Department for Communities and Local Government

Draft Local Government Finance Report (England) 2014-15

December 2013
Department for Communities and Local Government

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Contents

Section

1 Introduction 2

2 Central and Local Shares 4

3 Revenue Support Grant 5

4 Distribution of Baseline Funding Level 6

5 Distribution of Revenue Support Grant 8

6 Tariff and Top-up Amounts 19

7 Pooling 20

8 Credit to the Levy Account 24

9 Conclusion 25

Annex

A Amount of Grant for Specified Body 26

B Splitting the 2013/2014 Formula Funding Between Tiers 27

C Splitting the 2013/2014 Council Tax Support Between Tiers 39

1 Introduction

1.1 This Report is made by the Secretary of State for 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 This Report sets out the Secretary of State's determination to pay Revenue Support Grant for the financial year 2014/2015 under section 78 of the 1988 Act[2], the amount of such grant for that year, what amount of the grant he proposes to pay to receiving authorities, and what amount of the grant he proposes to pay to the specified body.

1.3 Before making the determination under section 78 of the 1988 Act, the Secretary of State consulted such representatives of local government as appeared to him to be appropriate and obtained the Treasury's consent.

1.4 This Report also sets out the basis on which the Secretary of State proposes to distribute among receiving authorities the amount of Revenue Support Grant which falls to be paid to such authorities for the financial year 2014/2015.

1.5 This Report also sets out the Secretary of State's determination for the financial year 2014/2015, made under paragraph 4 of Schedule 7B to the 1988 Act, of the percentage that is to be the central share and the percentage that is to be the local share for each billing authority.

1.6 This Report also sets out the basis on which the Secretary of State proposes to calculate 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 amount of the Revenue Support Grant that is to be distributed to local policing bodies[3] for police services is zero. Similarly no payments will be made to these bodies under the provisions of Schedule 7B to the 1988 Act. Funding with respect to policing will be provided to local policing bodies under section 46(3) of the Police Act 1996 through the Police Grant Report (England and Wales) 2014/15.

1.8 Before making this Report, the Secretary of State consulted such representatives of local government as appeared to him to be appropriate before making the determination specified in this Report and notified such

[1] Schedule 7B was inserted by Schedule 1 to the Local Government Finance Act 2012 ("the 2012 Act").
[2] Section 78 was amended by paragraph 9 of Schedule 10 to the Local Government Finance Act 1992 Act, by paragraph 15 of Schedule 7 to the 2003 Act and by paragraph 3 of Schedule 2 of the 2012 Act.
[3] 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.

representatives of local government as he thought fit of the general nature of the basis of calculation of the tariffs and top-ups.

2 Central and Local Share

2.1 Pursuant to paragraph 4 of Schedule 7B to the 1988 Act[1], the Secretary of State hereby determines that in relation to each billing[2] authority in England:

- their central share for 2014/2015 will be 50%;
- their local share for 2014/2015 will be 50%.

[1] Schedule 7B was inserted by Schedule 1 to the 2012 Act.

[2] Each of the following is a billing authority:

i) a district council;
ii) a London borough council;
iii) the Common Council of the City of London;
iv) the Council of the Isles of Scilly; and
v) a county council which has the functions of a district council.

3 Revenue Support Grant

3.1 Pursuant to section 78(3)(a) of the 1988 Act, the Secretary of State hereby determines that the amount of Revenue Support Grant for the financial year 2014/2015 is £12,697,624,391.

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

3.3 Pursuant to section 78(3)(b) of the 1988 Act, the Secretary of State hereby determines that the amount of the grant he proposes to pay to receiving authorities is £12,671,644,391. A receiving authority is any billing authority or major precepting authority[1].

3.4 Pursuant to section 78(3)(ba) of the 1988 Act, the Secretary of State proposes to pay grant to the specified body shown in Annex A.

3.5 Pursuant to section 78(3)(c) of the 1988 Act, the Secretary of State hereby determines as the amount of the grant he proposes to pay to the specified body the amount shown against its name in Annex A. 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.

[1] Each of the following is a major precepting authority:

i) 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 and the Mayor's Office for Policing and Crime;
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.

4 Distribution of Baseline Funding Level

4.1 The 2013/2014 Baseline Funding Level comprises the following elements:

formula funding,
council tax freeze compensation,
council tax support funding,
early intervention funding,
Greater London Authority general funding,
Greater London Authority transport funding[1],
homelessness prevention funding,
lead local flood authorities funding,
learning disability and health reform funding and
London bus services operators funding.

4.2 The Secretary of State proposes to uprate the 2013/2014 Baseline Funding Level for each local authority by the increase in the Small Business Non-Domestic Rating Multiplier.

4.3 The Baseline Funding Level is calculated as follows.

For the following classes of authority:

district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities:

$$\frac{\mathbf{I} \times \mathbf{J}}{\mathbf{K}}$$

where:

I is the share of the Baseline Funding calculated in accordance with section 9 of the Local Government Finance Report (England) 2013/2014;

J is the value of the 2014/2015 Small Business Non-Domestic Rating Multiplier, which is 0.471

K is the value of the 2013/2014 Small Business Non-Domestic

[1] 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, will continue to be paid by the Department for Transport.

Rating Multiplier, which is 0.462

5 Distribution of Revenue Support Grant

5.1 This section specifies the basis on which the Secretary of State proposes to distribute among receiving authorities the amount of Revenue Support Grant which under Part V of the 1988 Act falls to be paid to such authorities for the year 2014/2015.

