1.066m	£0.432m
Sunderland	£6.231m	£64.143m	£3.307m	£0.733m	£1.100m	£1.833m	£2.016m	£-0.908m
<b>WEST MIDLANDS</b>								
Birmingham	£10.891m	£162.529m	-	£4.349m	£6.523m	£10.873m	£6.799m	£-4.092m
Coventry	£6.662m	£58.925m	£0.925m	£1.181m	£1.772m	£2.953m	£1.984m	£-3.754m
Dudley	£3.679m	£31.518m	-	£1.155m	£1.733m	£2.888m	£0.907m	£-2.772m
Sandwell	£3.629m	£43.377m	£1.916m	£1.352m	£2.029m	£3.381m	£2.398m	£0.684m
Solihull	£2.405m	£26.747m	-	£0.790m	£1.185m	£1.976m	£0.689m	£-1.716m
Walsall	£11.646m	£41.460m	£4.744m	£1.052m	£1.578m	£2.630m	£2.981m	£-3.921m
Wolverhampton	£3.184m	£43.754m	-	£1.121m	£1.681m	£2.803m	£1.762m	£-1.422m
<b>WEST YORKSHIRE</b>								
Bradford	£18.081m	£109.187m	£5.231m	£1.160m	£1.739m	£2.900m	£2.939m	£-9.911m
Calderdale	£5.321m	£43.318m	£1.898m	£0.421m	£0.631m	£1.052m	£1.125m	£-2.298m
Kirklees	£7.304m	£83.000m	-	£0.866m	£1.299m	£2.166m	£1.362m	£-5.942m
Leeds	£16.499m	£118.217m	-	£2.334m	£3.501m	£5.835m	£3.669m	£-12.830m
Wakefield	£-0.012m	£53.295m	-	£0.882m	£1.323m	£2.205m	£1.580m	£1.592m



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				£200m parallel shift Col 4	£300m parallel shift Col 5	£500m holdback Parallel shift Col 6	Increase slope Col 7	
METROPOLITAN COUNTIES								
Greater Manchester	£21.223m	£112.529m	£9.047m	£2.006m	£3.009m	£5.015m	£8.753m	£-3.422m
Merseyside	£26.052m	£75.106m	£5.266m	£1.168m	£1.751m	£2.919m	£7.973m	£-12.812m
South Yorkshire	£14.246m	£71.451m	£3.718m	£0.824m	£1.237m	£2.061m	£10.106m	£-0.422m
Tyne and Wear	£13.929m	£76.929m	£3.528m	£0.782m	£1.173m	£1.956m	£5.256m	£-5.145m
West Midlands	£33.094m	£81.419m	£11.372m	£2.521m	£3.782m	£6.304m	£9.431m	£-12.291m
West Yorkshire	£28.187m	£101.315m	£5.886m	£1.305m	£1.957m	£3.263m	£6.802m	£-15.499m



14 MAY 1982

