The Local Government Finance Report (England) 2018/2019

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Presented to the House of Commons pursuant to paragraph 5 of Schedule 7B to the Local Government Finance Act 1988

Ordered by the House of Commons to be printed 5 February 2018

OGL

Contents

1. Introduction

1.1. This Report is made by the Secretary of State for Housing, Communities and Local Government ("the Secretary of State"), and laid before the House of Commons, in accordance with paragraph 5 of Schedule 7B to the Local Government Finance Act 1988 ("the 1988 Act")[1]. It applies in relation to England only.

1.2. The Report sets out the Secretary of State's determination, made under paragraph 4 of Schedule 7B to the 1988 Act, of the percentage of a billing authority's non-domestic rating income that is to be the authority's central share and the percentage that is to be the authority's local share for the financial year 2018/2019.

1.3. The Report sets out the Secretary of State's determination to pay a revenue support grant ("Revenue Support Grant"): the total amount of the grant, the amount of the grant he proposes to pay to receiving authorities[2], and the amount of the grant he proposes to pay to the specified body[3], for the financial year 2018/2019 in accordance with section 78 of the 1988 Act[4].

1.4. The Report specifies the basis on which the Secretary of State proposes to distribute the amount of Revenue Support Grant to be paid for the financial year 2018/2019 among receiving authorities under Part V of the 1988 Act.

1.5. Before making the determination under section 78 of the 1988 Act, the Secretary of State consulted representatives of local government and all local authorities and obtained the Treasury's consent[5]. Before making this Report the Secretary of State also notified such representatives of the general nature of the basis of calculation of the distribution of Revenue Support Grant[6] and of the general nature of the basis of calculation of tariff and top-up payments[7] (as referred to in para 1.6).

1.6. The Report sets out the basis on which the Secretary of State intends to calculate Baseline Funding Level as well as which authorities are to receive payments (referred to in this Report as "top-up" payments) and which authorities are to make payments (referred to in this Report as "tariff" payments) and the amount of such payments, under Part 5 of Schedule 7B to the 1988 Act.

1.7. The report lists the pools of authorities that the Secretary of State has designated for the financial year 2018/2019 in accordance with Part 9 of Schedule 7B of the 1988 Act.

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[1] Schedule 7B was inserted by Schedule 1 to the Local Government Finance Act 2012 ("the 2012 Act").
[2] Pursuant to section 76(2) of the 1988 Act and section 39(1) of the 1992 Act.
[3] Pursuant to section 76(4) of the 1988 Act.
[4] Section 78 was amended by paragraph 9 of Schedule 10 to the Local Government Finance Act 1992 ("the 1992 Act"), by paragraph 15 of Schedule 7 to the Local Government Act 2003 and by paragraphs 1 and 2 of Schedule 2 to the 2012 Act.
[5] Pursuant to section 78(5) of the 1988 Act.
[6] Pursuant to section 78A of the 1988 Act. This section was amended by paragraphs 9 and 15 of Schedule 7 to the Local Government Act 2003 and paragraphs 1 and 3 of Schedule 2 to the 2012 Act.
[7] Pursuant to paragraph 12(2) of Schedule 7B to the 1988 Act.

2. Central and local share

2.1. Pursuant to paragraph 4 of Schedule 7B to the 1988 Act, the Secretary of State determines that in relation to each billing authority in England that is not a 100% business rates retention pilot authority:

- its central share for 2018/2019 will be 50%;

- its local share for 2018/2019 will be 50%.

2.2. For 100% business rates retention pilot authorities (as referred to in Annex A and Annex B) that are billing authorities:

- its central share for 2018/2019 will be 0%;

- its local share for 2018/2019 will be 100%.

3.   Revenue Support Grant

3.1.   Pursuant to section 78(3)(a) of the 1988 Act, the Secretary of State determines that the amount of Revenue Support Grant for the financial year 2018/2019 is £3,573,308,349.

3.2.   Pursuant to section 78(3)(aa) of the 1988 Act, the Secretary of State will pay grant to receiving authorities.

3.3.   Pursuant to section 78(3)(b) of the 1988 Act, the Secretary of State determines that the amount of the grant to be paid to receiving authorities is £3,573,308,349. A receiving authority is any billing authority or major precepting authority[8].

3.4.   The amount of the Revenue Support Grant that is to be distributed to local policing bodies[9] outside London for police services is zero. Funding with respect to policing will be provided to all local policing bodies under section 46(3) of the Police Act 1996 through the Police Grant Report (England and Wales) 2018/2019.

3.5.   The amount of the Revenue Support Grant that is to be distributed to Mayoral Combined Authorities[10] is zero.

3.6.   Pursuant to section 78(3)(ba) of the 1988 Act, the Secretary of State will not pay any Revenue Support Grant to the specified body[11] the Improvement and Development Agency for Local Government (IDeA)[12].

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[8] Pursuant to section 76(2) of the 1988 Act; and
   (i)   Each of the following is a major precepting authority pursuant to section 39(1) of the 1992 Act:a county council which does not have the functions of a district council;
   (ii)   police and crime commissioners in England whose police area is listed in Schedule 1 to the Police Act 1996
   (iii)   a metropolitan county fire and rescue authority;
   (iv)   a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies (a "combined fire and rescue authority"); and
   (v)   the Greater London Authority;
   (vi)   a mayoral combined authority, as defined by section 107A(8) of the Local Democracy, Economic Development and Construction Act 2009.
[9] Local policing bodies comprise the Mayor's Office for Policing and Crime, police and crime commissioners and the Common Council of the City of London. The MOPAC (the Mayor's Office for Policing and Crime) is a functional body of the Greater London Authority (s.424(1) Greater London Authority Act 1999 (c 29);
[10] Mayoral Combined Authorities are Combined Authorities for which provision has been made for there to be a mayor by an Order made under section 107A of the Local Democracy, Economic Development and Construction Act 2009, c. 20.
[11] Specified bodies are bodies which provide services for local authorities and are specified in regulations made by the Secretary of State under section 76(4) of the 1988 Act or similar provisions in earlier legislation. There is currently only one such body.
[12] The Government recognises the importance of sector-led support. We have set aside sufficient resources for sector-led support and intend to continue to make payments to the Improvement & Development Agency (IDeA). To provide continuity in the development of the sector-led support programme the IDeA has been guaranteed a minimum level of funding across the multi-year settlement period of £10.8m in 2018/2019 and £10.3m in 2019/2020. Our intention is to announce the final amount of the funding to the IDeA for 2018/2019 following a negotiation and refresh of the Memorandum of Understanding.

3.7.   The amount of the Revenue Support Grant that is to be distributed to 100% business rates retention pilot authorities is zero. The value of the Revenue Support Grant foregone will be taken into account in setting revised tariffs and top-ups.

4. Distribution of Revenue Support Grant

4.1. This section specifies the basis on which the Secretary of State will distribute among receiving authorities the amount of Revenue Support Grant which will be paid for the year 2018/2019 under Part V of the 1988 Act.

4.2. The Secretary of State will first make a specific allocation for the Isles of Scilly (Part A).

4.3. The Secretary of State will secondly distribute the funding for other authorities in order to ensure the same percentage reduction in "settlement core funding" at a service tier level (Part B).

Part A – Isles of Scilly

4.4. From the amount of Revenue Support Grant which the Secretary of State will pay to receiving authorities, he will pay £1,820,481 with respect to the Isles of Scilly.

Part B – Main distribution

4.5. Services are divided into five groups reflecting the division of responsibilities for providing services in some non-metropolitan areas: some services are provided predominantly by district councils ('lower-tier services'), others by county councils ('upper-tier services'), and others by fire and rescue authorities ('fire and rescue services'). The fourth group of services covers those services other than policing services and fire and rescue services provided by the Greater London Authority and its functional bodies. The fifth group of services covers the notional policing element of the council tax freeze grant legacy payments included within the Local Government Finance Settlement. The services included within each of the first four groups are set out in Annex C.

4.6. Different percentage reductions to core funding are applied to each group of services, reflecting the pressures on those services.

The upper-tier element of RSG

4.7. The upper-tier element of Revenue Support Grant is to support upper-tier services.

4.8. The upper-tier element is calculated for the following classes of authority:

> Non-metropolitan district councils which have the functions of county councils,
> County councils,
> London borough councils,
> Common Council of the City of London,
> Metropolitan district councils.

4.9. The upper-tier Revenue Support Grant element for 2018/2019 for each authority in paragraph **4.8** is calculated as follows:

$$(A + B + F) \times G - (F + H)$$

where:

A   is the amount of the upper-tier element of the Revenue Support Grant for 2017/2018, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2017/2018;

B   is calculated as follows:

$$C \times (D / E)$$

C   is the amount of the upper-tier element of the Baseline Funding Level for 2016/2017, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2016/2017;

D   is the value of the Quarter 3, 2016 RPI as estimated by OBR[13] at Autumn Statement 2015, which is 264.4.

