



Department for
Communities and
Local Government

The draft local government finance report (England) 2017-18

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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 for the financial year 2017/2018, made under paragraph 4 of Schedule 7B to the 1988 Act, of the percentage of the settlement funding assessment that is to be the central share and the percentage that is to be the local share for each billing authority in England.
- 1.3. This Report sets out the Secretary of State's determination to pay a revenue support grant (“Revenue Support Grant”) for the financial year 2017/2018 under section 78 of the 1988 Act², the total amount of the grant for that year, the amount of the grant he proposes to pay to receiving authorities, and the amount of the grant he proposes to pay to the specified body.
- 1.4. This Report also specifies the basis on which the Secretary of State proposes to distribute among receiving authorities the amount of Revenue Support Grant to be paid to such authorities for the financial year 2017/2018.
- 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 consent³. 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 Grant⁴ and of the general nature of the basis of calculation of tariff and top-up payments⁵ (as referred to in para 1.6).
- 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 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 (“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 .

³ Pursuant to section 78(5) of the 1988 Act.

⁴ Pursuant to section 78A of the 1988 Act. This section was amended by paragraphs 1 and 3 of Schedule 2 to the 2012 Act and paragraphs 9 and 15 of Schedule 7 to the Local Government Act 2003.

⁵ Pursuant to paragraph 12(2) of Schedule 7B to the 1988 Act. This section was inserted by Schedule 1 to the 2012 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:

- its central share for 2017/2018 will be 50%;
- its local share for 2017/2018 will be 50%.

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 2017/2018 is £4,981,793,727.
- 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 £4,981,793,727. A receiving authority is any billing authority or major precepting authority¹.
- 3.4. The amount of the Revenue Support Grant that is to be distributed to local policing bodies² 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) 2017/18.
- 3.5. The amount of the Revenue Support Grant that is to be distributed to Mayoral Combined Authorities³ 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 body⁴ the Improvement and Development Agency for Local Government (IDeA)⁵.

¹ Pursuant to section 76(2) of the 1988 Act; and

Each of the following is a major precepting authority pursuant to section 39(1) of the 1992 Act:

- (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
- (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.

² 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);

³ 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.

⁴ 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.

⁵ The Secretary of State has set aside sufficient resources for sector led support and intends to continue to make payments to the IDeA. Funding for the IDeA will be announced following a negotiation and upon reaching agreement on a new deal for sector lead support for the course of this Parliament.

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 2017/2018 under Part V of the 1988 Act.
- 4.2. The 2016-17 settlement announced the opportunity for councils to accept a multi-year settlement offer, which would give greater certainty of funding for the financial years 2016/17, 2017/18, 2018/19 and 2019/20. For each of these years the offer included Revenue Support Grant allocations and committed that business rates tariff and top up payments which will not change for reasons relating to the relative needs of local authorities. 97% of councils accepted the offer and published an efficiency plan or other supporting document, and the Government has now written to those local authorities to confirm the offer. The Government intends to confirm these amounts in 2018/19 and 2019/20, however the Government will need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities, any other unforeseen events, and the amounts will also be subject to the normal statutory consultation process for the local government finance settlement and approval of a Local Government Finance Report each year by the House of Commons. This Local Government Finance Report confirms the amounts for the second year of that offer (2017/18).
- 4.3. The Secretary of State will first make a specific allocation for the Isles of Scilly (Part A).
- 4.4. The Secretary of State will secondly distribute the funding for other authorities in order to ensure the same percentage reduction in their core funding at a service tier level (Part B).

Part A – Isles of Scilly

- 4.5. From the amount of Revenue Support Grant which the Secretary of State will pay to receiving authorities, he will pay £1,862,447 with respect to the Isles of Scilly.

Part B – Main distribution

- 4.6. 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 A.

