



Ministry of Housing,  
Communities &  
Local Government

# Local Government Finance Settlement 2020-21

Technical Consultation



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# Scope of the consultation

Topic of this consultation:	This consultation covers proposals for the local government finance settlement for 2020-21.
Scope of this consultation:	This consultation seeks views on proposals for the local government finance settlement for 2020-21, from representatives of local government.
Geographical scope:	These proposals relate to England only.
Impact Assessment:	Since the Government does not envisage that the proposals within this consultation document will have an impact on business, no impact assessment has been produced.

## Basic Information

To:	The consultation will be of interest to local authorities, and representative bodies for local authorities.
Body/bodies responsible for the consultation:	Local Government Finance Directorate within the Ministry of Housing, Communities and Local Government.
Duration:	This consultation will last for 4 weeks from 3 October 2019 to 31 October 2019.
Enquiries:	For any enquiries about the consultation please contact <a href="mailto:lgssettlement@communities.gov.uk">lgssettlement@communities.gov.uk</a>
How to respond:	<p>You can respond to the questions in this consultation via a pro-forma found at:  <a href="https://www.gov.uk/government/consultations/local-government-finance-settlement-2020-to-2021-technical-consultation">https://www.gov.uk/government/consultations/local-government-finance-settlement-2020-to-2021-technical-consultation</a></p> <p>If the link is inoperable, the pro-forma can also be found as an Annex to this consultation document.</p> <p>Email details and an address for written responses can be found in the pro-forma.</p>

# About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), General Data Protection Regulation, and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Ministry of Housing, Communities and Local Government is bound by the Freedom of Information Act and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Ministry of Housing, Communities and Local Government will process your personal data in accordance with the law and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included at Annex C.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

# 1. Spending Round 2019

## 1.1. Background

- 1.1.1. On 4 September 2019 the Government set out the results of the 2019 Spending Round. The Spending Round responds to the pressures councils are facing by providing access to the largest year-on-year increase in Core Spending Power in almost a decade. We estimate that under our proposals Core Spending Power will rise from £46.2 billion to £49.1 billion in 2020-21. This is an increase of £2.9 billion, or an estimated 4.3% real-terms increase.
- 1.1.2. Local authorities will be able to access £1.5bn of additional funding for adult and children's social care next year. This will support local authorities to meet rising demand and recognises the vital role that social care plays in supporting the most vulnerable people in society.
- 1.1.3. At the same time as this injection of additional funding we are protecting vital front-line services by increasing elements of core settlement funding in line with inflation, and maintaining key local government grants at 2019-20 levels.
- 1.1.4. Outside of the main Local Government Finance Settlement, local government will also see increases from wider resources made available this Spending Round. This includes High Needs funding for schools and colleges which will increase by over £700m. There will also be a real-terms increase in the Public Health Grant and the NHS contribution to the Better Care Fund will grow in line with the planned additional investment in the NHS.
- 1.1.5. This document sets out more detail on the Government's plans for allocating these resources to local authorities. Once we have considered responses we will come back to the sector with proposals in the 2020-21 Provisional Local Government Finance Settlement. We are aiming to hold the provisional settlement in December.

## 2. Local Government Finance Reforms

### 2.1. Background

2.1.1. The Government has previously announced an ambitious programme of reforms to the local government finance system. These reforms include:

- **increasing the proportion of business rates retained by the sector**, to ensure local authorities have more control over the money they raise and powerful incentives to grow and reinvest in their local economies;
- **introducing reforms to the business rates retention system**, to increase stability and certainty;
- **and reviewing the funding formula** that determines funding allocations through the annual local government finance settlement, based on a fairer and more up-to-date assessment of councils' relative needs and resources.

### 2.2. Our approach to implementing the local government finance reforms

2.2.1. We have continued to make good progress on each of these reforms, based on close collaboration with sector representatives, testing issues and progressively narrowing our focus.

2.2.2. However, with such fundamental reforms, it is essential that we allow enough time to properly engage and consult on each area before final decisions are made. Over recent months we have heard the concerns of local authorities about the need for certainty and stability to enable budget planning for the next financial year.

2.2.3. Reflecting this, the one-year Spending Round and the plans for a more substantial Spending Review exercise in time for 2021-22, we propose to implement a 'roll-forward' settlement for 2020-21, which will provide stability for the majority of funding sources for local government.

2.2.4. The Government remains committed to reforming local government finance. In 2020 the Government plans to carry out a multi-year Spending Review, which will lay the groundwork for reforms. We will continue to work towards our aim to implement these reforms in 2021-22, including a full reset of business rates retention baselines.

2.2.5. On 1 April 2017 the Government launched five initial 100% business rates retention pilots in areas with ratified devolution deals. These devolution deal pilots will continue into 2020-21.