E   is the value of the Quarter 3, 2015 RPI as estimated by OBR at Autumn Statement 2015, which is 259.3;

F   is the council tax requirement for upper-tier services for 2015/2016, as calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;

G   is the upper-tier scaling factor as calculated in Annex D of this Report;

H   The amount of the upper-tier element of the Baseline Funding Level for 2018/2019, is calculated as follows:

$$B \times (I / D)$$

I   is the value of the Quarter 3, 2017 RPI as estimated by OBR at Autumn Statement 2015, which is 272.2;

The lower-tier element of RSG

4.10. The lower-tier element of Revenue Support Grant for 2018/2019 is to support lower-tier services.

4.11. The lower-tier element is calculated for the following classes of authority:

County councils which have the functions of district councils,
District councils,
London borough councils,
Common Council of the City of London.

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[13] http://budgetresponsibility.org.uk/download/economic-and-fiscal-outlook-supplementary-economy-tables-november-2015/

4.12. The lower-tier Revenue Support Grant element for 2018/2019 for each authority in paragraph **4.11** is calculated as follows:

$$(J + K + M) \times N - (M + O)$$

where:

J   is the amount of the lower-tier element of the Revenue Support Grant for 2017/2018, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2017/2018;

K   is calculated as follows:

$$L \times (D / E)$$

L   is the amount of the lower-tier element of the Baseline Funding Level for 2016/2017, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2016/2017;

M   is the council tax requirement for lower-tier services for 2015/2016, as calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;

N   is the lower-tier scaling factor as calculated in Annex D of this Report;

O   The amount of the lower-tier element of the Baseline Funding Level for 2018/2019, is calculated as follows:

$$K \times (I / D)$$

D, E and **I** have the same meaning as in paragraph 4.9 above.

Fire and rescue element of RSG

4.13. The fire and rescue element of Revenue Support Grant is to support fire and rescue services.

4.14. The fire and rescue element is calculated for the following classes of authority:

> County councils which have responsibility for the provision of fire and rescue services,
> Greater London Authority,
> Metropolitan county fire and rescue authorities,
> Combined fire and rescue authorities,
> Essex Police, Fire and Crime Commissioner.

4.15. The fire and rescue Revenue Support Grant element for 2018/2019 for each authority in paragraph **4.14** is calculated as follows:

$$(P + Q + S) \times T - (S + U)$$

where:

P   is the amount of the fire and rescue element of the Revenue Support Grant for 2017/2018, calculated in accordance with Section 4 of the Local ment Finance Report (England) 2017/2018;

Q   is calculated as follows:

$$R \times (D / E)$$

R   is the amount of the fire and rescue element of the Baseline Funding Level for 2016/2017, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2016/2017;

S   is the council tax requirement for fire and rescue services for 2015/2016, as calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;

T   is the fire and rescue scaling factor as calculated in Annex D of this Report;

U   The amount of the fire and rescue element of the Baseline Funding Level for 2018/2019, is calculated as follows:

$$Q \times (I / D)$$

D, E and **I** have the same meaning as in paragraph 4.9 above.

GLA other service element of RSG

4.16.   The GLA other services element of Revenue Support Grant for 2018/2019 is to support services supplied by the Greater London Authority other than fire and rescue and policing services.

4.17.   The GLA other services Revenue Support Grant element for 2018/2019 is calculated as follows:

$$((V + W + Y) \times Z) + A\,A - (Y + A\,B)$$

where:

V   is the amount of the GLA other services element of the Revenue Support Grant for 2017/2018, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2017/2018;

W   is calculated as follows:

$$X \times (D / E)$$

X   is the amount of the GLA other services element of the Baseline Funding Level for 2016/2017, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2016/2017;

Y   is the council tax requirement for GLA other services for 2015/2016, as calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;

Z   is the GLA other services scaling factor as calculated in Annex D of this Report;

A A   is equal to **£25,298,182**;

A B   The amount of the GLA other services element of the Baseline Funding Level for 2018/2019, is calculated as follows:

$$W \times (I / D)$$

D, E and **I** have the same meaning as in paragraph 4.9 above.

London policing element of RSG

4.18. The London policing element of Revenue Support Grant is the notional share for policing services of council tax freeze grant legacy payments to the Common Council of the City of London and the Greater London Authority.

4.19. The London policing Revenue Support Grant element for 2018/2019 for each authority in paragraph **4.18** is calculated as follows:

$$A C + A D - A F$$

where:

A C   is the amount of the London policing element of the Revenue Support Grant for 2017/2018, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2017/2018;

A D   is calculated as follows:

$$A E \times (D / E)$$

A E   is the amount of the London policing element of the Baseline Funding Level for 2016/2017, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2016/2017;

A F   The amount of the London policing element of the Baseline Funding Level for 2018/2019, is calculated as follows:

$$A D \times (I / D)$$

D, E and **I** have the same meaning as in paragraph 4.9 above.

Total RSG for authority

4.20. For the following classes of authority:

Common Council of the City of London,

> London borough councils,
> District councils,
> County councils,
> Greater London Authority,
> Metropolitan county fire and rescue authorities,
> Combined fire and rescue authorities

4.21. For each authority in paragraph **4.20** the amount of Revenue Support Grant for 2018/2019 is calculated as follows:

either:

$$A\,G + A\,H + A\,I + A\,J + A\,K$$

or zero, whatever is the greater.

where:

A G   is the upper-tier element within Revenue Support Grant element, as set out in paragraph 4.9 above, if any;

A H   is the lower-tier element within Revenue Support Grant element, as set out in paragraph 4.12 above, if any

A I   is the fire and rescue element within Revenue Support Grant, as set out in paragraph 4.15 above, if any;

A J   is the GLA other services element within Revenue Support Grant, as set out in paragraph 4.17 above, if any;

A K   is the London policing element within Revenue Support Grant, as set out in paragraph 4.19 above, if any.

5. Distribution of Baseline Funding Level

5.1. The Secretary of State will uprate the 2017/2018 Baseline Funding Level for each local authority in every class of authority, other than the Isles of Scilly and 2017/2018 pilots (see Annex A), for each tier level by the increase in the Small Business Non-Domestic Rating Multiplier[14].

5.2. Baseline Funding Level for each 2018/2019 100% business rates retention pilot authority (see Annex B), except the Greater London Authority will consist of 2017/2018 uprated Baseline Funding Level, as per paragraph 5.1, and the value of the grant (s) that the authority will forego in 2018-2019.

5.3. Baseline Funding Level for each 2017/2018 Pilot including the Greater London Authority, will consist of their 2016/2017 Baseline Funding Level uprated for 2018/2019, and the value of the grant(s) that the authority will forgo in that year.

5.4. Services will be divided into the same groups as set out in Section 4 of this document.

Part A – Isles of Scilly

5.5. The Baseline Funding Level for 2018/2019 for the Isles of Scilly is calculated as follows:

$$A L \times (A M / A N)$$

where:

A L   is the share for the authority of the Baseline Funding Level for 2017/2018, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2017/2018.

A M   is the value of the September 2017 RPI, which is 275.1;

A N   is the value of the September 2016 RPI, which is 264.9.

Part B – Main distribution

5.6. The Baseline Funding Level for each class of authority other than the Isles of Scilly and 100% business rates retention pilot authorities, for 2018/2019 is calculated for each authority for each tier level as follows:

$$A O \times (A P / A Q)$$

where:

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[14] The Small Business Non-Domestic Rating Multiplier for 2018/2019 has been calculated in accordance with paragraph 4 of Schedule 7 of the 1988 Act.

A O   is the amount of Baseline Funding Level for the authority in 2017/2018 for the tier, calculated in accordance with Section 5 Part A of the Local Government Finance Report (England) 2017/2018;

A P   is the 2018/2019 Small Business Non-Domestic Rating Multiplier, which is 0.480;

A Q   is the 2017/2018 Small Business Non-Domestic Rating Multiplier, which is 0.466;

5.7.   The Baseline Funding Level under 50% Business Rates Retention Scheme for 2018/2019 for each authority is calculated as follows:

$$A R + A S + A T + A U + A V$$

where:

A R   is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.5 above, if any;

A S   is the lower-tier element Baseline Funding Level, as set out in paragraph 5.5 above, if any;

A T   is the fire and rescue element Baseline Funding Level, as set out in paragraph 5.5 above, if any;

A U   is the GLA other services element Baseline Funding Level, as set out in paragraph 5.5 above, if any;

A V   is the London policing element Baseline Funding Level, as set out in paragraph 5.5 above, if any.

