



Department for Levelling Up,
Housing & Communities

The Local Government Finance Report (England) 2022 to 2023

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

Ordered by The House of Commons to be printed on 7
February 2022



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ISBN 978-1-5286-3205-8

E02720228 02/22

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of Her Majesty's Stationery Office

CORRECTION SLIP

Title: The Local Government Finance Report (England) 2022 to 2023

Session: 2021/2022

HC 1080

ISBN: 978-1-5286-3205-8

Ordered by the House of Commons to be printed 7 February 2022

Correction:

Page 2, replacement copyright page to include ISBN

Date of correction: 21 February 2022

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Correction:

Page 16, paragraph 5.8, definitions for Table 1

Text currently reads:

RSG is the *Revenue Support Grant* forgone for the tier, as set out in paragraph **4.12** above, or *new elements* as set out in paragraph **4.16** above, for 2022/23, if any;

Text should read:

RSG is the *Revenue Support Grant* forgone for the tier, as set out in paragraph **4.12** above, or *new elements* as set out in paragraph **4.15** above, for 2022/23, if any;

Date of correction: 8 February 2022

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1. Introduction

- 1.1. This Report is made by the Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”), and laid before the House of Commons, in accordance with paragraph 5 of Schedule 7B to the Local Government Finance Act 1988 (“the 1988 Act”)¹. It applies in relation to England only.
- 1.2. The Report sets out the Secretary of State's determination, made under paragraph 4 of Schedule 7B to the 1988 Act, of the percentage of a billing authority's² non-domestic rating income that is to be that authority's central share and the percentage that is to be that authority's local share for each billing authority in England for the financial year 2022/2023.
- 1.3. The Report sets out the Secretary of State's determination to pay revenue support grant (“Revenue Support Grant”), the total amount of the grant, the amount of the grant he proposes to pay to receiving authorities³, and the amount of proposed grant he proposes to pay to the specified body⁴, for the financial year 2022/2023 in accordance with section 78 of the 1988 Act⁵.
- 1.4. The Report specifies the basis on which the Secretary of State proposes to distribute the amount of Revenue Support Grant to be paid for the financial year 2022/2023 among receiving authorities under Part 5 of the 1988 Act.
- 1.5. Before making the determination under section 78 of the 1988 Act, the Secretary of State consulted representatives of local government and all local authorities and obtained the Treasury's consent⁶. 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 Grant⁷ and of the general nature of the basis of calculation of tariff and top-up payments⁸ (as referred to in paragraph **1.6**).
- 1.6. The Report sets out the basis on which the Secretary of State proposes to calculate authorities' Baseline Funding Level (as set out in section **5**) as well as which authorities are to receive payments (referred to in this Report as “top-ups”) and which authorities are to make payments (referred to in this Report as “tariffs”) 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 Each of the following is a billing authority pursuant to section 1(2) of the Local Government Finance Act 1992 (“the 1992 Act”):

- (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

³ Receiving authorities are billing authorities and major precepting authorities (see section 76(2) of the 1988 Act). For the definition of “major precepting authority” see section 39(1) of the 1992 Act.

⁴ Defined in section 76(4) of the 1988 Act.

⁵ Section 78 was amended by paragraph 9 of Schedule 10 to the 1992 Act, by paragraph 15 of Schedule 7 to the Local Government Act 2003 and by paragraph 2 of Schedule 2 to the 2012 Act.

⁶ See section 78(5) of the 1988 Act.

⁷ See section 78A(3) of the 1988 Act. This section was inserted by paragraph 10 of Schedule 10 to the 1992 Act and amended by paragraph 15 of Schedule 7 to the Local Government Act 2003 and paragraph 3 of Schedule 2 to the 2012 Act.

⁸ Pursuant to paragraph 12(2) of Schedule 7B to the 1988 Act.

- 1.7. The report lists the pools of authorities that the Secretary of State has designated for the financial year 2022/2023 in accordance with Part 9 of Schedule 7B of the 1988 Act.
- 1.8. The report references the Key Information Tables as published in 2021/2022. These were calculated in accordance with the Local Government Finance Report (England) 2021/2022⁹. For an authority with increased Business Rates Retention arrangements in 2021/2022¹⁰, their Baseline Funding Level or Revenue Support Grant under 50% Business Rates Retention is in the 2021/2022 Supporting table for authorities with increased business rates retention arrangements¹¹. For all other authorities see the 2021/2022 Key information for local authorities¹². Hard copies may be obtained on request by writing to:

Local Government Finance Settlement Team
Department for Levelling Up, Housing and Communities
2nd floor, Fry Building
2 Marsham Street
London
SW1P 4DF

⁹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/958801/LGFR_2021-22.pdf

¹⁰ See Annex C of the Local Government Finance Report (England) 2021/2022 for a list of authorities with increased Business Rates Retention arrangements for 2021/2022.