- 4.7. Different percentage reductions to core funding are applied to each group of services, reflecting the pressures on those services.
- 4.8. The upper-tier element of Revenue Support Grant for 2017/2018 is to support upper-tier services.
- 4.9. 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.
- 4.10. For each applicable authority the upper-tier element, is calculated as follows:

$$(A + B + C) \times D - (C + E)$$

where:

- A is the amount of the upper-tier element of the Revenue Support Grant for 2016/2017, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2016/2017;
- B 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;
- C is the council tax requirement for upper-tier services for 2015/2016, calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;
- D is the upper-tier scaling factor as calculated in Annex B of this Report;
- E The amount of the upper-tier element of the Baseline Funding Level for 2017/18, is calculated as follows:

$$B \times (F / G)$$

- F is the value of the Quarter 3, 2016 RPI as estimated by OBR at Autumn Statement 2015, which is 264.4;
- G is the value of the Quarter 3, 2015 RPI as estimated by OBR at Autumn Statement 2015, which is 259.3.

- 4.11. The lower-tier element of Revenue Support Grant for 2017/2018 is to support lower-tier services.

4.12. 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.

4.13. For each applicable authority the lower-tier element, is calculated as follows:

$$(H + I + J) \times K - (J + L)$$

where:

F and G have the same meaning as in paragraph 4.10 above;

H is the amount of the lower-tier element of the Revenue Support Grant for 2016/2017, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2016/2017;

I 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;

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

K is the lower-tier scaling factor as calculated in Annex B of this Report;

L is calculated as follows:

$$I \times (F / G)$$

4.14. The fire and rescue element of Revenue Support Grant for 2017/2018 is to support fire and rescue services.

4.15. 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.

4.16. For each applicable authority a fire and rescue element, is calculated as follows:

$$(M + N + O) \times P - (O + Q)$$

where:

F and G have the same meaning as in paragraph 4.10 above;

- M is the amount of the fire and rescue element of the Revenue Support Grant for 2016/2017, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2016/2017;
- N 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;
- O is the council tax requirement for fire and rescue services for 2015/2016, calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;
- P is the fire and rescue scaling factor as calculated in Annex B of this Report;
- Q is calculated as follows:

$$N \times (F / G)$$

4.17. The GLA other services element of Revenue Support Grant for 2017/2018 is to support services supplied by the Greater London Authority other than fire and rescue and policing services.

4.18. The GLA other services element is calculated as follows:

$$((R + S + T) \times U) + £16,541,119 - (T + V)$$

where:

F and G have the same meaning as in paragraph 4.10 above;

- R is the amount of the GLA other services element of the Revenue Support Grant for 2016/2017, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2016/2017;
- S 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;
- T is the council tax requirement for GLA other services for 2015/2016, calculated in accordance with Annex F of the Local Government Finance Report (England) 2016/2017;
- U is the GLA other services scaling factor as calculated in Annex B of this Report;
- V is calculated as follows:

$$S \times (F / G)$$

- 4.19. The London policing element of Revenue Support Grant for 2017/2018 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.
- 4.20. For each applicable authority a London policing element, is calculated as follows:

$$W + X - Y$$

where:

F and G have the same meaning as in paragraph 4.10 above;

W is the amount of the London policing element of the Revenue Support Grant for 2016/2017, calculated in accordance with Section 4 of the Local Government Finance Report (England) 2016/2017;

X 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;

Y is calculated as follows:

$$X \times (F / G)$$

- 4.21. 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.

- 4.22. For each authority the amount of Revenue Support Grant is calculated as follows:

Either:

$$Z + AA + AB + AC + AD$$

or zero, whatever is the greater.

where:

Z is the upper-tier element within Revenue Support Grant element, as set out in paragraph 4.10 above, if any;

AA is the lower-tier element within Revenue Support Grant element, as set out in paragraph 4.13 above, if any;

- AB is the fire and rescue element within Revenue Support Grant, as set out in paragraph 4.16 above, if any;
- AC is the GLA other services element within Revenue Support Grant, as set out in paragraph 4.18 above, if any;
- AD is the London policing element within Revenue Support Grant, as set out in paragraph 4.20 above, if any.