Part C – 2017/18 Pilot authorities

Greater Manchester Combined Authority

5.8.   The Baseline Funding Level for 2018/2019 for the Greater Manchester Combined Authority is calculated as follows:

$$A W + A X + A Y$$

where:

A W   is the sum of the 2018/2019 Highway Maintenance capital allocations[15] for the authorities in a relevant pilot area as set in Annex A;

A X   is the sum of the 2018/2019 Highway Maintenance efficiency allocation[16] at band 3 for the authorities in a relevant pilot area as set in Annex A.

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[15]https://www.gov.uk/government/publications/highways-maintenance-funding-allocations-201516-to-202021
[16]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487482/indicative-allocations-incentive-fund.xlsx

A Y is the 2018/2019 Integrated Transport Block allocation[17].

Greater Manchester Combined Authority area

5.9. The upper-tier and lower-tier Baseline Funding Levels are calculated for the following authorities:

> Bolton
> Bury
> Manchester
> Oldham
> Rochdale
> Salford
> Stockport
> Tameside
> Trafford
> Wigan.

5.10. The upper-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.8** is calculated as follows:

$$A G + A R + A Z$$

where:

A Z is the amount of Public Health Grant for the authority in 2018/2019[18].

A G has the same meaning as in paragraph 4.21.

A R has the same meaning as in paragraph 5.6.

5.11. The lower-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.8** is calculated as follows:

$$A H + A S$$

where:

A H has the same meaning as in paragraph 4.21.

A S has the same meaning as in paragraph 5.6.

5.12. The amount of Baseline Funding Level for 2018/2019 for each authority in paragraph **5.8** is calculated as follows:

$$B A + B B$$

where:

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[17]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/347058/itb-allocations_april_2015.pdf
[18] https://www.gov.uk/government/publications/public-health-grants-to-local-authorities-2018-to-2019

B A   is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.10 above;

B B   is the lower-tier element of Baseline Funding Level, as set out in paragraph 5.11 above.

Liverpool City Region Combined Authority area

5.13.   The upper-tier and lower-tier Baseline Funding Levels are calculated for the following authorities:

        Liverpool
        St Helens
        Sefton
        Wirral
        Knowsley
        Halton

5.14.   2018/2019 Improved Better Care Fund[19].

Local Authority	Improved Better Care Fund
Liverpool	£ 25.270216 million
St Helens	£ 7.327607 million
Sefton	£ 10.954918 million
Wirral	£ 13.411316 million
Knowsley	£ 8.516304 milllion
Halton	£ 4.871905 million

5.15.   The upper-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.13** is calculated as follows:

$$A G + A R + B C$$

where:

B C   Improved Better Care Fund for the authority in 2018/2019 as set out in paragraph 5.14 above.

A G has the same meaning as in paragraph 4.21.

A R has the same meaning as in paragraph 5.6 .

5.16.   The lower-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.13** is calculated as follows:

$$A H + A S$$

where:

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[19]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/498700/core_spending_power_supporting_info.xlsx

A H has the same meaning as in paragraph 4.21.

A S has the same meaning as in paragraph 5.6.

5.17. The amount of Baseline Funding Level for 2018/2019 for each authority in paragraph **5.13** is calculated as follows:

$$B D + B E$$

where:

B D   is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.15 above;

B E   is the lower-tier element of Baseline Funding Level, as set out in paragraph 5.16 above.

West Midlands Combined Authority area

5.18. The upper-tier and lower-tier Baseline Funding Levels are calculated for the following authorities:

> Birmingham
> Wolverhampton
> Coventry
> Dudley
> Sandwell
> Solihull
> Walsall

5.19. The upper-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.18** is calculated as follows:

$$A G + A R$$

where:

A G has the same meaning as in paragraph 4.21.

A R has the same meaning as in paragraph 5.6.

5.20. The lower-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.18** is calculated as follows:

$$A H + A S$$

where:

A H has the same meaning as in paragraph 4.21.

A S has the same meaning as in paragraph 5.6.

5.21. The amount of Baseline Funding Level for 2018/2019 for each authority in paragraph 5.18 is calculated as follows:

$$B F + B G$$

where:

B F   is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.19 above;

B G   is the lower-tier element of Baseline Funding Level, as set out in paragraph 5.20 above.

West of England Combined Authority

5.22.   The Baseline Funding Level for 2018/2019 for the West of England Combined Authority is calculated as follows:

$$A W + A X + A Y$$

where:

A W, A X and **A Y** have the same meaning as in paragraph 5.7 above.

West of England Combined Authority area

5.23.   The upper-tier and lower-tier Baseline Funding Levels are calculated for the following authorities:

        Bath and North East Somerset
        Bristol
        South Gloucestershire

5.24.   The upper-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.23** is calculated as follows:

$$A G + A R$$

where:

A G has the same meaning as in paragraph 4.21.

A R has the same meaning as in paragraph 5.6.

5.25.   The lower-tier Baseline Funding Level for 2018/2019 for each authority in paragraph **5.23** is calculated as follows:

$$A H + A S$$

where:

A H has the same meaning as in paragraph 4.21.

A S has the same meaning as in paragraph 5.6

5.26. The amount of Baseline Funding Level for 2018/2019 for each authority in paragraph 5.23 is calculated as follows:

$$B H + B I$$

where:

B H   is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.24 above;

B I   is the lower-tier element of Baseline Funding Level, as set out in paragraph 5.25 above.

Cornwall

5.27. The upper-tier Baseline Funding Level for 2018/2019 for the Cornwall Council is calculated as follows:

$$A W + A X + A Y + A G + A R + B J$$

where:

B J   is the amount of 2018/2019 Rural Services Delivery Grant[20].

A G has the same meaning as in paragraph 4.21.

A R has the same meaning as in paragraph 5.6.

A W, A X and **A Y** have the same meaning as in paragraph 5.7 above.

5.28. The lower-tier Baseline Funding Level for 2018/2019 for the Cornwall Council is calculated as follows:

$$A H + A S$$

where:

A H has the same meaning as in paragraph 4.21.

A S has the same meaning as in paragraph 5.6

5.29. The fire and rescue Baseline Funding Level for 2018/2019 for the Cornwall Council is calculated as follows:

$$A I + A T$$

where:

A I has the same meaning as in paragraph 4.21.

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[20]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/498700/core_spending_power_supporting_info.xlsx

A T has the same meaning as in paragraph 5.6

5.30. The amount of Baseline Funding Level for 2018/2019 for the Cornwall Council is calculated as follows:

$$B K + B L + B M$$

where:

B K is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.27 above;

B L is the lower-tier element of Baseline Funding Level, as set out in paragraph 5.28 above;

B M is the fire and rescue element of Baseline Funding Level, as set out in paragraph 5.29 above.

Part D – 2018/19 Pilot authorities

Greater London Authority

5.31. The fire and rescue Baseline Funding Level for 2018/2019 for the Greater London Authority is calculated as follows:

$$A I + A T$$

where:

A I has the same meaning as in paragraph 4.21.

A T has the same meaning as in paragraph 5.6.

5.32. The other services' Baseline Funding Level for 2018/2019 for the Greater London Authority is calculated as follows:

$$A J + A U + B N$$

where:

B N is the amount of 2018/2019 Transport for London Investment Grant, which is £976 million.

A J has the same meaning as in paragraph 4.21.

A U has the same meaning as in paragraph 5.6.

5.33. The London policing Baseline Funding Level for 2018/2019 for the Greater London Authority is calculated as follows:

$$A K + A V$$

where:

A K has the same meaning as in paragraph 4.21.

A V has the same meaning as in paragraph 5.6.

5.34. The amount of Baseline Funding Level for 2018/2019 for the Greater London Authority is calculated as follows:

$$B O + B P + B Q$$

where:

B O is the fire and rescue element of Baseline Funding Level, as set out in paragraph 5.31 above;

B P is the other services' element of Baseline Funding Level, as set out in paragraph 5.32 above;

B Q is the London policing element of Baseline Funding Level, as set out in paragraph 5.33 above.

All other 2018/2019 pilot authorities

5.35. The upper-tier Baseline Funding Level for 2018/2019 for each local authority set in Annex B, except Greater London Authority, is calculated as follows:

$$A G + A R + B J$$

where:

A G has the same meaning as in paragraph 4.21.

A R has the same meaning as in paragraph 5.6.

B J has the same meaning as in paragraph 5.27 above.

5.36. The lower-tier Baseline Funding Level for 2018/2019 for each local authority set in Annex B, excluding Greater London Authority, is calculated as follows:

$$A H + A S$$

where:

A H has the same meaning as in paragraph 4.21.

A S has the same meaning as in paragraph 5.6.

5.37. The fire and rescue Baseline Funding Level for 2018/2019 for each local authority set in Annex B, excluding Greater London Authority, is calculated as follows:

$$A I + A T$$

where:

A I has the same meaning as in paragraph 4.21.