¹¹ <https://www.gov.uk/government/publications/authorities-with-increased-business-rates-retention-arrangements-final-local-government-finance-settlement-2021-to-2022>

¹² <https://www.gov.uk/government/publications/key-information-for-local-authorities-final-local-government-finance-settlement-2021-to-2022>

2. Central and local share

- 2.1. Pursuant to paragraph 4 of Schedule 7B to the 1988 Act, the Secretary of State determines that in relation to each billing authority in England that is not an authority with increased Business Rates Retention arrangements as part of a devolution deal, a London borough council or the Common Council of the City of London:
- its central share for 2022/2023 will be 50%;
 - its local share for 2022/2023 will be 50%.
- 2.2. For authorities with increased Business Rates Retention arrangements as part of a devolution deal (as referred to in **Annex C**) that are billing authorities:
- its central share for 2022/2023 will be 0%;
 - its local share for 2022/2023 will be 100%.
- 2.3. For a London borough council and the Common Council of the City of London:
- its central share for 2022/2023 will be 33%;
 - its local share for 2022/2023 will be 67%.

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 2022/2023 is £1,672,057,767¹³.
- 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 £1,672,057,767. A receiving authority is any billing authority or major precepting authority¹⁴.
- 3.4. The amount of the Revenue Support Grant that is to be distributed to local policing bodies¹⁵ 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) 2022/2023.
- 3.5. The amount of the Revenue Support Grant that is to be distributed to Mayoral Combined Authorities¹⁶ 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 body¹⁷ the Improvement and Development Agency for Local Government (IDeA).
- 3.7. The amount of the Revenue Support Grant that is to be distributed to authorities with increased Business Rates Retention arrangements is zero. The value of the Revenue Support Grant forgone will be taken into account in setting revised tariffs and top-ups.

¹³ This figure excludes any Revenue Support Grant forgone by authorities with increased Business Rates Retention arrangements for 2022/2023. The total amount of Revenue Support Grant for 2022/2023 that would have been determined under 50% Business Rates Retention is £2,406,520,287.

¹⁴ Each of the following is a major precepting authority as defined in 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”);
- (v) a fire and rescue authority created by order under section 4A of the Fire and Rescue Services Act 2004 (a “Police and Crime Commissioner fire and rescue authority”);
- (vi) the Greater London Authority;
- (vii) a mayoral combined authority, as defined by section 107A(8) of the Local Democracy, Economic Development and Construction Act 2009.

¹⁵ 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 Mayor’s Office for Policing and Crime is a functional body of the Greater London Authority (see section 424(1) of the Greater London Authority Act 1999).

¹⁶ 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.

¹⁷ 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. There is currently only one such body.

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 2022/2023 under Part 5 of the 1988 Act.
- 4.2. The Secretary of State will first make a specific allocation for the Council of the Isles of Scilly (Part A).
- 4.3. The Secretary of State will secondly distribute the funding to all other receiving authorities apart from authorities with increased Business Rates Retention arrangements. This distribution will ensure a percentage increase in Revenue Support Grant equal to the change in the Consumer Price Index between September 2020 and September 2021 (Part B).

Part A – Council of the Isles of Scilly

- 4.4. From the amount of Revenue Support Grant which the Secretary of State will pay to receiving authorities, the Secretary of State will pay £1,937,102 with respect to the Council of the Isles of Scilly¹⁸.

Part B – Main distribution

Basis of calculation

- 4.5. Services provided by local authorities 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**.
- 4.6. The upper-tier element of Revenue Support Grant for 2022/2023 is to support upper-tier services. 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.

¹⁸ The Council of the Isles of Scilly is treated as a special case due to the size and unique nature of the authority. The amount of Revenue Support Grant for 2022/2023 includes the new elements as set out in paragraph 4.15.

4.7. The lower-tier element of Revenue Support Grant for 2022/2023 is to support lower-tier services. The lower-tier element is calculated for the following classes of authority:

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

4.8. The fire and rescue element of Revenue Support Grant for 2022/2023 is to support fire and rescue services. 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,
Police and Crime Commissioner fire and rescue authorities.