5.2 The amount of Revenue Support Grant for police and crime commissioners, the Greater London Authority in respect of police services and for the Common Council for the City of London with respect to police services is zero. Funding with respect to policing will be provided under section 46(3) of the Police Act 1996 through the Police Grant Report (England and Wales) 2014/15 to local policing bodies.

5.3 The Secretary of State proposes to scale the individual elements of the 2013/2014 Revenue Support Grant allocation for each authority proportionate to their own control total. He intends to combine the Council Tax Support Funding element with the Formula Funding element when applying the scaling. In order to do this the Formula Funding element and Council Tax Support Funding elements first need to be split into service tiers for those authorities that provide more than one tier of services. The methodology for splitting the Formula Funding element is set out in Annex B of this Report and the methodology for splitting the Council Tax Support element is set out in Annex C of this Report.

5.4 In addition, the Secretary of State intends to introduce three new elements this year: Part K - Efficiency Support for Services in Sparse Areas, Part L - Council Tax Freeze Compensation Part 2 and Part M - Returned Holdback.

5.5 The share of Revenue Support Grant for each receiving authority is the sum of the amounts calculated in accordance with Parts A to M of this section, if any, for that authority.

Part A – Isles of Scilly

5.6 From the amount of Revenue Support Grant which the Secretary of State proposes to pay to receiving authorities, he proposes to pay £1,946,440 with respect to the Isles of Scilly.

Part B – Upper-Tier Funding

5.7 This part of the calculation relates to grant paid to the authorities for support of upper-tier services.

5.8 The Upper-Tier Funding element is provided for the following classes of authority:

non-metropolitan district councils which have functions of county councils,
county councils,
London borough councils,
Common Council of the City of London,
metropolitan district councils.

5.9 The Upper-Tier Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) The sum of:

the 2013/2014 Upper-Tier Formula Funding element, calculated in accordance with Annex B of this Report; *plus*

the 2013/2014 Upper-Tier Council Tax Support Funding element, calculated in accordance with Annex C of this Report;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £7,751,998,141

Part C – Lower-Tier Funding

5.10 This part of the calculation relates to grant paid to the authorities for support of lower-tier services.

5.11 The Lower-Tier Funding element is provided for the following classes of authority:

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

5.12 The Lower-Tier Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) The sum of:

the 2013/2014 Lower-Tier Formula Funding element, calculated in accordance with Annex B of this Report; *plus*

the 2013/2014 Lower-Tier Council Tax Support Funding element, calculated in accordance with Annex C of this Report;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £1,906,555,180

Part D – Fire and Rescue Funding

5.13 This part of the calculation relates to grant paid to the authorities for support of fire and rescue services.

5.14 The Fire and Rescue Funding element is provided for the following classes of authority:

county councils which have responsibility for the provision of fire services,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities.

5.15 The Fire and Rescue Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) The sum of:

the 2013/2014 Fire and Rescue Formula Funding element, calculated in accordance with Annex B of this Report; *plus*

the 2013/2014 Fire and Rescue Council Tax Support Funding element, calculated in accordance with Annex C of this Report;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £638,098,509

Part E – Council Tax Freeze Compensation Part 1

5.16 This part of the calculation is relevant to the compensation for the council tax income foregone by local authorities during 2011/2012 due to them setting their basic amount of council tax for 2011/2012 at a level which meets the terms of the 2011/2012 Council Tax Freeze Scheme.

5.17 A Council Tax Freeze Compensation Part 1 element is provided for the following classes of authority:

district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities:

5.18 The Council Tax Freeze Compensation Part 1 element of the 2013/2014 Revenue Support Grant is calculated as follows.

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{M}$$

where:

I is the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014;

J is the total of 2013/2014 baseline funding for all receiving authorities, which is £10,898,554,444.

K is the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014;

L is the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex L of the Local Government Finance Report (England) 2013/2014; and

M the Council Tax Freeze Compensation element calculated in accordance with Annex D of the Local Government Finance Report (England) 2013/2014

5.19 The Council Tax Freeze Compensation element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) the 2013/2014 Council Tax Freeze element, calculated in accordance with paragraph 5.18;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £349,038,087

Part F – Early Intervention Funding

5.20 This part of the calculation is relevant to the costs of providing early intervention to secure better results and life chances for children, young people and families.

5.21 An Early Intervention Funding element is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,
county councils,
London borough councils,
Common Council of the City of London,
metropolitan district councils:

5.22 The Early Intervention Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{N}$$

where:

I, **J**, **K** and **L** have the same meaning as in paragraph 5.18

N the Early Intervention Funding element calculated in accordance with Annex F of the Local Government Finance Report (England) 2013/2014

5.23 The Early Intervention Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) the 2013/2014 Early Intervention Funding element, calculated in accordance with paragraph 5.22;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £880,393,512

Part G – GLA General Funding

5.24 This part of the calculation relates to grant paid to the Greater London Authority for the purposes of the authority and its functional bodies.

5.25 The GLA General Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{O}$$

where:

I, **J**, **K** and **L** have the same meaning as in paragraph 5.18

O the GLA General Funding element calculated in accordance with Annex G of the Local Government Finance Report (England) 2013/2014

5.26 The GLA General Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) the 2013/2014 GLA General Funding element, calculated in accordance with paragraph 5.25;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £23,394,704

Part H – Homelessness Prevention Funding

5.27 This part of the calculation relates to grant paid to authorities to help them and the voluntary sector prevent homelessness.