5 Distribution of Baseline Funding Level

Part A – Main distribution

- 5.1. The Secretary of State will uprate the 2016/2017 Baseline Funding Level for each local authority in every class of authority, other than the Isles of Scilly, for each tier level by the increase in the Small Business Non-Domestic Rating Multiplier¹.
- 5.2. The Baseline Funding Level for 2017/2018 is calculated for each authority (other than the Isles of Scilly) for each tier level as follows.

$$AE \times (AF / AG)$$

where:

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

AF is the value of the September 2016 RPI, which is 264.9;

AG is the value of the September 2015 RPI, which is 259.6.

- 5.3. The Baseline Funding Level for 2017/2018 for the Isles of Scilly is calculated as follows.

$$AH \times (AF / AG)$$

where:

AF and AG have the same meaning as in paragraph 5.2 above.

AH is the share for the authority of the Baseline Funding Level for 2016/2017, calculated in accordance with Section 5 of the Local Government Finance Report (England) 2016/2017.

² The Small Business Non-Domestic Rating Multiplier for 2016/2017 has been calculated in accordance with paragraph 4 of Schedule 7 of the 1988 Act.

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 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 proposes to calculate the tariffs and top-ups for each local authority by up-rating the tariffs for 2016/2017 (as set out in section 6 of the Local Government Finance Report (England) 2016/2017).

Part A – Main distribution

- 6.3. The tariff and top up amount for 2017/2018 will be calculated as:

$$(BF + BG) \times (BH / BI)$$

where:

BF 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) 2016/2017;

BG is calculated as follows:

$$BJ \times (1 - BK / BL) \times BM$$

BH is the value of the September 2016 RPI, which is 264.9;

BI is the value of the September 2015 RPI, which is 259.6;

BJ is the sum of:

an authority’s income from business rates; *plus*
the amount of section 31 grant paid to the authority in 2015-16 to compensate for loss of business rates income;

BK is:

the sum of the rateable value for all hereditaments within

the authority's area as at 1 April 2017; *multiplied by*
the 2017/2018 small business rates multiplier adjusted for
revaluation, which is 0.436

BL is:

the sum of the rateable value for all hereditaments within
the authority's area as at 1 April 2010; *multiplied by*
the 2016/2017 small business rates multiplier, which was
0.484;

BM is the local share, as set out in paragraph 6.4 below;

6.4. The table below sets out the local share for each class of authority.

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

7 Credit to the Levy Account

- 7.1. The Secretary of State has decided to credit the Levy Account in respect of the 2017/2018 financial year with £25 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 following pools for 2017/2018. The pools specified will be treated as a single authority for tariff and top up purposes.

Designated pool	Lead Local Authority	Local authorities within the pool
Buckinghamshire Rates Pool	Aylesbury Vale District Council	<ul style="list-style-type: none"> • Buckinghamshire County Council • Buckinghamshire Fire and Rescue Service • Aylesbury Vale District Council • South Buckinghamshire District Council • Chiltern District Council
Coventry & Warwickshire	Warwickshire County Council	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Cumbria County Council • Allerdale Borough Council • Barrow Borough Council • Carlisle City 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Devon County Council • East Devon District Council • Exeter City Council • Mid Devon District Council • North Devon District Council • Plymouth City Council • Teignbridge District Council • Torbay District Council • Torridge District Council • West Devon Borough Council
East London / South Essex Business Rates Pool	Thurrock Borough Council	<ul style="list-style-type: none"> • Thurrock Borough Council • Basildon Borough Council • London Borough of Havering • London Borough of Barking & Dagenham
East Sussex Business Rates Pool	Wealden District Council	<ul style="list-style-type: none"> • Wealden District Council • East Sussex County Council • East Sussex Fire Authority • Eastbourne Borough Council • Hastings Borough Council • Lewes District Council • Rother District Council