4.9. The GLA other services element of Revenue Support Grant for 2022/2023 is to support services supplied by the Greater London Authority other than fire and rescue and policing services.

4.10. The London policing element of Revenue Support Grant for 2022/2023 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.

4.11. The Revenue Support Grant for 2022/2023 for each class of authority in paragraphs **4.6**, **4.7**, **4.8**, **4.9** and **4.10** other than the Council of the Isles of Scilly, is the sum of uprated Revenue Support Grant for 2022/2023 at tier level for each authority and the new elements of Revenue Support Grant for 2022/2023.

The uprated Revenue Support Grant

4.12. The uprated Revenue Support Grant for 2022/2023, is calculated for each authority for each tier level as follows:

$$RSG_{21/22} \times (CPI_{Sept\ 2021} / CPI_{Sept\ 2020})$$

where:

$RSG_{21/22}$ is the amount of Revenue Support Grant for the authority in 2021/2022 for the tier under 50% Business Rates Retention, as set out in the final Local Government Finance Settlement 2021/2022 Key Information Tables;

$CPI_{Sept\ 2021}$ is the value of the Office of National Statistics Consumer Price Index in September 2021, which is 112.4;

$CPI_{Sept\ 2020}$ is the value of the Office of National Statistics Consumer Price Index in September 2020, which is 109.1.

4.13. The Revenue Support Grant is calculated 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,
Police and Crime Commissioner fire and rescue authorities.

4.14. For each authority in paragraph 4.13 other than the Council of the Isles of Scilly, the amount of Revenue Support Grant for 2022/2023 is as follows:

$$UT RSG_{22/23} + LT RSG_{22/23} + FR RSG_{22/23} + GLA RSG_{22/23} + LP RSG_{22/23}$$

where:

UT RSG_{22/23} is the upper-tier element of Revenue Support Grant for 2022/2023, as set out in paragraph 4.11, if any;

LT RSG_{22/23} is the lower-tier element of Revenue Support Grant for 2022/2023, as set out in paragraph 4.12, if any;

FR RSG_{22/23} is the fire and rescue element of Revenue Support Grant for 2022/2023, as set out in paragraph 4.12, if any;

GLA RSG_{22/23} is the GLA other services element of Revenue Support Grant for 2022/2023, as set out in paragraph 4.12, if any;

LP RSG_{22/23} is the London policing element of Revenue Support Grant for 2022/2023, as set out in paragraph 4.12, if any.

The new elements of Revenue Support Grant

4.15. The new elements of Revenue Support Grant for 2022/2023 is calculated for each authority as follows:

$$General NE_{22/23}^{Eng} \times SFA Shares_{13/14}^{LA}$$

where:

General NE_{22/23}^{Eng} is the total quantum of new elements being rolled into Revenue Support Grant for 2022/2023, which is £1,896,255. This is the sum of the new elements, the Individual Electoral Registration, which is £1,124,292 and the Financial Transparency of Local Authority Maintained Schools, which is £771,963;

SFA Shares^{LA}_{13/14} is the share of 2013/2014 Settlement Funding Assessment for the authority as set out in the final Local Government Finance Settlement 2013/2014 Key Information Tables.¹⁹

Final Distribution

4.16. The amount of Revenue Support Grant for 2022/2023 that is to be distributed to receiving authorities is as follows:

- For authorities with increased Business Rates Retention arrangements, zero;
- For all other authorities, the amount calculated in accordance with paragraph **4.11**.

¹⁹ The share of 2013/2014 Settlement Funding Assessment for authorities that have restructured since 2013/2014 is calculated in a manner consistent with previous Local Government Finance Reports. For Isle of Wight and Hampshire Fire's 2021/2022 restructuring, their fire tier funding for 2022/2023 has been calculated and allocated to Hampshire and Isle of Wight Fire and Rescue Authority.

5. Distribution of Baseline Funding Level

- 5.1. The Secretary of State will uprate the 2021/2022 Baseline Funding Level for each local authority in every class of authority for each tier level, other than authorities with increased Business Rates Retention arrangements, by the change in the Small Business Non-Domestic Rating Multiplier²⁰.
- 5.2. Baseline Funding Level for each authority with increased Business Rates Retention arrangements (see **Annex C**), will consist of their 2021/2022 Baseline Funding Level calculated under 50% Business Rates Retention uprated for 2022/2023, plus the value of the grant(s) that the authority will forgo in 2022/2023.
- 5.3. Services will be divided into the same groups as set out in Section 4 of this document.