A T has the same meaning as in paragraph 5.6.

5.38. The policing Baseline Funding Level for 2018/2019 for each local authority set in Annex B, excluding Greater London Authority, is calculated as follows:

$$A K + A V$$

where:

A K has the same meaning as in paragraph 4.21.

A V has the same meaning as in paragraph 5.6.

5.39. The amount of Baseline Funding Level for 2018/2019 for each authority in Annex B is calculated as follows:

$$B R + B S + B T + B U$$

where:

B R   is the upper-tier element of Baseline Funding Level, as set out in paragraph 5.35 above, if any;

B S   is the lower-tier element of Baseline Funding Level, as set out in paragraph 5.36 above, if any;

B T   is the fire and rescue element of Baseline Funding Level, as set out in paragraph 5.37 above, if any;

B U   is the policing element of Baseline Funding Level, as set out in paragraph 5.38 above, if any.

6.   Tariff and top-up amounts

6.1.   Pursuant to paragraph 12 of Schedule 7B to the 1988 Act, this section specifies the basis on which the Secretary of State intends to calculate –

- which relevant authorities are to make payments ("tariffs") under Part 5 of Schedule 7B to the 1988 Act;

- which relevant authorities are to receive payments ("top-ups") under Part 5 of Schedule 7B to the 1988 Act; and

- the amount of each such payment.

6.2.   The Secretary of State intends to calculate the tariffs and top-ups for each local authority as set out below.

Part A – Main distribution

Revised 2017/18 tariffs and top-ups

6.3.   The revised tariffs and top-ups amount for 2017/2018 for all local authorities will be calculated as follows:

$$(B\,V + (B\,W \times (1 - C\,A\,/\,C\,D)) \times C\,G) \times (A\,N\,/\,C\,H)$$

where:

B V   is the tariff or top up amount for the authority for 2016/2017, calculated in accordance with Section 6 of the Local Government Finance Report (England) 2016/17;

B W   is calculated as follows:

$$B\,X + B\,Y \times C\,F - B\,Z$$

B X   is the sum of:
an authority's income from business rates; plus the amount of section 31 grant[21] paid to the authority in 2016/2017 to compensate for loss of business rates income;

B Y   is:
the authority's closing balance for provisions, taken from NNDR3 1617; divided by the sum of the multipliers for all years from 10/11 to 16/17, which is 3.18;

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[21] Section 31 grant is total of: SBRR - small business rates relief (amount due to authority as a result of doubling SBRR),SBRR on existing property where 2nd property is occupied, "New Empty" property relief, "Long Term Empty" property relief, retail relief, flooding relief, in lieu transitional relief and relief to other ratepayers (excluding relief to Case B heriditaments).

B Z   is the sum of:
> the rateable values list amendments charged against the provision for appeals and the changes in provision for appeals taken from the NNDR3 1617;

C A   is calculated as follows:

$$C B \times C C$$

C B   is the sum of the rateable values of all heriditaments on updated valuation list[22] published on 5 October 2017 within the authority's area as at 1 April 2017;

C C   is the 2017/2018 small business rates multiplier adjusted for revaluation equal to 0.436;

C D   is calculated as follows:

$$C E \times C F$$

C E   is the sum of the rateable values of all heriditaments on valuation list published on 5 October 2017 within the authority's area as at 1 April 2010;

C F   is the 2016/2017 small business rates multiplier equal to 0.484;

C G   is the authority's local share as set out in Annex E;

C H   is the value of the September 2015 RPI, which is 259.6;

A N has the same meaning as in paragraph 5.4 above.

2017/2018 reconciliation factor

6.4.   The 2017/2018 tariff and top-up reconciliation factor will be calculated as follows:

$$C I - C J$$

where:

C I   is the revised tariff or top-up amount for the authority for 2017/2018 as calculated in paragraph 6.3 above;

C J   is the 2017/2018 original tariff or top-up calculated as follows:

$$(B V + (C K \times C F / C L \times (1 - C M / C O)) \times C G) \times (A N / C H)$$

C K   is the sum of:
> an authority's income from business rates; plus the amount of an authority's section 31 grant[23] in 2015/2016 to compensate for loss of business rates income;

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[22] https://www.gov.uk/government/publications/non-domestic-rating-stock-of-properties-and-update-of-2017-revaluation-statistics Table 2.0

C L   is the 2015/2016 small business rates multiplier equal to 0.480;

C M   is calculated as follows:

$$C N \times C C$$

C N   the sum of the rateable values of all heriditaments on valuation list[24] as published on 6 October 2016 within the authority's area as at 1 April 2017;

C O   is calculated as follows:

$$C P \times C F$$

C P   the sum of the rateable values of all heriditaments on valuation list as published on 6 October 2016 within the authority's area as at 1 April 2010;

A N has the same meaning as in paragraph 5.4 above.

B V, C C , C F, C G and **C H** have the same meaning as in paragraph 6.3 above.

Tariff and top-up for 2018/2019

6.5.   The tariff and top-up amounts for 2018/2019 for all local authorities will be calculated as follows:

$$C I \times A P / A Q$$

where:

A P and **A Q** have the same meaning as in paragraph 5.5 above.

C I has the same meaning as in paragraph 6.4 above.

Final payment for 2018/2019

6.6.   The final tariff and top-up amounts to be paid for 2018/2019 for all local authorities, except 2017/2018 pilots (see Annex A), will be calculated as follows:

$$C Q + C R$$

where:

C Q   is the value of 2017/2018 tariff and top-up reconciliation factor as calculated in paragraph 6.4 above.

---

[23] Section 31 grant is total of: SBRR - small business rates relief (amount due to authority as a result of doubling SBRR),SBRR on existing property where 2nd property is accupied, "New Empty" property relief, "Long Term Empty" property relief, retail relief, flooding relief, in lieu transitional relief.
[24] https://www.gov.uk/government/statistics/non-domestic-rating-change-in-rateable-value-of-rating-lists-england-and-wales-2017-revaluation

C R   is the tariff or top-up amount for 2018/2019, as calculated above in section 6.5;

Part B – 2017/18 Pilot Authorities

Greater Manchester Combined Authority

6.7.   The 2018/2019 top-up or tariff amount for the Greater Manchester Combined Authority is calculated as follows:

$$A\,W + A\,X + A\,Y$$

where:

A W, **A X** and **A Y** have the same meaning as in paragraph 5.7 above.

Greater Manchester Combined Authority area

6.8.   The 2018/2019 tariff and top-up amounts are calculated for the following authorities:

Bolton
Bury
Manchester
Oldham
Rochdale
Salford
Stockport
Tameside
Trafford
Wigan

West Midlands Combined Authority

6.9.   The 2018/2019 tariff and top-up amounts are calculated for the following authorities:

Birmingham
Wolverhampton
Coventry
Dudley
Sandwell
Solihull
Walsall

Liverpool City Region Combined Authority

6.10.   The 2018/2019 tariff and top-up amounts are calculated for the following authorities:

Liverpool
St Helens
Sefton
Wirral

Knowsley
Halton

6.11. The revised tariff or top-up amount for 2017/2018 for each authority in paragraphs **6.8**, **6.9** and **6.10** is calculated as follows:

$$C S - C T$$

where:

C S   is the sum of the upper-tier and lower-tier Baseline Funding Level as calculated in accordance with Section 5 Part B of the Local Government Finance Report (England) 2017/2018.

C T   is the notional Business Rates Baseline under 100% retention, which is calculated as follows:

$$C U / C G \times C W$$

C U   is the notional Business Rates Baseline under 50% retention, which is calculated as follows:

$$C V - C I$$

C V   is the sum of upper-tier and lower-tier Baseline Funding Level as calculated in accordance with Section 5 Part A of the Local Government Finance Report (England) 2017/2018.

C W   is the new tier split as in Annex G;

C G has the same meaning as in paragraph 6.3 above.

C I has the same meaning as in paragraph 6.4 above.

6.12. The 2017/2018 tariff and top-up reconciliation factor for each local authority in paragraphs **6.8**, **6.9** and **6.10** is calculated as follows:

$$C X - C Y$$

where:

C X   is the adjusted tariff or top-up amount for the authority for 2017/2018 as calculated in paragraph 6.11 above;

C Y   is calculated as follows:

$$C S - C Z$$

C Z   is the notional Business Rates Baseline under 100% retention, which is calculated

as follows:

$$D A / C G \times C W$$

D A   is the notional Business Rates Baseline under 50% retention, which is calculated as follows:

$$C V - C J$$

C G has the same meaning as in paragraph 6.3 above.

C J has the same meaning as in paragraph 6.4 above.

C S, C V and **C W** have the same meaning as in paragraph 6.11 above.