Designated pool	Lead Local Authority	Local authorities within the pool
Essex Business Rates Pool	Essex County Council	<ul style="list-style-type: none"> • Essex County Council • Braintree District Council • Brentwood Borough Council • Castle Point Borough Council • Colchester Borough Council • Epping Forest District Council • Essex Fire Authority • Maldon District Council • Rochford District Council • Tendring District Council • Uttlesford District Council
Gloucestershire	Stroud District Council	<ul style="list-style-type: none"> • Cheltenham Borough Council • Cotswold District Council • Forest of Dean District Council • Gloucester City Council • Gloucestershire County Council • Stroud District Council
Greater Birmingham & Solihull	Birmingham City Council	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Manchester City Council • Bolton District Council • Bury Council • Oldham Council • Rochdale Council • Salford City Council • Stockport Council • Tameside Council • Trafford Council • Wigan Council • Cheshire West and Chester Council • Cheshire East Council
Hertfordshire Business Rates Pool	Hertfordshire County Council	<ul style="list-style-type: none"> • Hertfordshire County Council • Broxbourne Borough Council • Hertsmere Borough Council • North Hertfordshire District Council • Three Rivers District Council • Welwyn Hatfield Borough Council
Kent Business Rates Pool	Maidstone Borough Council	<ul style="list-style-type: none"> • Kent County Council • Maidstone Borough Council • Kent and Medway Fire and Rescue Authority • Ashford Borough Council • Canterbury City Council • Dartford Borough Council • Gravesham Borough Council • Shepway District Council • Swale Borough Council • Thanet District Council • Tonbridge and Malling Borough Council • Tunbridge Wells Borough Council

Designated pool	Lead Local Authority	Local authorities within the pool
Lancashire Business Rate Pool	Ribble Valley Borough Council	<ul style="list-style-type: none"> • Chorley Borough Council • Flyde Borough Council • Hyndburn Borough Council • Lancashire County Council • Pendle Borough Council • Ribble Valley Borough Council • Rossendale Borough Council • South Ribble Borough Council • West Lancashire Borough Council • Wyre Borough Council
Leeds City Region	Leeds City Council	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

Designated pool	Lead Local Authority	Local authorities within the pool
Lincolnshire Business Rates Pool	Lincoln City Council	<ul style="list-style-type: none"> Lincolnshire County Council North Kesteven District Council South Kesteven District Council East Lindsey District Council Lincoln City Council Boston Borough Council West Lindsey District Council
Mid Merseyside Business Pool	Warrington Borough Council	<ul style="list-style-type: none"> Warrington Borough Council Halton Borough Council St Helens Metropolitan Borough Council
Norfolk Business Rates Pool	Norfolk County Council	<ul style="list-style-type: none"> Breckland District Council Broadland District Council Kings Lynn & West Norfolk Borough Council Norfolk County Council North Norfolk District Council South Norfolk District Council Norwich City Council
Northamptonshire Business Rates Pool	Kettering Borough Council	<ul style="list-style-type: none"> Corby Borough Council Daventry District Council East Northamptonshire Council Kettering Borough Council Northamptonshire County Council South Northamptonshire Council Borough Council of Wellingborough
North Oxfordshire Pool	Cherwell District Council	<ul style="list-style-type: none"> Cherwell District Council West Oxfordshire District Council Oxfordshire County Council

Designated pool	Lead Local Authority	Local authorities within the pool
North Yorkshire Business Rates Pool	Scarborough Borough Council	<ul style="list-style-type: none"> • North Yorkshire County Council • Craven District Council • Hambleton District Council • Richmondshire District Council • Ryedale District Council • Scarborough Borough Council
Nottingham	Nottinghamshire County Council	<ul style="list-style-type: none"> • 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
Somerset Business Rates Pool	Mendip District Council	<ul style="list-style-type: none"> • Mendip District Council • Sedgemoor District Council • Somerset County Council
Staffordshire & Stoke on Trent	Staffordshire County Council	<ul style="list-style-type: none"> • 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

Designated pool	Lead Local Authority	Local authorities within the pool
Suffolk Business Rates Pool	Suffolk County Council	<ul style="list-style-type: none"> • Babergh District Council • Forest Heath District Council • Ipswich Borough Council • Mid-Suffolk District Council • St Edmundsbury Borough Council • Suffolk Coastal District Council • Suffolk County Council • Waveney District Council
Surrey-Croydon Business Rates Pool	Surrey County Council	<ul style="list-style-type: none"> • Surrey County Council • London Borough of Croydon • Elmbridge Borough Council • Guildford Borough Council • Mole Valley District Council • Spelthorne Borough Council • Surrey Heath Borough Council
West Sussex Business Rates Pool	West Sussex County Council	<ul style="list-style-type: none"> • West Sussex County Council • Adur District Council • Arun District Council • Chichester District Council • Worthing Borough Council
Worcestershire	Worcestershire County Council	<ul style="list-style-type: none"> • Worcester City Council • Worcestershire County Council • Wychavon District Council • Wyre Forest District Council

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 2016. This Report may be amended by a report made under section 84A of the 1988 Act¹ or paragraph 15 of Schedule 7B to the 1988 Act².