5.28 A Homelessness Prevention Funding element is provided for the following classes of authority:

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

5.29 The Homelessness Prevention Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{P}$$

where:

I, **J**, **K** and **L** have the same meaning as in paragraph 5.18

P the Homelessness Prevention Funding element calculated in accordance with Annex I of the Local Government Finance Report (England) 2013/2014

5.30 The Homelessness Prevention Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) the 2013/2014 Homelessness Prevention Funding element, calculated in accordance with paragraph 5.29;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £46,220,755

Part I – Lead Local Flood Authority Funding

5.31 This part of the calculation relates to grant paid to lead local flood authorities to take the lead role in managing local flood risk as set out in the Flood and Water Management Act 2010 and the 2009 Flood Risk Regulations.

5.32 A Lead Local Flood Authority Funding element is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,
county councils,
London borough councils,
Common Council of the City of London,
metropolitan district councils.

5.33 The Lead Local Flood Authority Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{Q}$$

where:

I, **J**, **K** and **L** have the same meaning as in paragraph 5.18

Q the Lead Local Flood Authority Funding element calculated in accordance with Annex J of the Local Government Finance Report (England) 2013/2014

5.34 The Lead Local Flood Authority Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) the 2013/2014 Lead Local Flood Authority Funding element, calculated in accordance with paragraph 5.33;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £12,132,947

Part J – Learning Disability and Health Reform Funding

5.35 The Learning Disability and Health Reform component is relevant to the cost of commissioning services for people with a learning disability, to the cost of assessing applicant's eligibility for a blue badge, to the cost of assessing and authorising Deprivation of Liberty Safeguards in hospitals, and to the cost of setting up local Healthwatch.

5.36 A Learning Disability and Health Reform Funding element is calculated for the following classes of authority:

non-metropolitan district councils which have functions of county councils,
county councils,
London borough councils,
Common Council of the City of London,
metropolitan district councils.

5.37 The Learning Disability and Health Reform Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{R}$$

where:

I, **J**, **K** and **L** have the same meaning as in paragraph 5.18

R the Learning Disability and Health Reform Funding element calculated in accordance with Annex K of the Local Government Finance Report (England) 2013/2014

5.38 The Learning Disability and Health Reform Funding element of Revenue Support Grant for 2014/2015 is calculated as follows.

(a) the 2013/2014 Learning Disability and Health Reform Funding element, calculated in accordance with paragraph 5.37;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £850,782,943

Part K – Efficiency Support for Services in Sparse Areas

5.39 The Efficiency Support for Services in Sparse Areas element is to provide support to local authorities in sparse areas to help transform their services.

5.40 An Efficiency Support for Services in Sparse Areas element is calculated for the following classes of authority:

district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities,
Council of the Isles of Scilly.

5.41 The Efficiency Support for Services in Sparse Areas element of the 2014/2015 Revenue Support Grant is calculated as follows.

(a) Either:
super sparsity as defined in paragraph 5.42 below minus 0.089302;
or zero, whichever is the greater;

(b) The result of (a) multiplied by the total resident population of the authority, calculated using information from the 2011 Census;

(c) The result of (b) multiplied by x as defined in paragraph 5.43 below;

(d) The sum for all authorities of the result of (c);

(e) The result of (c) divided by the result of (d) multiplied by £9,500,000

5.42 For the purpose of (a) in paragraph 5.41 above, super sparsity is defined as the resident population of those Output Areas within the area of the authority at the 2011 Census with 0.5 or less residents per hectare, divided by the total

resident population of the authority, calculated using information from the 2011 Census.

5.43 For the purpose of (c) in paragraph 5.41 above:

for the Greater London Authority, metropolitan county fire and rescue authorities and combined fire and rescue authorities, x = 0.06;

for non-metropolitan district councils which do not have the functions of county councils, x = 0.20;

for county councils without responsibility for the provision of fire and rescue services which do not have the functions of district councils, x = 0.74;

for county councils with responsibility for the provision of fire and rescue services which do not have the functions of district councils, x = 0.80;

for London borough councils, metropolitan district councils, the Common Council for the City of London, non-metropolitan district councils which have the functions of county councils and for county councils without responsibility for the provision of fire and rescue services which have the functions of district councils, x = 0.94; and

for the Council of the Isles of Scilly and county councils with responsibility for the provision of fire and rescue services which have the functions of district councils, x = 1.00.

Part L – Council Tax Freeze Compensation Part 2

5.44 This part of the calculation is relevant to the compensation for the council tax income foregone by local authorities during 2013/2014 due to them setting their basic amount of council tax for 2013/2014 at a level which meets the terms of the 2013/2014 Council Tax Freeze Scheme.

5.45 A Council Tax Freeze Compensation element is provided for the following classes of authority:

district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities:

5.46 The Council Tax Freeze Compensation element of the 2014/2015 Revenue Support Grant is equal to the allocations of Council Tax Freeze Grant

2013/2014 for each authority as described in Grant Determination No: 31/2155.

Part M – Returned Holdback

5.47 This part of the calculation is relevant to returning money that was previously held back for capitalisation in 2014/2015.