Part A – Main distribution

- 5.4. The Baseline Funding Level under 50% Business Rates Retention for each authority for 2022/2023, will be equal to the Baseline Funding Level under 50% Business Rates Retention for each authority for 2021/2022.
- 5.5. The Baseline Funding Level under 50% Business Rates Retention for each authority for 2022/2023, is calculated for each tier level as follows:

$$BFL_{21/22}^{50\%} \times (SBRM_{22/23}/SBRM_{21/22})$$

where:

$BFL_{21/22}^{50\%}$ is the amount of Baseline Funding Level for the authority in 2021/2022 for the tier under 50% Business Rates Retention, as set out in the final Local Government Finance Settlement 2021/2022 Key Information Tables;

$SBRM_{22/23}$ is the 2022/2023 Small Business Non-Domestic Rating Multiplier, which is 0.499;

$SBRM_{21/22}$ is the 2021/2022 Small Business Non-Domestic Rating Multiplier, which is 0.499.

- 5.6. The Baseline Funding Level under 50% Business Rates Retention for each authority for 2022/2023 is calculated as follows:

$$UT BFL_{22/23}^{50\%} + LT BFL_{22/23}^{50\%} + FR BFL_{22/23}^{50\%} + GLA BFL_{22/23}^{50\%} + LP BFL_{22/23}^{50\%}$$

where:

²⁰ The Small Business Non-Domestic Rating Multiplier for 2022/2023 has been calculated in accordance with paragraph 3 of Schedule 7 of the 1988 Act.

- UT BFL^{50%}_{22/23}** is the upper-tier element of Baseline Funding Level for 2022/2023, as set out in paragraph **5.5**, if any;
- LT BFL^{50%}_{22/23}** is the lower-tier element of Baseline Funding Level for 2022/2023, as set out in paragraph **5.5**, if any;
- FR BFL^{50%}_{22/23}** is the fire and rescue element of Baseline Funding Level for 2022/2023, as set out in paragraph **5.5**, if any;
- GLA BFL^{50%}_{22/23}** is the GLA other services element of Baseline Funding Level for 2022/2023, as set out in paragraph **5.5**, if any;
- LP BFL^{50%}_{22/23}** is the London policing element Baseline Funding Level for 2022/2023, as set out in paragraph **5.5**, if any.

Part B – Authorities with increased Business Rates Retention

- 5.7. The authorities with increased Business Rates Retention arrangements for 2022/2023 are set out in **Annex C**.
- 5.8. For authorities with increased Business Rates Retention arrangements, the relevant grants forgone for 2022/2023 at each tier level are detailed in *Table 1*:

Table 1: Forgone grants for authorities with increased Business Rates Retention arrangements for each tier level for 2022/23.²¹

Authority	RSG	IBCF	PHG	HMCA	HMEA	ITBA	RSDG	TfLIG
Greater Manchester Combined Authority (GMCA)								
Upper-tier				X	X	X		
Fire and Rescue	X							
New elements	X							
Greater Manchester Combined Authority Area, exc GMCA								
Upper-tier	X		X					
Lower-tier	X							
New elements	X							
Liverpool City Region Combined Authority Area								

²¹ The City Region Sustainable Transport Settlements (CRSTS) consolidates four grants for Mayoral Combined Authorities from 2022/23 to 2026/27. For 2022/23 Greater Manchester Combined Authority and West of England Combined Authority will continue to forgo an amount equivalent to all the grants indicated in Table 1. The equivalent allocations for 2022/23 have been set at the same level as 2021/22 allocations.

Authority	RSG	iBCF	PHG	HMCA	HMEA	ITBA	RSDG	TfLIG
Upper-tier	X	X						
Lower-tier	X							
New elements	X							
West Midlands Combined Authority Area								
Upper-tier	X							
Lower-tier	X							
New elements	X							
West of England Combined Authority (WoECA)				X	X	X		
West of England Combined Authority Area, exc WoECA								
Upper-tier	X							
Lower-tier	X							
New elements	X							
Cornwall Council								
Upper-tier	X			X	X	X	X	
Lower-tier	X							
Fire and rescue	X							
New elements	X							
Greater London Authority								
Fire and rescue	X							
Other services	X							X
New elements	X							

where:

RSG is the *Revenue Support Grant* forgone for the tier, as set out in paragraph 4.12 above, or *new elements* as set out in paragraph 4.15 above, for 2022/23, if any;

iBCF is the *Improved Better Care Fund* forgone for 2022/23²²;