Signed by authority of the Secretary of State.

nn December 2016

Marcus Jones
Parliamentary Under Secretary of State
Department of Communities and Local Government

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

nn December 2016

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Two of the Lords Commissioners
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

Services Included within Each Tier

<i>Services included in the Upper-Tier</i>	
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

<i>Services included in the Lower-Tier</i>	
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 funding¹ 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.

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 1999, will continue to be paid by the Department for Transport.

Annex B

Calculation of the Service Tier Scaling Factors

- B1. In order to calculate the tier elements within Revenue Support Grant in 2017/18 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	
2016/2017 Upper-Tier Funding within Revenue Support Grant	£5,699,760,656
2016/2017 Upper-Tier Funding within the Baseline Funding Level	£8,168,830,443
2016/2017 Upper-Tier Funding within Settlement Funding Assessment	£13,868,591,099
Upper-tier portion of the 2015/2016 Council Tax Requirement	£16,606,279,565
2016/2017 Settlement Core Funding	£30,474,870,664
2017/2018 Upper-Tier Funding	£12,346,838,435
Upper-tier portion of the 2015/2016 Council Tax Requirement	£16,606,279,565
2017/2018 Settlement Core Funding	£28,953,118,000
Upper-Tier Scaling Factor	0.95006532822403

Calculation of the Lower-Tier Scaling Factor	
2016/2017 Lower-Tier Funding within Revenue Support Grant	£946,501,122
2016/2017 Lower-Tier Funding within the Baseline Funding Level	£1,846,686,939
2016/2017 Lower-Tier Funding within Settlement Funding Assessment	£2,793,188,061
Lower-tier portion of the 2015/2016 Council Tax Requirement	£3,561,452,829
2016/2017 Settlement Core Funding	£6,354,640,890
2017/2018 Lower-Tier Funding within Settlement Funding Assessment	£2,412,647,040
Lower-tier portion of the 2015/2016 Council Tax Requirement	£3,561,452,829
2017/2018 Settlement Core Funding	£5,974,099,869
Lower-Tier Scaling Factor	0.94011604627560

Calculation of the Fire and Rescue Scaling Factor	
2015/2016 Fire and Rescue Funding within Revenue Support Grant	£480,665,259
Total 2015/2016 Fire and Rescue Funding within the Baseline Funding Level	£532,367,347
2015/2016 Fire and Rescue Funding within Settlement Funding Assessment	£1,013,032,606
Fire and rescue portion of the 2015/2016 Council Tax Requirement	£1,201,214,775
2015/2016 Settlement Core Funding	£2,214,247,381
2016/2017 Fire and Rescue Funding within Settlement Funding Assessment	£920,023,451
Fire and rescue portion of the 2015/2016 Council Tax Requirement	£1,201,214,775
2016/2017 Settlement Core Funding	£2,121,238,226
Scaling Factor	0.95799513829760

Calculation of the GLA Other Services Scaling Factor	
2016/2017 GLA Other Services Funding within Revenue Support Grant	£25,392,836
2016/2017 GLA Other Services Funding within Baseline Funding	£861,307,227

Level	
2016/2017 GLA Other Services Funding within Settlement Funding Assessment	£886,700,063
GLA other services portion of the 2015/2016 Council Tax Requirement	£96,002,131
2016/2017 Settlement Core Funding	£982,702,194
2017/2018 GLA Other Services Funding within Settlement Funding Assessment	£885,622,349
GLA other services portion of the 2015/2016 Council Tax Requirement	£96,002,131
2017/2018 Settlement Core Funding	£981,624,480
Scaling Factor	0.99890331576846