TARIFF AND TOP-UP FOR 2018/2019

6.13.   The tariff or top-up amount for 2018/2019 for each authority in paragraphs **6.8**, **6.9** and **6.10** is calculated as follows:

$$D B - D C$$

where:

D B   is the sum of the upper-tier and lower-tier Baseline Funding Level as calculated in Section 5 Part C.

D C   is notional Business Rates Baseline under 100% retention, which is calculated as follows:

$$D D / C G \times C W$$

D D   is notional Business Rates Baseline under 50% retention, which is calculated as follows:

$$D E - C R$$

D E   is the sum Baseline Funding Level under 50% Business Rates Retention Scheme for 2018/2019 as calculated in paragraph 5.6.

C G has the same meaning as in paragraph 6.3 above.

C R has the same meaning as in paragraph 6.6 above.

C W has the same meaning as in paragraph 6.11above.

FINAL PAYMENT FOR 2018/2019

6.14.   The final tariff and top-up amounts to be paid for 2018/2019 for each local authority in paragraphs **6.8**, **6.9** and **6.10** is calculated as follows:

$$D F + D G$$

where:

D F   is the value of 2017/2018 tariff and top-up reconciliation factor as calculated in paragraph 6.12 above.

D G   is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.13 above.

West of England Combined Authority

6.15.   The 2018/2019 top-up or tariff amount for the West of England Combined Authority is calculated as follows:

$$D H – D I$$

where:

D H   is Baseline Funding Level for the West Midlands Combined Authority as calculated in Section 5 Part C.

D I   is the notional Business Rates Baseline under 100% retention, which is calculated as follows:
$$D J / 0.49 \text{ x } C W$$

D J   is the sum of notional Business Rates Baselines under 50% retention (**D A**) for the authorities set in paragraph 6.16 below.

C W has the same meaning as in paragraph 6.11 above.

West of England Combined Authority Area

6.16.   The 2018/2019 tariff and top-up amounts are calculated for the following authorities:

Bath and North East Somerset
Bristol
South Gloucestershire

ADJUSTED 2017/18 TARIFF AND TOP-UP

6.17.   The adjusted tariff or top-up amount for 2017/2018 for each authority in paragraph **6.16** is calculated as follows:

$$C S - D K$$

where:

D K   is notional Business Rates Baseline under 100% retention, which is calculated as follows:
$$D A / C G \times C W$$

C G has the same meaning as in paragraph 6.3 above.

C S and **C W** have the same meaning as in paragraph 6.11 above.

D A has the same meaning as in paragraph 6.12 above.

C W has the same meaning as in paragraph 6.11above.

ADJUSTMENT FACTOR

6.18. The 2017/2018 tariff and top-up adjustment factor for each local authority in paragraph **6.16** is calculated as follows:

$$D L - D M$$

where:

D L   is the adjusted tariff or top-up amount for the authority for 2017/2018 as calculated in paragraph 6.17 above;

D M   is calculated as follows:
$$C S - D N$$

D N   is notional Business Rates Baseline under 100% retention, which is calculated as follows:
$$C U / C G \times C W$$

C G has the same meaning as in paragraph 6.3 above.

C S, C U and **C W** have the same meaning as in paragraph 6.11 above.

TARIFF AND TOP-UP FOR 2018/2019

6.19. The 2018/2019 tariff or top-up amount for each authority in paragraph **6.16** is calculated as follows:

$$D B - D O$$

where:

D O   is notional Business Rates Baseline under 100% retention, which is calculated as follows:

$$D D / C G \times C W$$

C G has the same meaning as in paragraph 6.3 above.

C W has the same meaning as in paragraph 6.11above.

D B and **D D** have the same meaning as in paragraph 6.13 above.

FINAL PAYMENT FOR 2018/2019

6.20.   The final tariff and top-up amounts for 2018/2019 for each authority in paragraph **6.16** is calculated as follows:

$$D P + D Q$$

where:

D P   is the tariff and top-up adjustment factor as calculated in paragraph 6.18 above.

D Q   is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.19 above.

Cornwall

ADJUSTED 2017/18 TARIFF AND TOP-UP

6.21.   The adjusted tariff or top-up amount for 2017/2018 for the Cornwall Council is calculated as follows:

$$D R - D S$$

where:

D R   is the sum of the upper-tier, lower-tier and fire and rescue Baseline Funding Levels as calculated in accordance with Section 5 Part B of the Local Government Finance Report (England) 2017/2018.

D S   is the notional Business Rates Baseline under 100% retention, which is calculated as follows:

$$D T / C G \times C W$$

D T   is the notional Business Rates Baseline under 50% retention, which is calculated as follows:

$$D U - C I$$

D U   is the sum of upper-tier, lower-tier and fire and rescue Baseline Funding Level as calculated in accordance with Section 5 Part A of the Local Government Finance Report (England) 2017/2018.

C G has the same meaning as in paragraph 6.3 above.

C I has the same meaning as in paragraph 6.4 above.

C W has the same meaning as in paragraph 6.11 above.

ADJUSTMENT FACTOR

6.22. The 2017/2018 tariff and top-up adjustment factor for the Cornwall Council is calculated as follows:

$$D V - D W$$

where:

D V   is the adjusted tariff or top-up amount for the authority for 2017/2018 as calculated in paragraph 6.21 above;

D W   is calculates as follows:
$$D R - D X$$

D X   is the notional Business Rates Baseline under 100% retention, which is calculated as follows:

$$D Y / C G \times C W$$

D Y   is the notional Business Rates Baseline under 50% retention, which is calculated as follows:
$$D U - C J$$

C G has the same meaning as in paragraph 6.3 above.

C J has the same meaning as in paragraph 6.4 above.

C W has the same meaning as in paragraph 6.11 above.

D R and **D U** have the same meaning as in paragraph 6.21 above.

TARIFF AND TOP-UP FOR 2018/2019

6.23. The 2018/2019 tariff or top-up amount for the Cornwall Council is calculated as follows:

$$D Z - D C$$

where:

D Z   is the sum of the upper-tier, lower-tier and fire and rescue Baseline Funding Levels as calculated in Section 5 Part C.

D C has the same meaning as in paragraph 6.13 above.

FINAL PAYMENT FOR 2018/2019

6.24. The final tariff and top-up amounts for 2018/2019 will be calculated as follows:

$$E A + E B$$

where:

E A   is the tariff and top-up adjustment factor as calculated in paragraph 6.22 above.

E B   is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.23 above.

Part C – 2018/19 Pilot Authorities

Greater London Authority

TARIFF AND TOP-UP FOR 2018/2019

6.25. The 2018/2019 top-up and tariff amount for the Greater London Authority is calculated as follows:

$$E C - E D$$

where:

E C   is the fire and rescue, GLA other and London policing Baseline Funding Level for the Greater London Authority as calculated in Section 5 Part D.

E D   is the notional Business Rates Baseline under 100% retention, which is calculated as follows follows :

$$D D / C G \times C W$$

C G has the same meaning as in paragraph 6.3 above.

C W has the same meaning as in paragraph 6.11above.

D D has the same meaning as in paragraph 6.13 above.

FINAL PAYMENT FOR 2018/2019

6.26. The final tariff and top-up amounts for 2018/2019 will be calculated as follows:

$$E E + C Q$$

where:

E E   is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.25 above.

C Q has the same meaning as in paragraph 6.6 avove.

City of London

TARIFF AND TOP-UP FOR 2018/2019

6.27. The 2018/2019 top-up and tariff amount for the Common Council of the City of London is calculated as follows:

$$E F - E G$$

where:

E F   is the sum of the upper-tier, lower-tier and policing Baseline Funding Levels as calculated in Section 5 Part D.

E G   is the notional Business Rates Baseline under 100% retention, which is calculated as follows follows:

$$(D D + E H) / C G \times C W - E H$$

E H   City of London offset for 2018-2019, which is equal to £11,605,000.

C G has the same meaning as in paragraph 6.3 above.

C W has the same meaning as in paragraph 6.11 above.

D D has the same meaning as in paragraph 6.13 above.

FINAL PAYMENT FOR 2018/2019

6.28.   The final tariff and top-up amounts for 2018/2019 will be calculated as follows:

$$E I + C Q$$

where:

E I   is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.27 above.

C Q has the same meaning as in paragraph 6.6 avove.

Other London Pilot Pool authorities

TARIFF AND TOP-UP FOR 2018/2019

6.29.   The 2018/2019 top-up and tariff amount for each local authority in London Pilot Pool as set in Annex B, except Greater London Authority and Common Council of the City of London, is calculated as follows:

$$E F - E J$$

where:

E J   is the notional Business Rates Baseline under 100% retention, which is calculated as follows follows :

$$D D / C G \times C W$$

C G has the same meaning as in paragraph 6.3 above.

C W has the same meaning as in paragraph 6.11above.

D D has the same meaning as in paragraph 6.13 above.