PHG is the *Public Health Grant* forgone for 2022/23;

²² <https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2022-to-2023>

- HMCA** is the *Highways Maintenance Capital Allocation* forgone for 2022/23²³;
- HMEA** is the *Highways Maintenance Efficiency Allocation* forgone for 2022/23²⁴;
- ITBA** is the *Integrated Transport Block Allocation* forgone for 2022/23²⁵;
- RSDG** is the *Rural Services Delivery Grant* forgone for 2022/23²⁶;
- TfLIG** is the *Transport for London Investment Grant* forgone for 2022/23;

5.9. The Baseline Funding Level for 2022/2023 for each authority in **Annex C**, except for West of England Combined Authority, for each tier level is calculated as follows:

$$BFL_{22/23}^{50\%} + \textit{Sum Grants for the tier}$$

where:

$BFL_{22/23}^{50\%}$ is the amount of Baseline Funding Level, if any, for the authority in 2022/2023 for the tier under 50% Business Rates Retention, as set out in paragraph **5.5**;

Sum Grants for the tier is the sum of grants forgone for each authority with increased Business Rates Retention arrangements, if any, in 2022/2023 for the tier, as set out in paragraph **5.8**.

5.10. The amount of Baseline Funding Level for 2022/2023 for each authority in **Annex C**, except for West of England Combined Authority, is calculated as follows:

$$UT BFL_{22/23}^{Increased} + LT BFL_{22/23}^{Increased} + FR BFL_{22/23}^{Increased} + GLA BFL_{22/23}^{Increased} + LP BFL_{22/23}^{Increased}$$

where:

$UT BFL_{22/23}^{Increased}$ is the upper-tier element, if any, of Baseline Funding Level for 2022/2023, as set out in paragraph **5.9**;

$LT BFL_{22/23}^{Increased}$ is the lower-tier element, if any, of Baseline Funding Level for 2022/2023, as set out in paragraph **5.9**;

²³ Highways Maintenance Capital allocations for 2022/23 have been set at the same level as 2021/22 allocations.

²⁴ Highways Maintenance Efficiency allocations for 2022/23 have been set at the same level as 2021/22 allocations.

²⁵ Integrated Transport Block allocations for 2022/23 have been set at the same level as 2021/22 allocations.

²⁶ <https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2022-to-2023>

FR BFL_{22/23}^{Increased} is the fire and rescue element, if any, of Baseline Funding Level for 2022/2023, as set out in paragraph **5.9**;

GLA BFL_{22/23}^{Increased} is the GLA other services element, if any, of Baseline Funding Level for 2022/2023, as set out in paragraph **5.9**;

LP BFL_{22/23}^{Increased} is the London Policing element, if any, of Baseline Funding Level for 2022/2023, as set out in paragraph **5.9**.

5.11. The amount of Baseline Funding Level for 2022/2023 for the West of England Combined Authority is equal to the sum of the grants forgone for 2022/2023 (***Sum Grants for the tier***) as set out in paragraph **5.8**, if any, for Bath and North East Somerset, Bristol and South Gloucestershire.

6. Tariff and top-up amounts

- 6.1. Pursuant to paragraph 12 of Schedule 7B to the 1988 Act, this section specifies the basis on which the Secretary of State intends to calculate –
- which relevant authorities are to make payments (“tariffs”) under Part 5 of Schedule 7B to the 1988 Act;
 - which relevant authorities are to receive payments (“top-ups”) under Part 5 of Schedule 7B to the 1988 Act; and
 - the amount of each such payment.
- 6.2. The Secretary of State intends to calculate the tariffs and top-ups for each local authority as set out below.

Part A – Main distribution

- 6.3. The tariff and top-up amounts under 50% Business Rates Retention for 2022/2023 will be equal to the tariff and top-up amounts under 50% Business Rates Retention for 2021/2022 for all local authorities.
- 6.4. The tariff and top-up amounts under 50% Business Rates Retention for 2022/2023 for all local authorities, will be calculated as follows:

$$T_{21/22} \times (SBRM_{22/23}/SBRM_{21/22})$$

where:

$T_{21/22}$ is the tariff or top-up amount for the authority for 2021/2022 under 50% Business Rates Retention, as set out in the final Local Government Finance Settlement 2021/2022 Key Information Tables;

$SBRM_{22/23}$ is the 2022/2023 Small Business Non-Domestic Rating Multiplier, which is 0.499;

$SBRM_{21/22}$ is the 2021/2022 Small Business Non-Domestic Rating Multiplier, which is 0.499.