2.2.6. As planned, other business rates retention pilots agreed for 2019-20 will finish at the end of the financial year. The Government has decided not to run further pilot arrangements for 2020-21. London will operate under the 67% business rates retention scheme as agreed in 2017-18.

## 3. Summary of Proposals

### 3.1. Background

3.1.1. To reflect the one-year Spending Round and the decision to delay major reform until 2021-22 the Government is proposing to 'roll forward' the 2019-20 local government finance settlement. There will also be significant extra resource for social care and we will protect key local government grants within the settlement.

### 3.2. Summary of proposals

3.2.1. The Government's proposed approach to the 2020-21 settlement includes:

- A new £1.41 billion Social Care Grant for adult and children's services, including £1 billion of new funding;
- uprating the 2019-20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier;
- a core council tax referendum principle of up to 2%; an adult social care precept of 2% on top of the core principle; and no referendum principles for parish councils and mayoral combined authorities;
- committing to retain the top-slice of Revenue Support Grant to fund New Homes Bonus in 2020-21 at £900 million;
- maintaining existing improved Better Care Fund funding at 2019-20 levels, as well as rolling the £240 million which was allocated as Winter Pressures Grant this year into the improved Better Care Fund, with the same distribution as this year;
- and continuing Rural Services Delivery Grant at £81 million, with all recipients receiving the same amount as in 2019-20.

## 4. Distribution of Settlement Funding Assessment

### 4.1. Summary

4.1.1. The Government proposes that 2020-21 Settlement Funding Assessments, comprised of Revenue Support Grant and Baseline Funding Levels, will be uprated in line with the change in the small business non-domestic rating multiplier. The small business non-domestic rating multiplier will be confirmed by the time of the provisional settlement.

### 4.2. Business Rates Retention

4.2.1. From April 2013, local government has been funded in part through the business rates retention scheme, ensuring that local authorities have more control over the money they raise and are able to benefit directly from supporting local business growth. When the scheme started in 2013-14, the Government committed that Baseline Funding Levels and Business Rates Baselines, which are used to determine tariffs and top-ups, would be fixed in real terms until the system was reset.

4.2.2. Given the planned delay in implementing increased business rates retention, as set out in section 2, the Government proposes not to alter the existing mechanism for determining tariff and top-up payments in 2020-21.

### 4.3. Distribution of Revenue Support Grant

4.3.1. Recognising the need to provide stability, the Government proposes to pay Revenue Support Grant to ensure all local authorities will receive a uniform change in Settlement Funding Assessment in 2020-21, uprated in line with the change in the small business non-domestic rating multiplier.

#### ***Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21?***

4.3.2. In 2019-20 the Government's approach to Settlement Funding Assessment included eliminating so-called negative RSG.<sup>1</sup>

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<sup>1</sup> Please refer to section 5.1 of the 2019-20 Local Government Finance Settlement Technical Consultation for an explanation of the issue of negative Revenue Support Grant. The document is available here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728573/Settlement\\_Technical\\_Consultation\\_2019-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728573/Settlement_Technical_Consultation_2019-20.pdf)

- 4.3.3. The Government is currently minded to pay off negative RSG again in 2020-21, using 2019-20 values of Settlement Funding Assessment as the baseline for this approach. This approach would recognise the need to provide stability to local authorities with negative RSG in 2020-21 and would be consistent with the Government's previous commitment, made during the implementation of the business rate retention scheme in 2013-14, that authorities' retained business rates baselines, which are used to determine their tariff and top-ups, would be fixed in real terms until the business rates system was reset. However, the Government also recognises that in the previous year some authorities opposed this policy, commenting that available resource should be distributed on the basis of need.
- 4.3.4. We welcome views in response to this consultation on whether eliminating negative RSG remains the right approach. For 2020-21 the Government will provide a further update at the provisional settlement once we have considered all responses to this consultation.

***Question 2: Should central government eliminate negative RSG in full through forgone business rates receipts?***

# 5. Council Tax

## 5.1. Council tax referendum principles for local authorities

5.1.1. The Government remains committed to its manifesto promise of council tax referendum principles. These principles strike a balance between giving local authorities the flexibility to determine their own level of council tax and ensuring local residents have the final say on excessive increases.

5.1.2. Following the outcome of the Spending Round, the Government proposes the following package of referendum principles for 2020-21:

- a core principle of up to 2%, applicable to shire county councils, unitary authorities, London borough councils, the Common Council of the City of London, the Council of the Isles of Scilly, the general precept of the Greater London Authority, and fire and rescue authorities, including Police and Crime Commissioner Fire and Rescue Authorities;
- an adult social care precept for local authorities with responsibility for adult social care of 2% on top of the core principle;
- no referendum principles for Mayoral Combined Authorities or town and parish councils.