E F has the same meaning as in paragraph 6.27 above.

FINAL PAYMENT FOR 2018/2019

6.30. The final tariff and top-up amounts for 2018/2019 will be calculated as follows:

$$E\,K + C\,Q$$

where:

E K is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.29 above.

C Q has the same meaning as in paragraph 6.6 above.

All other 2018/2019 pilot authorities

TARIFF AND TOP-UP FOR 2018/2019

6.31. The top-up and tariff for 2018/2019 for each local authority set in Annex B, except London Pool pilot, is calculated as follows:

$$E\,L - E\,M$$

where:

E L is the Baseline Funding Level as calculated in paragraph 5.39.

E M is the notional Business Rates Baseline under 100% retention, which is calculated as follows:

$$E\,N / C\,G \times C\,W$$

E N is the notional Business Rates Baseline under 50% retention, which is calculated as follows:

$$E\,O - C\,R$$

E O is the sum of authority's Baseline Funding Level tiers as calculated in Section 5 Part B.

C G has the same meaning as in paragraph 6.3 above.

C R has the same meaning as in paragraph 6.5 above.

C W has the same meaning as in paragraph 6.11 above.

FINAL PAYMENT FOR 2018/2019

6.32. The final tariff and top-up amounts for 2018/2019 for each local authority in Annex B, except London Pool pilot, is calculated as follows:

$$E \, P + C \, Q$$

where:

E P   is the amount of tariff or top-up for the authority for 2018/2019 as calculated in paragraph 6.31 above.

C Q has the same meaning as in paragraph 6.6 above.

7. Credit to the Levy Account

7.1. The Secretary of State has decided to credit the Levy Account in respect of the 2018/2019 financial year with £35 million.

8.   Pooling

8.1.   Part 9 of Schedule 7B to the 1988 Act provides authorities can come together to form pools for the purposes of certain provisions of the Schedule. The Secretary of State has designated the pools for 2018/2019, as specified in Annex F. These pools will be treated as a single authority for the purposes of Part 5 and Part 7 of Schedule 7B to the 1988 Act.

9.   Conclusion

9.1.   This Report is made by the Secretary of State under paragraph 5 of Schedule 7B to the Local Government Finance Act 1988. It is laid before the House of Commons in accordance with that section.

9.2.   The financial year for which the Report is to operate is that beginning on 1 April 2018. This Report may be amended by a report made under section 84A of the 1988 Act[25] or paragraph 15 of Schedule 7B to the 1988 Act[26].

Signed by authority of the Secretary of State.

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Rishi Sunak
Parliamentary Under Secretary of State
Ministry of Housing, Communities and Local Government

</div>

5 February 2018

The consent of the Treasury has been obtained to the making of the determinations specified in section 3 of this Report.

<div align="right">

[ ]
[ ]
Two of the Lords Commissioners
of Her Majesty's Treasury

</div>

1 February 2018

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[25] Section 84A was inserted by paragraph 15 of Schedule 10 to the 1992 Act and was amended by paragraph 6 of Schedule 2 to the Local Government Finance Act 2012.
[26] Schedule 7B was inserted by Schedule 1 to the Local Government Finance Act 2012.

Annex A

100% business rates retention pilot authorities launched in 2017/2018.

Area	Local authorities
Greater Manchester Combined Authority	• Bolton • Bury • Manchester • Oldham • Rochdale • Salford • Stockport • Tameside • Trafford • Wigan
Liverpool City Region	• Liverpool • St Helens • Sefton • Wirral • Knowsley • Halton
West Midlands	• Birmingham • Wolverhampton • Coventry • Dudley • Sandwell • Solihull • Walsall
West of England Combined Authority	• Bath and North East Somerset • Bristol • South Gloucestershire
Cornwall	• Cornwall
London	• Greater London Authority

Annex B

100% business rates retention pilot authorities launched in 2018/2019.

Pool	Local authorities
London Pool	• GLA - all functions • Barking and Dagenham • Barnet • Bexley • Brent • Bromley • Camden • City of London • Croydon • Ealing • Enfield • Greenwich • Hackney • Hammersmith and Fulham • Haringey • Harrow • Havering • Hillingdon • Hounslow • Islington • Kensington and Chelsea • Kingston upon Thames • Lambeth • Lewisham • Merton • Newham • Redbridge • Richmond upon Thames • Southwark • Sutton • Tower Hamlets • Waltham Forest • Wandsworth • Westminster
Berkshire Pool	• Bracknell Forest • Reading • Slough • West Berkshire • Windsor and Maidenhead • Wokingham

Pool	Local authorities
Derbyshire Pool	• Derbyshire • Amber Valley • Bolsover • Chesterfield • Derbyshire Dales • Erewash • High Peak • North East Derbyshire • South Derbyshire • Derbyshire Fire Authority • Derby
Devon Pool	• Devon • East Devon • Exeter • Mid Devon • North Devon • South Hams • Teignbridge • Torridge • West Devon • Plymouth • Torbayl
Gloucestershire Pool	• Gloucestershire • Cheltenham • Cotswold • Forest of Dean • Gloucester • Stroud • Tewkesbury
Kent Pool	• Kent • Ashford • Canterbury • Dartford • Dover • Gravesham • Maidstone • Sevenoaks • Shepway • Swale • Thanet • Tonbridge and Malling • Tunbridge Wells • Kent Fire Authority • Medway

Pool	Local authorities
Leeds Pool	• Harrogate • York • Bradford • Calderdale • Kirklees • Leeds • Wakefield
Lincolnshire Pool	• Lincolnshire • Boston • East Lindsey • Lincoln • North Kesteven • South Holland • South Kesteven • West Lindsey • North Lincolnshire
Solent Pool	• Portsmouth • Isle of Wight Council • Southampton
Suffolk Pool	• Suffolk • Babergh • Forest Heath • Ipswich • Mid Suffolk • St Edmundsbury • Suffolk Coastal • Waveney
Surrey Pool	• Surrey • Elmbridge • Epsom and Ewell • Guildford • Mole Valley • Reigate and Banstead • Runnymede • Spelthorne • Surrey Heath • Tandridge • Waverley • Woking

Annex C

Services Included within Each Tier

Services included in the Upper-Tier	
Animal health and welfare	Local authority central education functions
Adult social care including preserved rights and learning disability and health reform	Local transport services
Children's social services	Local welfare provision
Civil defence	Magistrates' courts
Consumer protection	Public transport support for buses
Coroners' courts	Refuse disposal
Early Intervention	Registration of births, deaths and marriages
Highway maintenance	School crossing patrols
HIV/AIDS support	Sheltered employment
Lead local flood authority services	Supporting People services including housing strategy for older people
Libraries	Youth and Community Services

Services included in the Lower-Tier	
Allotments	Parking
Building regulations	Performing Arts
Cemeteries and crematoria	Planning control
Council tax collection	Planning implementation
Economic development	Private housing
Environmental and port health	Recreation
Homelessness prevention	Refuse collection
Miscellaneous services	Registration of electors
Museums and galleries	

Services included in Fire and Rescue	
County council functions for civil contingencies in London	Fire and Rescue

Services included in Other GLA services
GLA general funding
GLA Transport funding[27] for the Baseline Funding Level only
London Bus Services Operators Funding for the Baseline Funding Level only

A1.   In addition funding is included within each of the above elements for:

    (i) localised council tax support, including funding for parish councils; and

    (ii) compensating authorities for the reduction in council tax income resulting from local authorities agreeing to freeze or reduce their council tax in 2011/2012.

A2.   Within Revenue Support Grant only, funding is also included within each of the above elements for:

    (i) compensating authorities for the reduction in council tax income resulting from local authorities agreeing to freeze or reduce their council tax in 2013/2014, 2014/2015 and 2015/2016 as applicable; and

    (ii) supporting long-term changes to bring down costs for those authorities that received Efficiency Support Grant in 2014/2015.

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[27] A Transport Grant payable directly to the Greater London Authority for the purposes of Transport for London, as provided for under Section 101 of the Greater London Authority Act 1999, will continue to be paid by the Department for Transport.

Annex D

Calculation of the Service Tier Scaling Factors

B1.   In order to calculate the tier elements within Revenue Support Grant in 2018/2019 we first need to calculate the service tier scaling factors.

B2.   The Secretary of State has estimated the scaling factors for each service tier as follows.