5.48 A Returned Holdback element is provided for the following classes of authority:

district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities:

5.49 The Returned Holdback element of the 2014/2015 Revenue Support Grant is calculated as follows.

(a) The Start-Up Funding Assessment calculated in accordance with section 5 of the Local Government Finance Report (England) 2013/2014;

(b) The sum for all authorities of the result of (a);

(c) The result of (a) divided by the result of (b) multiplied by £28,000,000

Note:

Part L: Efficiency Support for Services in Sparse Areas plus Part M: Returned Funding plus Efficiency Support Grant will be paid from the £50m holdback originally intended for capitilisation. The amount for Part M will be the remainder once the other two grants have been calculated.

We have currently illustrated this with £28 million in calculating the provisional settlement but the exact number will be used for the final settlement.

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 proposes to calculate –

- which relevant authorities are to make payments ("tariffs") under Part 5 of Schedule 7B to the Act;
- which relevant authorities are to receive payments ("top-ups") under Part 5 of Schedule 7B to the Act; and
- the amount of each such payment.

6.2. The Secretary of State proposes to calculate the tariffs and top-ups for each local authority by up-rating the tariffs and top-ups for 2013/2014 (as set out in the Local Government Finance Report (England) 2013/2014) by the Small Business Non-Domestic Rating Multiplier.

6.3. The tariff and top up amount for 2014/2015 will be calculated as:.

$$\frac{\mathbf{I} \times \mathbf{J}}{\mathbf{K}}$$

where:

I is the tariff or top up amount for the authority for 2013/2014 (see section 10 of the Local Government Finance Report (England) 2013/2014);

J is the value of the 2014/2015 Small Business Non-Domestic Rating Multiplier, which is 0.471[1].

K is the value of the 2013/2014 Small Business Non-Domestic Rating Multiplier, which is 0.462

6.4. For pools of authorities either first designated for 2014/2015 or continuing on from 2013/2014 see section 7.

[1] The Government announced at the Autumn Statement that it intends to limit the change to the Small Business Non-Domestic Rating Multiplier for 2014/15 to less than the retail price index for 2013/14 as would ordinarily be the case. The Treasury will be introducing an order to this effect under paragraph 5(3) of Schedule 7 to the 1988 Act.

7 Pooling

7.1. Part 9 of Schedule 7B to the 1988 Act provides that authorities can come together to form pools for the purposes of certain provisions of the Schedule. The Secretary of State designated 13 pools for 2013/2014, of which 11 will continue to have effect in 2014/15. In addition, the Secretary of State has designated 13 pools for 2014/2015. The pools specified will be treated as a single authority for tariff and top up purposes.

7.2. For pools designated for the first time for 2014/2015, a single tariff or top-up figure for the pool will be calculated in accordance with Sections 9 and 10 of the Local Government Finance Report (England) 2013/2014 and Section 6 of this Report. This is equal to the sum of all the tariffs and top-ups of the relevant authorities in the pool, had they been treated separately.

Designated pool	Lead Local Authority	Local authorities within the pool
Bracknell Forest & West Berkshire	Bracknell Forest	Bracknell Forest Borough Council West Berkshire District Council
Buckinghamshire	Aylesbury Vale District Council	Buckinghamshire County Council Aylesbury Vale 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 Eden District Council South Lakeland 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

Designated pool	Lead Local Authority	Local authorities within the pool
East London / South Essex Business Rates Pool	Thurrock Borough Council	Thurrock Borough Council Basildon Borough Council London Borough of Havering London Borough of Barking & Dagenham
Essex Region Business Rates Pool	Essex County Council	Braintree District Council Castle Point Borough Council Chelmsford City Council Colchester Borough Council Epping Forest District Council Essex County Council Essex Fire Authority Harlow Council Rochford District Council Tendring 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, Tewksbury Borough Council
Greater Birmingham & Solihull Pool	Birmingham City Council	Birmingham City Council Bromsgrove District Council Cannock Chase District Council East Staffordshire Borough Council Lichfield District Council Redditch Borough Council Solihull Metropolitan Borough Council Tamworth Borough Council
Greater Manchester & Cheshire East	Manchester City Council	Manchester City Council Bolton Metropolitan Borough Council Bury Council Oldham Council Rochdale Borough Council Salford City Council Stockport Metropolitan Borough Council Tameside Metropolitan Borough Council Trafford Council Wigan Council Cheshire East Council

Designated pool	Lead Local Authority	Local authorities within the pool
Hertfordshire	Hertfordshire County Council	Hertfordshire County Council, Broxbourne Borough Council Dacorum Borough Council Hertsmere Borough Council Stevenage Borough Council
Kent Business Rates Pool	Maidstone Borough Council	Kent County Council Maidstone Borough 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
Leicester & Leicestershire Business Rates Pool	Leicestershire County Council	Blaby District Council Charnwood Borough Council Harborough District Council Hinckley & Bosworth Borough Council, Leicester, Leicestershire & Rutland Fire Authority Leicester City Council Leicestershire County Council Melton Borough Council, North West Leicestershire District Council, Oadby & Wigston Borough Council
Lincolnshire Business Rates Pool	North Kesteven District Council	Lincolnshire County Council North Kesteven District Council South Kesteven District Council East Lindsey District Council Lincoln City Council Boston Borough Council
Mid Merseyside	Warrington Borough Council	Warrington Borough Council Halton Borough Council St Helens Metropolitan Borough Council
Norfolk Business Rates Pool	Norfolk County Council	Breckland District Council Broadland District Council Kings Lynn & West Norfolk Borough Council Norfolk County Council North Norfolk District Council South Norfolk District Council
North Oxfordshire Pool	Cherwell District Council	Cherwell District Council West Oxfordshire District Council Oxfordshire County Council