- 6.5. The notional local share of Business Rates Baselines under 50% Business Rates Retention for 2022/2023 is calculated as follows:

$$BFL_{22/23}^{50\%} - T_{22/23}^{50\%}$$

where:

$BFL_{22/23}^{50\%}$ is the Baseline Funding Level under 50% Business Rates Retention for 2022/2023, as set out in paragraph 5.6;

$T_{22/23}^{50\%}$

is the tariff or top-up amount under 50% Business Rates Retention for 2022/2023, as set out in paragraph 6.4.

Part B – Authorities with increased Business Rates Retention

6.6. The 2022/2023 tariff or top-up for each authority in **Annex C**, except the West of England Combined Authority, is calculated as follows:

$$BFL_{22/23}^{Increased} - BRB_{22/23}^{Increased}$$

where:

$BFL_{22/23}^{Increased}$

is the Baseline Funding Level for 2022/2023 as set out in paragraph 5.10;

$BRB_{22/23}^{Increased}$

is the notional Business Rates Baseline for 2022/2023, which is calculated as follows:

$$BRB_{22/23}^{50\%} / Local Share_{22/23}^{50\%} \times Local Share_{22/23}^{Increased}$$

where:

$BRB_{22/23}^{50\%}$

is the Business Rates Baseline under 50% Business Rates Retention for 2022/2023, as set out in paragraph 6.5;

$Local Share_{22/23}^{50\%}$

is the authority's local share under 50% Business Rates Retention for 2022/2023, as set out in **Annex B**.

$Local Share_{22/23}^{Increased}$

is the authority's local share under increased Business Rates Retention arrangements for 2022/2023, as set out in **Annex C**.

6.7. The 2022/2023 tariff or top-up for the West of England Combined Authority is calculated as follows:

$$BFL_{22/23}^{Increased} - WoECA BRB_{22/23}^{Increased}$$

where:

$BFL_{22/23}^{Increased}$

is the Baseline Funding Level for West of England Combined Authority for 2022/2023, as set out in paragraph 5.11;

$WoECA BRB_{22/23}^{Increased}$

is the notional Business Rates Baseline for West of England Combined Authority under 100% Business Rates Retention for 2022/2023, which is calculated as follows:

$$WoECA BRB_{22/23}^{50\%} / WoECA Local Share_{22/23}^{50\%} \times Local Share_{22/23}^{Increased}$$

where:

WoECAA BRB^{50%}_{22/23} is the sum of the notional Business Rates Baselines under 50% Business Rates Retention for 2022/2023 (***BRB^{50%}_{22/23}***) for Bath and North East Somerset, Bristol and South Gloucestershire, as set out in paragraph **6.5**;

WoECAA Local Share^{50%}_{22/23} is the local share for Bath and North East Somerset, Bristol and South Gloucestershire under 50% Business Rates Retention for 2022/2023, as set out in **Annex B**;

Local Share^{Increased}_{22/23} is the West of England Combined Authority's local share under 100% Business Rates Retention for 2022/2023, as set out in **Annex C**.

7. Credit to the Levy Account

- 7.1. The Secretary of State has decided to credit the Levy Account in respect of the 2022/2023 financial year with £50 million.

8. Pooling

- 8.1. 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 has designated the pools for 2022/2023, and the pools are set out in **Annex D**. These pools will be treated as a single authority for the purposes of Part 5 and Part 7 of Schedule 7B to the 1988 Act.

9. Conclusion

- 9.1. This Report is made by the Secretary of State under paragraph 5 of Schedule 7B to the Local Government Finance Act 1988. It is laid before the House of Commons in accordance with that section.
- 9.2. The financial year to which this Report relates is that beginning on 1 April 2022. This Report may be amended by a report made under section 84A of the 1988 Act²⁷ or paragraph 15 of Schedule 7B to the 1988 Act²⁸.

Signed by authority of the Secretary of State.

February 2022

*Secretary of State
Department for Levelling Up, Housing and Communities*

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

February 2022

*Two of the Lords Commissioners
of Her Majesty's Treasury*

²⁷ 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 2012 Act.

²⁸ Schedule 7B was inserted by Schedule 1 to the 2012 Act.

Annex A – Examples of Services

The table below sets out examples of services included within each tier.