Calculation of the Upper-Tier Scaling Factor	
2017/2018 Upper-Tier Funding within the Revenue Support Grant	£4,017,340,675
2017/2018 Upper-Tier Funding within the Baseline Funding Level	£8,329,497,760
2017/2018 Upper-Tier Funding within the Settlement Funding Assessment	£12,346,838,435
2015/2016 Upper-tier portion of the Council Tax Requirement	£16,606,279,565
2017/2018 Upper-Tier Settlement Core Funding	£28,953,118,000
2018/2019 Upper-Tier Funding within the Settlement Funding Assessment	£11,480,537,494
2015/2016 Upper-tier portion of the Council Tax Requirement	£16,606,279,565
2018/2019 Settlement Core Funding	£28,086,817,059
Upper-Tier Scaling Factor	**0.97007918314659**

Calculation of the Lower-Tier Scaling Factor	
2017/2018 Lower-Tier Funding within the Revenue Support Grant	£529,638,838
2017/2018 Lower-Tier Funding within the Baseline Funding Level	£1,883,008,202
2017/2018 Lower-Tier Funding within the Settlement Funding Assessment	£2,412,647,040
2015/2016 Lower-tier portion of the Council Tax Requirement	£3,561,452,829
2017/2018 Lower- Tier Settlement Core Funding	£5,974,099,869
2018/2019 Lower-Tier Funding within the Settlement Funding Assessment	£2,208,559,375
2015/2016 Lower-tier portion of the Council Tax Requirement	£3,561,452,829
2018/2019 Settlement Core Funding	£5,770,012,204

Lower-Tier Scaling Factor	0.96583792211871

Calculation of the Fire and Rescue Scaling Factor

2017/2018 Fire and Rescue Funding within the Revenue Support Grant	£377,185,323
2017/2018 Fire and Rescue Funding within the Baseline Funding Level	£542,838,128
2017/2018 Fire and Rescue Funding within the Settlement Funding Assessment	£920,023,451
2015/2016 Fire and rescue portion of the Council Tax Requirement	£1,201,214,775
2017/2018 Fire and Rescue Settlement Core Funding	£2,121,238,226
2018/2019 Fire and Rescue Funding within the Settlement Funding Assessment	£880,557,661
2015/2016 Fire and rescue portion of the Council Tax Requirement	£1,201,214,775
2018/2019 Settlement Core Funding	£2,081,772,436
Fire and Rescue Scaling Factor	**0.98139492796123**

Calculation of the GLA Other Services Scaling Factor

2017/2018 GLA Other Services Funding within the Revenue Support Grant	£23,915,759
2017/2018 GLA Other Services Funding within the Baseline Funding Level	£878,247,709
2017/2018 GLA Other Services Funding within the Settlement Funding Assessment	£902,163,468
2015/2016 GLA other services portion of the Council Tax Requirement	£96,002,131
2017/2018 GLA Other Services Settlement Core Funding	£998,165,599
2018/2019 GLA Other Services Funding within the Settlement Funding Assessment	£901,136,225
2015/2016 GLA other services portion of the Council Tax Requirement	£96,002,131
2017/2018 Settlement Core Funding	£997,138,356
GLA Other Services Scaling Factor	**0.99897086916093**

Annex E

The table below sets out the local share for each class of authority under 50% business rates retention scheme.

Class of authority	Local Share
Non-metropolitan district councils which do not have the functions of county councils	0.40
London borough councils Common Council of the City of London	0.30
Metropolitan district councils Non-metropolitan district councils which have the functions of county councils County councils which have the functions of district councils but which do not have responsibility for the provision of fire and rescue services	0.49
County councils which have the functions of district councils and which have responsibility for the provision of fire and rescue services Council of the Isles of Scilly	0.50
County councils which do not have responsibility for the provision of fire and rescue services	0.09
County councils which have responsibility for the provision of fire and rescue services	0.10
Metropolitan county fire and rescue authorities, Combined fire and rescue authorities Essex Police, Fire and Crime Commissioner	0.01
Greater London Authority,	0.20

Annex F

The table below sets out the list of pools for the year of 2018/2019

*2018/2019 100% business rates retention pilot

Designated pool	Lead Local Authority	Local authorities within the pool
Berkshire Business Rates Pool*	Bracknell Forest Council	• Bracknell Forest Council • Reading Borough Council • Slough Borough Council • West Berkshire Council • Royal Borough of Windsor & Maidenhead • Wokingham Borough Council
Buckinghamshire Business Rates Pool	Aylesbury Vale District Council	• Buckinghamshire County Council • Buckinghamshire & Milton Keynes Fire & Rescue Service • Aylesbury Vale District Council • South Buckinghamshire District Council • Chiltern District Council
Coventry & Warwickshire Business Rates Pool	Warwickshire County Council	• Coventry City Council • North Warwickshire Borough Council • Nuneaton & Bedworth Borough Council • Rugby Borough Council • Stratford-upon-Avon District Council • Warwick District Council • Warwickshire County Council
Cumbria Business Rates Pool	Cumbria County Council	• Cumbria County Council • Allerdale Borough Council • Barrow Borough Council • Carlisle City Council • Copeland Borough Council • Eden District Council • South Lakeland District Council

Designated pool	Lead Local Authority	Local authorities within the pool
Derbyshire Business Rates Pool*	Derby City Council	• Derby City Council • Amber Valley Borough Council • Bolsover District Council • Chesterfield Borough Council • Derbyshire County Council • Derbyshire Dales District Council • Derbyshire Fire and Rescue Authority • Erewash Borough Council • High Peak Borough Council • North East Derbyshire District Council • South Derbyshire District Council
Devon Business Rates Pool*	Plymouth City Council	• Devon County Council • East Devon District Council • Exeter City Council • Mid Devon District Council • North Devon District Council • Plymouth City Council • South Hams District Council • Teignbridge District Council • Torbay District Council • Torridge District Council • West Devon Borough Council
East Sussex Business Rates Pool	Wealden District Council	• Eastbourne Borough Council • East Sussex County Council • East Sussex Fire Authority • Hastings Borough Council • Lewes District Council • Rother District Council • Wealden District Council

Designated pool	Lead Local Authority	Local authorities within the pool
Essex Business Rates Pool	Essex County Council	• Basildon Borough Council • Braintree District Council • Brentwood Borough Council • Castle Point Borough Council • Chelmsford City Council • Colchester Borough Council • Epping Forest District Council • Essex County Council • Essex Fire Authority • Harlow Council • Maldon District Council • Rochford District Council • Southend-on-Sea Borough Council • Tendring District Council • Uttelsford District Council
Gloucestershire Business Rates Pool*	Stroud District Council	• Cheltenham Borough Council • Cotswold District Council • Forest of Dean District Council • Gloucester City Council • Gloucestershire County Council • Stroud District Council • Tewkesbury Borough Council
Greater Birmingham & Solihull Business Rates Pool	Birmingham City Council	• Birmingham City Council • Bromsgrove District Council • Cannock Chase District Council • East Staffordshire Borough Council • Lichfield District Council • Redditch District Council • Solihull Metropolitan Borough Council • Tamworth Borough Council

Designated pool	Lead Local Authority	Local authorities within the pool
Greater Manchester and Cheshire Business Rates Pool	Manchester City Council	• Manchester City Council • Bolton Council • Bury Council • Cheshire East Council • Cheshire West & Chester Council • Oldham Council • Rochdale Council • Salford City Council • Stockport Council • Tameside Council • Trafford Council • Wigan Council
Hertfordshire Business Rates Pool	Hertfordshire County Council	• Broxbourne Borough Council • Hertsmere Borough Council • Hertfordshire County Council • North Herts District Council • Three Rivers District Council • Welwyn Hatfield Borough Council
Kent and Medway Business Rates Pool*	Maidstone Borough Council	• Kent County Council • Ashford Borough Council • Canterbury City Council • Dartford Borough Council • Dover District Council • Gravesham Borough Council • Kent & Medway Fire & Rescue Authority • Maidstone Borough Council • Medway Unitary Authority • Sevenoaks District Council • Shepway District Council • Swale Borough Council • Thanet District Council • Tonbridge & Malling Borough Council • Tunbridge Wells Borough Council

Designated pool	Lead Local Authority	Local authorities within the pool
Lancashire Business Rates Pool	Ribble Valley Borough Council	• Burnley Borough Council • Chorley Borough Council • Fylde Borough Council • Hyndburn Borough Council • Pendle Borough Council • Ribble Valley Borough Council • Rossendale Borough Council • South Ribble Borough Council • West Lancashire Borough Council • Wyre Borough Council • Lancashire County Council
Leeds City Region Business Rates Pool*	Leeds City Council	• Bradford City Council • Calderdale Council • Harrogate Borough Council • Kirklees Council • Leeds City Council • Wakefield Council • City of York Council
Leicestershire Business Rates Pool	Leicestershire County Council	• Leicestershire County Council • Leicester City Council • Blaby District Council • Charnwood Borough Council • Harborough District Council • Hinckley and Bosworth Borough Council • Melton Borough Council • North West Leicestershire District Council • Oadby and Wigston Borough Council • Leicester, Leicestershire and Rutland Combined Fire Authority
Lincolnshire Business Rates Pool*	Lincoln City Council	• Lincolnshire County Council • North Lincolnshire Council • North Kesteven District Council • South Kesteven District Council • East Lindsey District Council • Lincoln City Council • South Holland District Council • West Lindsey District Council • Boston District Council