Designated pool	Lead Local Authority	Local authorities within the pool
North Yorkshire	Scarborough Borough Council	North Yorkshire County Council Craven District Council Hambleton District Council Richmondshire District Council Ryedale District Council Scarborough Borough Council
Northamptonshire Business Rates Pool	Kettering Borough Council	Corby Borough Council Daventry District Council East Northamptonshire Council Kettering Borough Council Northampton Borough Council Northamptonshire County Council Borough Council of Wellingborough
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 Council Rushcliffe Borough 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 and Staffordshire Fire and Rescue Authority South Staffordshire District Council
Suffolk Business Rates Pool	Suffolk County Council	Babergh District Council Forest Heath District Council Ipswich Borough Council Mid-Suffolk District Council St Edmundsbury District Council Suffolk Coastal District Council Suffolk County Council Waveney District Council
Worcestershire Business Rates Pool	Worcestershire County Council	Malvern Hills District Council Worcester City Council Worcestershire County Council Wychavon District Council Wyre Forest District Council

8 Credit to the Levy Account

8.1. The Secretary of State has decided to credit the Levy Account in respect to the 2014/2015 financial year with £120 million.

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 2014. This Report may be amended by a report made under section 84A of the 1988 Act[1] or paragraphs 4.1 to 4.5 of Schedule 7B to the 1988 Act[2].

Signed by authority of the Secretary of State.

Brandon Lewis
Parliamentary Under Secretary of State for Communities and Local Government
nn January 2014 *Department of Communities and Local Government*

The consent of the Treasury has been obtained to the making of the determinations specified in paragraphs 4.1 to 4.3 of this Report.

[ ]
[ ]
Two of the Lords Commissioners
nn January 2014 *of Her Majesty's Treasury*

1 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.
2 Schedule 7B was inserted by Schedule 1 to the Local Government Finance Act 2012.

Annex A

Amount of Grant for Specified Body

The Secretary of State has determined as the amount of Revenue Support Grant which he proposes to pay to the specified body the amount shown against its name below:

	£
Improvement and Development Agency for Local Government	25,980,000

Annex B

Splitting 2013/2014 Formula Funding by Service Tier

B1 The Secretary of State proposes to scale the individual elements of the 2013/2014 Revenue Support Grant allocation for each authority proportionate to their own control total. He intends to combine the Council Tax Support Funding element with the Formula Funding element when applying the scaling. In order to do this the Formula Funding element and Council Tax Support Funding elements first need to be split into service tiers for those authorities that provide more than one tier of services.

B2 The methodology for splitting the Formula Funding element is set out below.

Calculating the Formula Funding Element within the 2013/2014 Revenue Support Grant

B3 First we need to calculate a Formula Funding element within the 2013/2014 Revenue Support Grant.

B4 The Formula Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

For the following classes of authority:
district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities:

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{M}$$

where:

I is the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014;

J is the total of 2013/2014 baseline funding for all receiving authorities, which is £10,898,554,444.

K is the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014;

L is the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex L of the Local Government Finance Report (England) 2013/2014; and

M is the Formula Funding specified with Annex C of the Local Government Finance Report (England) 2013/2014

Splitting the Formula Funding Element within the 2013/2014 Revenue Support Grant between Service Tiers

B5 The next step is to split the Formula Funding element within the 2013/2014 Revenue Support Grant between appropriate service tiers for the class of authority.

County Councils Without the Functions of Districts Councils and Without Responsibility for the Provision of Fire and Rescue Services

B6 County councils without the functions of district councils and without responsibility for the provision of fire and rescue services are only responsible for upper-tier services.

B7 The upper-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is the result of paragraph B4 of this document.

Fire and Rescue Authorities

B8 Metropolitan county fire and rescue authorities and the combined fire and rescue authorities are only responsible for fire and rescue services.

B9 The fire and rescue share of the Formula Funding element within the 2013/2014 Revenue Support Grant is the result of paragraph B4 of this document.

Shire Districts without Education and Social Service Responsibilities

B10 Non-metropolitan district councils which do not have functions of county councils are only responsible for lower-tier services.

B11 The lower-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is the result of paragraph B4 of this document.

The Common Council of the City of London

B12 The Common Council of the City of London provides police services, upper-tier services and lower-tier services. Funding for police services was provided under section 46(3) of the Police Act 1996 through the Police Grant Report (England and Wales) 2013/14.

B13 The upper-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of floor damping for non-police services as specified in paragraph 3.23 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(b) the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014

(c) the sum of the following items:

> the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014; *plus*
>
> the total of 2013/2014 Baseline Funding for all receiving authorities, which is £10,898,554,444; *minus*
>
> the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014; *minus*
>
> the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014

(d) the proportion of floor damping included within the 2013/2014 Revenue Support Grant as estimated by the Secretary of State. This is the result of (a) *multiplied by* the result of (b) *divided by* the result of (c)

(e) the upper-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

> the Grants Rolled In Using Tailored Distributions as defined in paragraph 3.7 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*
>
> the Relative Needs Amount with respect to upper-tier services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*
>
> the Relative Resource Amount with respect to upper-tier services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*
>
> the Central Allocation with respect to upper-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(f) the lower-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Relative Needs Amount with respect to lower-tier services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to lower-tier services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Central Allocation with respect to lower-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(g) the sum of the result of (e) *plus* the result of (f)