<i>Examples of services included in the Upper Tier</i>	
Adult social care	Local welfare provision
Children’s social care	Public health
Highways maintenance	Refuse disposal
Lead local flood authority services	Supporting People services including housing strategy for older people
Libraries	Trading Standards
Local authority central education functions	Youth and Community Services
Local transport services	
<i>Examples of services included in the Lower Tier</i>	
Building regulations	Parking
Council Tax collection	Planning
Environmental health	Recreation
Homelessness prevention	Refuse Collection
Housing services	Registration of electors
Museums and galleries	
<i>Services included in Fire and Rescue</i>	
Fire and Rescue	
<i>Services included in Other GLA services</i>	
GLA general funding	London Bus Services Operators
GLA Transport funding ²⁹ for the Baseline Funding Level only	Funding for the Baseline Funding Level only

- A1. In addition, funding is included within each tier 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 tier 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.

²⁹ 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 – Local Share

The table below sets out the local share for each class of authority under 50% Business Rates Retention.

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

Annex C – Authorities with Increased Business Rates Retention Arrangements

Authorities with increased Business Rates Retention arrangements for 2022/2023. The table below provides the local share for each authority.

Area	Local authorities	Local Share ³⁰
Cornwall Council	Cornwall Council	1.00
Greater Manchester Combined Authority Area	Greater Manchester Combined Authority	0.01
	Bolton Council	0.99
	Bury Council	0.99
	Manchester City Council	0.99
	Oldham Council	0.99
	Rochdale Borough Council	0.99
	Salford City Council	0.99
	Stockport Council	0.99
	Tameside Metropolitan Borough Council	0.99
	Trafford Council	0.99
	Wigan Council	0.99
Greater London Authority	Greater London Authority	0.37
Liverpool City Region Combined Authority Area	Liverpool City Council	0.99
	St Helens Council	0.99
	Sefton Council	0.99
	Wirral Council	0.99
	Knowsley Council	0.99
	Halton Borough Council	0.99
West Midlands Combined Authority Area	Birmingham City Council	0.99
	City of Wolverhampton Council	0.99
	Coventry City Council	0.99
	Dudley Metropolitan Borough Council	0.99
	Sandwell Metropolitan Borough Council	0.99
	Solihull Metropolitan Borough Council	0.99
	Walsall Council	0.99
West of England Combined Authority Area	West of England Combined Authority	0.05
	Bath and North East Somerset Council	0.94
	Bristol City Council	0.94
	South Gloucestershire Council	0.94

³⁰ For billing authorities in the Liverpool City Region Combined Authority Area, West Midlands Combined Authority Area, and West of England Combined Authority Area, the remaining 0.01 local share is for precepting fire and rescue authorities.

Annex D – List of Pools

The table below sets out the list of pools for the year of 2022/2023.

Designated pool	Lead Local Authority	Local authorities within the pool
Cambridgeshire Business Rates Pool	South Cambridgeshire	<ul style="list-style-type: none"> • South Cambridgeshire • Cambridgeshire • Cambridgeshire Fire • East Cambridgeshire • Fenland • Peterborough
Coventry and Warwickshire Business Rates Pool	Warwickshire	<ul style="list-style-type: none"> • Warwickshire • Coventry • North Warwickshire • Nuneaton and Bedworth • Rugby • Stratford-on-Avon • Warwick
Cumbria Business Rates Pool	Cumbria	<ul style="list-style-type: none"> • Cumbria • Allerdale • Barrow-in-Furness • Carlisle • Copeland • Eden • South Lakeland
Derbyshire Business Rates Pool	Derby	<ul style="list-style-type: none"> • Derby • Amber Valley • Bolsover • Chesterfield • Derbyshire • Derbyshire Dales • Derbyshire Fire • Erewash • High Peak • North East Derbyshire • South Derbyshire

Designated pool	Lead Local Authority	Local authorities within the pool
Devon Business Rates Pool	Plymouth	<ul style="list-style-type: none"> • Plymouth • Devon • East Devon • Exeter • Mid Devon • North Devon • South Hams • Teignbridge • Torridge • Torbay • West Devon
East Sussex Business Rates Pool	Wealden	<ul style="list-style-type: none"> • Wealden • East Sussex • East Sussex Fire • Eastbourne • Hastings • Lewes • Rother
Eight Authority Business Rates Pool	City of London	<ul style="list-style-type: none"> • City of London • Barnet • Brent • Enfield • Hackney • Haringey • Tower Hamlets • Waltham Forest
Essex Business Rates Pool	Essex	<ul style="list-style-type: none"> • Essex • Basildon • Braintree • Brentwood • Castle Point • Chelmsford • Colchester • Epping Forest • Essex Fire • Harlow • Maldon • Tendring • Uttlesford • Rochford • Southend-on-Sea