Designated pool	Lead Local Authority	Local authorities within the pool
London Business Rates Pool*	The Common Council of the City of London	- The Greater London Authority - The Common Council of the City of London; and The London Boroughs of: - Barking and Dagenham - Barnet - Bexley - Brent - Bromley - Camden - Croydon - Ealing - Enfield - Greenwich - Hackney - Hammersmith and Fulham - Haringey - Harrow - Havering - Hillingdon - Hounslow - Islington - Kensington and Chelsea - Kingston upon Thames - Lambeth - Lewisham - Merton - Newham - Redbridge - Richmond upon Thames - Southwark - Sutton - Tower Hamlets - Waltham Forest - Wandsworth - Westminster
Mid Merseyside Business Rates Pool	Warrington Borough Council	- Warrington Borough Council - Halton Borough Council - St Helens Metropolitan Borough Council

Designated pool	Lead Local Authority	Local authorities within the pool
Norfolk Business Rates Pool	Norfolk County Council	• Breckland District Council • Broadland District Council • Kings Lynn & West Norfolk Borough Council • Great Yarmouth Borough Council • Norfolk County Council • North Norfolk District Council • South Norfolk District Council • Norwich City Council
Northamptonshire Business Rates Pool	Kettering Borough Council	• Corby Borough Council • Daventry District Council • East Northamptonshire Council • Kettering Borough Council • Northamptonshire County Council • South Northamptonshire Council • Borough Council of Wellingborough
North Oxfordshire Business Rates Pool	Cherwell District Council	• Cherwell District Council • West Oxfordshire District Council • Oxfordshire County Council
North Yorkshire Business Rates Pool	Scarborough Borough Council	• Scarborough Borough Council • Ryedale District Council • Richmondshire District Council • Hambleton District Council • Craven District Council • North Yorkshire County Council
Nottinghamshire Business Rates Pool	Nottinghamshire County Council	• Ashfield District Council • Mansfield District Council • Broxtowe Borough Council • Bassetlaw District Council • Gedling Borough Council • Newark and Sherwood District Council • Nottinghamshire County • Rushcliffe Borough Council
Solent Business Rates Pool*	Portsmouth City Council	• Isle of Wight Council • Portsmouth City Council • Southampton City Council

Designated pool	Lead Local Authority	Local authorities within the pool
Somerset Business Rates Pool	Mendip District Council	• Mendip District Council • Sedgemoor District Council • Somerset County Council • South Somerset District Council • Taunton-Deane Borough Council • West Somerset Council
Staffordshire & Stoke on Trent Business Rates Pool	Staffordshire County Council	• Newcastle-under-Lyme Borough Council • Stafford Borough Council • Staffordshire County Council • Staffordshire Moorlands District Council • Stoke-on-Trent City Council • Stoke-on-Trent / Staffordshire Fire & Rescue Authority • South Staffordshire District Council
Suffolk Business Rates Pool*	Suffolk County Council	• Forest Heath District Council • St Edmundsbury Borough Council • Waveney District Council • Suffolk Coastal District Council • Ipswich Borough Council • Babergh District Council • Mid Suffolk District Council • Suffolk County Council
Surrey Business Rates Pool*	Surrey County Council	• Surrey County Council • Woking Borough Council • Surrey Heath Borough Council • Mole Valley District Council • Waverley Borough Council • Runnymede Borough Council • Elmbridge Borough Council • Spelthorne Borough Council • Reigate & Banstead Borough Council • Epsom & Ewell Borough Council • Guildford Borough Council • Tandridge District Council

Designated pool	Lead Local Authority	Local authorities within the pool
West Sussex Business Rates Pool	West Sussex County Council	• West Sussex County Council • Adur District Council • Arun District Council • Chichester District Council • Worthing Borough Council
Worcestershire Business Rates Pool	Worcestershire County Council	• Worcester City Council • Wychavon District Council • Wyre Forest District Council • Worcestershire County Council

Annex G

Area	Local authorities	Tier Split
Greater Manchester Combined Authority	Bolton	0.99
	Bury	0.99
	Manchester	0.99
	Oldham	0.99
	Rochdale	0.99
	Salford	0.99
	Stockport	0.99
	Tameside	0.99
	Trafford	0.99
	Wigan	0.99
Liverpool City Region	Liverpool	0.99
	St Helens	0.99
	Sefton	0.99
	Wirral	0.99
	Knowsley	0.99
	Halton	0.99
West Midlands	Birmingham	0.99
	Wolverhampton	0.99
	Coventry	0.99
	Dudley	0.99
	Sandwell	0.99
	Solihull	0.99
	Walsall	0.99
West of England Combined Authority	West of England Combined Authority	0.05
	Bath and North East Somerset	0.94
	Bristol	0.94
	South Gloucestershire	0.94
Cornwall	Cornwall	1.00

Pool	Local authorities	Tier Split
London Pool	GLA - all functions	0.36
	Barking and Dagenham	0.64
	Barnet	0.64
	Bexley	0.64
	Brent	0.64
	Bromley	0.64
	Camden	0.64
	City of London	0.64
	Croydon	0.64
	Ealing	0.64
	Enfield	0.64
	Greenwich	0.64
	Hackney	0.64
	Hammersmith and Fulham	0.64
	Haringey	0.64
	Harrow	0.64
	Havering	0.64
	Hillingdon	0.64
	Hounslow	0.64
	Islington	0.64
	Kensington and Chelsea	0.64
	Kingston upon Thames	0.64
	Lambeth	0.64
	Lewisham	0.64
	Merton	0.64
	Newham	0.64
	Redbridge	0.64
	Richmond upon Thames	0.64
	Southwark	0.64
	Sutton	0.64
	Tower Hamlets	0.64
	Waltham Forest	0.64
	Wandsworth	0.64
	Westminster	0.64
Berkshire Pool	Bracknell Forest	0.99
	Reading	0.99
	Slough	0.99
	West Berkshire	0.99
	Windsor and Maidenhead	0.99
	Wokingham	0.99

Pool	Local authorities	Tier Split
Derbyshire Pool	Derbyshire	0.49
	Amber Valley	0.50
	Bolsover	0.50
	Chesterfield	0.50
	Derbyshire Dales	0.50
	Erewash	0.50
	High Peak	0.50
	North East Derbyshire	0.50
	South Derbyshire	0.50
	Derbyshire Fire Authority	0.01
	Derby	0.99
Devon Pool	Devon	0.59
	East Devon	0.40
	Exeter	0.40
	Mid Devon	0.40
	North Devon	0.40
	South Hams	0.40
	Teignbridge	0.40
	Torridge	0.40
	West Devon	0.40
	Plymouth	0.99
	Torbay	0.99
Gloucestershire Pool	Gloucestershire	0.50
	Cheltenham	0.50
	Cotswold	0.50
	Forest of Dean	0.50
	Gloucester	0.50
	Stroud	0.50
	Tewkesbury	0.50
Kent Pool	Kent	0.59
	Ashford	0.40
	Canterbury	0.40
	Dartford	0.40
	Dover	0.40
	Gravesham	0.40
	Maidstone	0.40
	Sevenoaks	0.40
	Shepway	0.40
	Swale	0.40
	Thanet	0.40
	Tonbridge and Malling	0.40
	Tunbridge Wells	0.40
	Kent Fire Authority	0.01
	Medway	0.99

Pool	Local authorities	Tier Split
Leeds Pool	Harrogate	0.90
	York	0.99
	Bradford	0.99
	Calderdale	0.99
	Kirklees	0.99
	Leeds	0.99
	Wakefield	0.99
Lincolnshire Pool	Lincolnshire	0.40
	Boston	0.60
	East Lindsey	0.60
	Lincoln	0.60
	North Kesteven	0.60
	South Holland	0.60
	South Kesteven	0.60
	West Lindsey	0.60
	North Lincolnshire	0.99
Solent Pool	Portsmouth	0.99
	Isle of Wight Council	1.00
	Southampton	0.99
Suffolk Pool	Suffolk	0.20
	Babergh	0.80
	Forest Heath	0.80
	Ipswich	0.80
	Mid Suffolk	0.80
	St Edmundsbury	0.80
	Suffolk Coastal	0.80
	Waveney	0.80
Surrey Pool	Surrey	0.70
	Elmbridge	0.30
	Epsom and Ewell	0.30
	Guildford	0.30
	Mole Valley	0.30
	Reigate and Banstead	0.30
	Runnymede	0.30
	Spelthorne	0.30
	Surrey Heath	0.30
	Tandridge	0.30
	Waverley	0.30
	Woking	0.30