(h) the floor damping amount for upper-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) *multiplied by* the result of (e) *divided by* the result of (g)

(i) the amount of Central Education Functions as specified in paragraph 3.14 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(j) the result of (i) *multiplied by* the result of (b) *divided by* the result of (c)

(k) the amount of upper-tier formula funding before floor damping within Revenue Support Grant as estimated by the Secretary of State. This is the result of (e) *multiplied by* the result of (b) *divided by* the result of (c)

(l) the result of (k) *plus* the result of (h) *minus* the result of (j)

B14 The lower-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of lower-tier formula funding within Revenue Support Grant as estimated by the Secretary of State. This is the result of (f) from paragraph B13 of this document *multiplied by* the result of (b) from paragraph B13 of this document *divided by* the result of (c) from paragraph B13 of this document

(b) the floor damping amount for lower-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) from paragraph B13 of this document *multiplied by* the result of (f) from paragraph B13 of this document *divided by* the result of (g) from paragraph B13 of this document

(c) the result of (a) *plus* the result of (b)

Isle of Wight Council, Cornwall Council and Northumberland County Council

B15 The Isle of Wight Council, Cornwall Council and Northumberland County Council provide upper-tier services, lower-tier services and fire and rescue services.

B16 The upper-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant for each of these authorities is calculated as follows:

(a) the amount of floor damping as specified in paragraph 3.18 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(b) the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014

(c) the sum of the following items:

the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014; *plus*

the total of 2013/2014 baseline funding for all receiving authorities, which is £10,898,554,444; *minus*

the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014; *minus*

the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex L of the Local Government Finance Report (England) 2013/2014

(d) the proportion of floor damping included within the 2013/2014 Revenue Support Grant as estimated by the Secretary of State. This is the result of (a) *multiplied by* the result of (b) *divided by* the result of (c)

(e) the upper-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Grants Rolled In Using Tailored Distributions as defined in paragraph 3.7 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Needs Amount with respect to upper-tier services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to upper-tier services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-

3790-9; *plus*

the Central Allocation with respect to upper-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(f) the lower-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Relative Needs Amount with respect to lower-tier services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to lower-tier services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Central Allocation with respect to lower-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(g) the fire and rescue formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Relative Needs Amount with respect to fire and rescue services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to fire and rescue services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9 *plus*

the Central Allocation with respect to fire and rescue services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(h) the sum of the result of (e) *plus* the result of (f) *plus* the result of (g)

(i) the floor damping amount for upper-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) *multiplied by* the result of (e) *divided by* the result of (h)

(j) the amount of Central Education Functions as specified in paragraph 3.14 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(k) the result of (j) *multiplied by* the result of (b) *divided by* the result

of (c)

(l) the amount of upper-tier formula funding before floor damping within Revenue Support Grant as estimated by the Secretary of State. This is the result of (e) *multiplied by* the result of (b) *divided by* the result of (c)

(m) the result of (l) *plus* the result of (i) *minus* the result of (k)

B17 The lower-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of lower-tier formula funding within Revenue Support Grant as estimated by the Secretary of State. This is the result of (f) from paragraph B16 of this document *multiplied by* the result of (b) from paragraph B16 of this document *divided by* the result of (c) from paragraph B16 of this document

(b) the floor damping amount for lower-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) from paragraph B16 of this document *multiplied by* the result of (f) from paragraph B16 of this document *divided by* the result of (h) from paragraph B16 of this document

(c) the result of (a) *plus* the result of (b)

B18 The fire and rescue share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of fire and rescue formula funding within Revenue Support Grant as estimated by the Secretary of State. This is the result of (g) from paragraph B16 of this document *multiplied by* the result of (b) from paragraph B16 of this document *divided by* the result of (c) from paragraph B16 of this document

(b) the floor damping amount for fire and rescue services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) from paragraph B16 of this document *multiplied by* the result of (g) from paragraph B16 of this document *divided by* the result of (h) from paragraph B16 of this document

(c) the result of (a) *plus* the result of (b)

Other All Purpose Authorities

B19 London borough councils, metropolitan district councils and non-metropolitan district councils with the functions of county councils provide upper-tier services and lower-tier services.

B20 The upper-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

the amount of floor damping as specified in paragraph 3.18 of

(a) the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(b) the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014

(c) the sum of the following items:

the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014; *plus*

the total of 2013/2014 baseline funding for all receiving authorities, which is £10,898,554,444; *minus*

the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014; *minus*

the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex L of the Local Government Finance Report (England) 2013/2014

(d) the proportion of floor damping included within the 2013/2014 Revenue Support Grant as estimated by the Secretary of State. This is the result of (a) *multiplied by* the result of (b) *divided by* the result of (c)

(e) the upper-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Grants Rolled In Using Tailored Distributions as defined in paragraph 3.7 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Needs Amount with respect to upper-tier services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to upper-tier services as defined in paragraph 3.11 of the ''Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Central Allocation with respect to upper-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(f) the lower-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Relative Needs Amount with respect to lower-tier

services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to lower-tier services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Central Allocation with respect to lower-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(g) the sum of the result of (e) *plus* the result of (f)

(h) the floor damping amount for upper-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) *multiplied by* the result of (e) *divided by* the result of (g)