Designated pool	Lead Local Authority	Local authorities within the pool
Gloucestershire Business Rates Pool	Stroud	<ul style="list-style-type: none"> • Stroud • Cheltenham • Cotswold • Forest of Dean • Gloucester • Gloucestershire • Tewkesbury
Hertfordshire Business Rates Pool	Hertfordshire	<ul style="list-style-type: none"> • Hertfordshire • East Hertfordshire • Hertsmere • North Hertfordshire • Three Rivers • Welwyn Hatfield
Kent Business Rates Pool	Maidstone	<ul style="list-style-type: none"> • Maidstone • Ashford • Dartford • Folkestone and Hythe • Gravesham • Kent • Kent Fire • Swale • Thanet • Tunbridge Wells
Lancashire Business Rates Pool	Ribble Valley	<ul style="list-style-type: none"> • Ribble Valley • Burnley • Chorley • Fylde • Hyndburn • Lancashire • Pendle • Rossendale • South Ribble • West Lancashire • Wyre
Leeds City Region Business Rates Pool	Leeds	<ul style="list-style-type: none"> • Leeds • Bradford • Calderdale • Harrogate • Kirklees • Wakefield • York

Designated pool	Lead Local Authority	Local authorities within the pool
Leicester and Leicestershire Business Rates Pool	Leicestershire	<ul style="list-style-type: none"> • Leicestershire • Blaby • Charnwood • Harborough • Hinckley and Bosworth • Leicester • Leicestershire Fire • Melton • North West Leicestershire • Oadby and Wigston
Lincolnshire Business Rates Pool	Lincoln	<ul style="list-style-type: none"> • Lincoln • Boston • East Lindsey • Lincolnshire • North Kesteven • South Holland • South Kesteven • West Lindsey
Mid Merseyside Business Rates Pool	Warrington	<ul style="list-style-type: none"> • Warrington • Halton • St Helens
North Oxfordshire Business Rates Pool	Cherwell	<ul style="list-style-type: none"> • Cherwell • Oxfordshire • West Oxfordshire
North Yorkshire Business Rates Pool	Scarborough	<ul style="list-style-type: none"> • Scarborough • Craven • Hambleton • North Yorkshire • Richmondshire • Ryedale
Norfolk Business Rates Pool	Norfolk	<ul style="list-style-type: none"> • Norfolk • Breckland • Broadland • Great Yarmouth • King's Lynn and West Norfolk • North Norfolk • Norwich • South Norfolk

Designated pool	Lead Local Authority	Local authorities within the pool
Nottinghamshire Business Rates Pool	Nottinghamshire	<ul style="list-style-type: none"> • Nottinghamshire • Ashfield • Bassetlaw • Broxtowe • Gedling • Mansfield • Newark and Sherwood • Rushcliffe
Somerset Business Rates Pool	Mendip	<ul style="list-style-type: none"> • Mendip • Sedgemoor • Somerset • South Somerset
Staffordshire and Stoke-on-Trent Business Rates Pool	Cannock Chase	<ul style="list-style-type: none"> • Cannock Chase • East Staffordshire • Lichfield • Newcastle-under-Lyme • South Staffordshire • Stafford • Staffordshire • Staffordshire Moorlands • Staffordshire Police, Fire and Crime Commissioner • Stoke-on-Trent • Tamworth
Suffolk Business Rates Pool	Suffolk	<ul style="list-style-type: none"> • Suffolk • Babergh • East Suffolk • Ipswich • Mid Suffolk • West Suffolk
Surrey and Sutton Business Rates Pool	Surrey	<ul style="list-style-type: none"> • Surrey • Elmbridge • Mole Valley • Runnymede • Surrey Heath • Sutton • Woking
West Sussex Business Rates Pool	West Sussex	<ul style="list-style-type: none"> • West Sussex • Adur • Arun • Horsham • Mid Sussex

Designated pool	Lead Local Authority	Local authorities within the pool
Worcestershire Business Rates Pool	Worcestershire	<ul style="list-style-type: none"> • Worcestershire • Bromsgrove • Hereford and Worcester Fire • Malvern Hills • Redditch • Worcester • Wychavon • Wyre Forest

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978-1-5286-3205-8