

Provisional RSG Settlement

Main details of the provisional Revenue Support Grant (RSG) Settlement for 2001/02:

National Position:

- increase in local authority revenue spending of 6.6%
- increase in Standard Spending Assessments (SSAs) of 4.9%
- 6.7% increase in Government support, comprising of a 4.4% increase in general funding (RSG and NNDR) and an 18.3% increase in specific grants
- a council tax increase of 5% if authorities spend in line with the SSA increases
- no change to the formula used to calculate SSAs, except to take account of the transfer of nursery grant

Buckinghamshire:

Buckinghamshire's SSA has increased by 6.2% or £20.1m to £349.6m. The table below shows the main changes from the planning assumptions and compares the increases for Buckinghamshire with those for counties generally and the country as a whole.

	Original	Actual	SSA Increases		
	Assumption		Bucks	Counties	National
	£m	£m	%	%	%
Education – grant adjustments		2.4			
Education	11.2	12.5	6.1	5.2	4.8
Social Services	2.7	3.8	6.7	5.2	4.7
Police	-	-	-	-	5.8
Fire	0.5	0.8	7.0	4.8	5.0
Highways	0.4	0.8	4.3	3.3	2.5
Other Services	0.6	1.1	5.4	4.9	4.3
Capital Financing	0.3	1.1	7.0	8.7	10.7
Real increase incl Education adjustments	15.7	22.5			
Increase excl Education adjustments	15.7	20.1	6.2	5.2	4.9

The main reason for the above average increase for Buckinghamshire is that the Government has updated the Area Cost Adjustment factor, reflecting the higher costs in the South-East.

The Government has proposed a new method for distributing grant “floors and ceilings” – every authority with Education and Social Services responsibilities will receive an increase in general support of at least 3.2% and no more than 6.5%. An alternative proposal, included for consultation, is to distribute general grant on the same basis as 2000/01.

Under the floors and ceiling method, Buckinghamshire would receive £420,000 less grant than under the method previously employed. This would result in a 0.33% higher council tax increase.