(i) the amount of Central Education Functions as specified in paragraph 3.14 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(j) the result of (i) *multiplied by* the result of (b) *divided by* the result of (c)

(k) the amount of upper-tier formula funding before floor damping within Revenue Support Grant as estimated by the Secretary of State. This is the result of (e) *multiplied by* the result of (b) *divided by* the result of (c)

(l) the result of (k) *plus* the result of (h) *minus* the result of (j)

B21 The lower-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of lower-tier formula funding within Revenue Support Grant as estimated by the Secretary of State. This is the result of (f) from paragraph B20 of this document *multiplied by* the result of (b) from paragraph B20 of this document *divided by* the result of (c) from paragraph B20 of this document

(b) the floor damping amount for lower-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) from paragraph B20 of this document *multiplied by* the result of (f) from paragraph B20 of this document *divided by* the result of (g) from paragraph B20 of this document

(c) the result of (a) *plus* the result of (b)

County Councils Without the Functions of District Councils and With Responsibility for the Provision of Fire and Rescue Services

B22 County councils without the functions of district councils and with responsibility for the provision of fire and rescue services provide upper-tier services and fire and rescue services.

B23 The upper-tier share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of floor damping as specified in paragraph 3.18 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(b) the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014

(c) the sum of the following items:

the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014; *plus*

the total of 2013/2014 baseline funding for all receiving authorities, which is £10,898,554,444; *minus*

the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government Finance Report (England) 2013/2014; *minus*

the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex L of the Local Government Finance Report (England) 2013/2014

(d) the proportion of floor damping included within the 2013/2014 Revenue Support Grant as estimated by the Secretary of State. This is the result of (a) *multiplied by* the result of (b) *divided by* the result of (c)

(e) the upper-tier formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Grants Rolled In Using Tailored Distributions as defined in paragraph 3.7 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Needs Amount with respect to upper-tier services as defined in paragraph 3.9 of the ''Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to upper-tier services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-

3790-9; *plus*

the Central Allocation with respect to upper-tier services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(f) the fire and rescue formula funding before floor damping as estimated by the Secretary of State. This is the sum of the following items:

the Relative Needs Amount with respect to fire and rescue services as defined in paragraph 3.9 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Relative Resource Amount with respect to fire and rescue services as defined in paragraph 3.11 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Central Allocation with respect to fire and rescue services as defined in paragraph 3.13 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(g) the sum of the result of (e) *plus* the result of (f)

(h) the floor damping amount for upper-tier services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) *multiplied by* the result of (e) *divided by* the result of (g)

(i) the amount of Central Education Functions as specified in paragraph 3.14 of the 'Calculating the 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9

(j) the result of (i) *multiplied by* the result of (b) *divided by* the result of (c)

(k) the amount of upper-tier formula funding before floor damping within Revenue Support Grant as estimated by the Secretary of State. This is the result of (e) *multiplied by* the result of (b) *divided by* the result of (c)

(l) the result of (k) *plus* the result of (h) *minus* the result of (j)

B24 The fire and rescue share of the Formula Funding element within the 2013/2014 Revenue Support Grant is calculated as follows:

(a) the amount of fire and rescue formula funding within Revenue Support Grant as estimated by the Secretary of State. This is the result of (f) from paragraph B23 of this document *multiplied by* the result of (b) from paragraph B23 of this document *divided by* the result of (c) from paragraph B23 of this document

(b) the floor damping amount for fire and rescue services within Revenue Support Grant as estimated by the Secretary of State. This is the result of (d) from paragraph B23 of this document *multiplied by* the result of (f) from paragraph B23 of this document *divided by* the result of (g) from paragraph B23 of this document

(c) the result of (a) *plus* the result of (b)

The Greater London Authority

B25 The Greater London Authority provides police services and fire and rescue services. Funding for police services was provided under section 46(3) of the Police Act 1996 through the Police Grant Report (England and Wales) 2013/14.

B26 The fire and rescue share of the Formula Funding element within the 2013/2014 Revenue Support Grant is the result of paragraph B4 of this document.

Annex C

Splitting 2013/2014 Council Tax Support Funding By Service Tier

C1 The Secretary of State proposes to scale the individual elements of the 2013/2014 Revenue Support Grant allocation for each authority proportionate to their own control total. He intends to combine the Council Tax Support Funding element with the Formula Funding element when applying the scaling. In order to do this the Formula Funding element and Council Tax Support Funding elements first need to be split into service tiers for those authorities that provide more than one tier of services.

C2 The methodology for splitting the Council Tax Support Funding element is set out below.

Calculating the Council Tax Support Element within the 2013/2014 Revenue Support Grant

C3 First we need to calculate a Council Tax Support element within the 2013/2014 Revenue Support Grant.

C4 The Council Tax Support Funding element of the 2013/2014 Revenue Support Grant is calculated as follows.

For the following classes of authority:
district councils,
county councils,
London borough councils,
Common Council of the City of London,
Greater London Authority,
metropolitan county fire and rescue authorities,
combined fire and rescue authorities:

$$\frac{\mathbf{I}}{(\mathbf{I} + \mathbf{J} - \mathbf{K} - \mathbf{L})} \times \mathbf{M}$$

where:

I is the amount of Revenue Support Grant paid to receiving authorities, as specified in section 4 of the Local Government Finance Report (England) 2013/2014;

J is the total of 2013/2014 baseline funding for all receiving authorities, which is £10,898,554,444.

K is the total of the 2013/2014 Greater London Authority Transport Funding, as specified in Annex H of the Local Government

Finance Report (England) 2013/2014;

L is the total of the 2013/2014 London Bus Services Operators Funding, as specified in Annex L of the Local Government Finance Report (England) 2013/2014; and

M is the Council Tax Support Funding calculated in accordance with Annex E of the Local Government Finance Report (England) 2013/2014

Splitting the Council Tax Support Element within the 2013/2014 Revenue Support Grant between Service Tiers

C5 The next step is to split the Council Tax Support element within the 2013/2014 Revenue Support Grant between appropriate service tiers for the class of authority.

County Councils Without Responsibility for the Provision of Fire and Rescue Services

C6 The amount of Council Tax Support Funding element of the 2013/2014 Revenue Support Grant for county councils without responsibility for the provision of fire and rescue services consists of an amount solely in respect of upper-tier services.

Fire and Rescue Authorities

C7 The amount of Council Tax Support Funding element of the 2013/2014 Revenue Support Grant for metropolitan county fire and rescue authorities, combined fire and rescue authorities and the Greater London Authority consists of an amount solely in respect of fire and rescue services.

Shire Districts without Education and Social Service Responsibilities

C8 The amount of Council Tax Support Funding element of the 2013/2014 Revenue Support Grant for non-metropolitan districts which do not have the functions of county councils consists of an amount solely in respect of lower-tier services.

Isle of Wight Council, Cornwall Council and Northumberland County Council

C9 The amount of Council Tax Support Funding element of the 2013/2014 Revenue Support Grant for the Isles of Wight Council, Cornwall Council and Northumberland County Council consists of the sum of an amount in respect of upper-tier services, an amount in respect of lower-tier services and an amount in respect of fire and rescue services.

C10 The amount for upper-tier services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 above;

(b) the sum of:

the Upper-Tier Services Relative Needs Formula as defined in paragraph 2.54 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Capital Financing Relative Needs Formula with respect to upper-tier services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(c) the sum of:

the Lower-Tier Services Relative Needs Formula as defined in paragraph 2.56 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Mixed-Tier Services Relative Needs Formula as defined in paragraph 2.57 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Capital Financing Relative Needs Formula with respect to lower-tier services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(d) the sum of:

the Fire and Rescue Relative Needs Formula as defined in paragraph 2.24 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; plus

the Capital Financing Relative Needs Formula with respect to fire services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(e) the result of (b) *plus* (c) *plus* (d);

(f) the result of (a) *multiplied by* (b) *divided by* (e).

C11 The amount for lower-tier services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 of this document;

(b) the result of (a) *multiplied by* the result of (c) from paragraph C10 of this document *divided by* the result of (e) from paragraph C10 of this document.

C12 The amount for fire and rescue services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 of this document;

(b) the result of (a) *multiplied by* the result of (d) from paragraph C10 of this document *divided by* the result of (e) from paragraph C10 of this document.

Other All Purpose Authorities

C13 The amount of Council Tax Support Funding element of the 2013/2014 Revenue Support Grant for Common Council of the City of London, London borough council, metropolitan district councils and non-metropolitan district councils with the functions of county councils consists of the sum of an amount in respect of upper-tier services and an amount in respect of lower-tier services.

C14 The amount for upper-tier services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 above;

(b) the sum of:

the Upper-Tier Services Relative Needs Formula as defined in paragraph 2.54 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Capital Financing Relative Needs Formula with respect to upper-tier services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(c) the sum of:

the Lower-Tier Services Relative Needs Formula as defined in paragraph 2.56 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Mixed-Tier Services Relative Needs Formula as defined in paragraph 2.57 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Capital Financing Relative Needs Formula with respect to lower-tier services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(d) the result of (b) *plus* (c);

(e) the result of (a) *multiplied by* (b) *divided by* (d).

C15 The amount for lower-tier services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 above;

(b) the result of (a) *multiplied by* the result of (c) from paragraph C14 in this document *divided by* the result of (d) from paragraph C14 in this document.

County Councils without the Functions of District Councils with Responsibility for the Provision of Fire and Rescue Services

C16 The amount of Council Tax Support Funding element of the 2013/2014 Revenue Support Grant for county councils without the functions of district councils with responsibility for the provision of fire and rescue services consists of the sum of an amount in respect of upper-tier services and an amount in respect of fire and rescue services.

C17 The amount for upper-tier services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 above;

(b) the sum of:

the Upper-Tier Services Relative Needs Formula as defined in paragraph 2.54 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Mixed-Tier Services Relative Needs Formula as defined in paragraph 2.57 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; *plus*

the Capital Financing Relative Needs Formula with respect to upper-tier services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(c) the sum of:

the Fire and Rescue Relative Needs Formula as defined in paragraph 2.24 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9; plus

the Capital Financing Relative Needs Formula with respect to fire services as defined in paragraph 2.51 of the 'Calculation of 2013-14 Formula Funding' document ISBN 978-1-4098-3790-9;

(d) the result of (b) *plus* (c);

(e) the result of (a) *multiplied by* (b) *divided by* (d).

C18 The amount for fire and rescue services is calculated as follows:

(a) the Council Tax Support Funding element of the 2013/2014 Revenue Support Grant as defined in paragraph C4 above;

(b) the result of (a) *multiplied by* the result of (c) from paragraph C17 of this document *divided by* the result of (d) from paragraph C17 of this document.