5.1.3. In 2016-17, at the start of the four-year offer made to local government, the Government introduced a separate council tax referendum principle for shire districts, to address particular pressures on these authorities. This principle meant that districts could increase council tax by the core principle (2% in 2020-21) or £5, whichever is greater. The Government continued to grant this flexibility in 2017-18, 2018-19 and 2019-20.

***Question 3: Do you think that there should be a separate council tax referendum principle of 2% or £5, whichever is greater, for shire district councils in 2020-21?***

## 5.2. Council tax referendum principles for Mayoral Combined Authorities

5.2.1. Devolution deals have led to the creation of eight Mayoral Combined Authorities with powers such as transport and planning.

5.2.2. In 2018-19 and 2019-20 the Government believed that each mayor should decide the level of precept, on the expectation that they would exercise restraint and set a precept that was affordable and proportionate to their needs.

5.2.3. In 2020-21 seven Combined Authority mayors have powers to raise additional resources to meet the costs of their functions through a precept on local council tax bills, with the agreement of the Combined Authority. The Government does not propose to set council tax referendum principles for Mayoral Combined Authorities in 2020-21.

### **5.3. Council tax referendum principles for town and parish councils**

5.3.1. In 2018-19, the Government announced it did not intend to set referendum principles for town and parish councils for three years. This period ends in 2020-21. This was contingent on:

- the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or through “invest to save” projects which are intended to lower on-going costs; and
- the Government seeing clear evidence of restraint in the increases set by the sector.

5.3.2. In 2019-20 the average Band D parish precept is £67.18, an increase of 4.9%. This is the same percentage increase as in 2018-19 and compares to an increase of 6.3% in 2015-16. The Government remains concerned about the pressure placed on taxpayers from thousands of town and parish councils across England and expects them to exercise even greater restraint in 2020-21.

5.3.3. On this basis, the Government proposes to continue with no referendum principles for town and parish councils in 2020-21 but will keep this matter under active review for future years.

### **5.4. Next steps**

5.4.1. In reaching a decision on referendum principles for 2020-21 the Government will consider all responses to this consultation, as well as the overall amount of funding available and pressure on individual households. We will provide an update alongside the provisional settlement. A proposal for Police and Crime Commissioner precept referendum limits for policing will be put forward at the provisional police funding settlement.

***Question 4: Do you have views on the proposed package of council tax referendum principles for 2020-21?***

## 6. Distribution of Additional Resources

### 6.1. Social Care Funding

- 6.1.1. The Government is committed to addressing social care pressures. At Spring Budget 2017, an additional £2 billion over three years was provided for adult social care. In addition, at Autumn Budget 2018, the Government announced £650 million extra funding in 2019-20 for local authorities to help deliver the services communities need and to support the most vulnerable residents.
- 6.1.2. For 2020-21 the Government is proposing to protect all social care grants from 2019-20 as well as providing £1 billion in new grant funding.

#### *Social Care Grant*

- 6.1.3. For 2020-21 the Government is proposing a new Social Care Grant of £1.41 billion for adult and children's services. Of this, £410 million is a direct continuation of 2019-20 Social Care Support Grant, with an injection of £1 billion of new funding.
- 6.1.4. In line with the 2019-20 Social Care Support Grant, we propose to use the existing Adult Social Care Relative Needs Formula as the basis for distribution of the grant, with £1,260m of direct allocations plus an equalisation component. We propose to use the remaining £150m to equalise the impact of the distribution of the adult social care council tax precept, using the current improved Better Care Fund equalisation methodology,
- 6.1.5. A table of indicative allocations for the Social Care Grant is at Annex B along with a more detailed methodology note. This grant will not be ringfenced, and conditions or reporting requirements will not be attached. We are also not prescribing how much of it should be spent on adult social care and how much should be spent on children's social care.

#### ***Question 5: Do you agree with the Government's proposals for social care funding in 2020-21?***

### 6.2. Improved Better Care Fund

- 6.2.1. The purpose of the improved Better Care Fund (iBCF) is to meet adult social care needs, reduce pressure on the NHS and ensure that the local social care provider market is supported. It was first announced in the 2015 Spending Review and is paid as a direct grant to local government, with a condition that it is pooled into the

Better Care Fund (BCF). The iBCF grant allocations were increased at Spring Budget 2017 with an additional £2 billion funding. This additional funding was also pooled into the Better Care Fund over the period 2017-18 to 2019-20. The condition that the iBCF must be pooled into the Better Care Fund will continue in 2020-21.

- 6.2.2. Reflecting the one-year Spending Round and the proposals for a roll-forward settlement, the Government proposes to continue existing iBCF funding at 2019-20 levels (£1.837 billion), using the same methodology as 2019-20.
- 6.2.3. The Government provided £240 million in 2019-20 through a Winter Pressures Grant which was ringfenced for use by local authorities to alleviate winter pressures on the NHS. The Government proposes that, in 2020-21, this £240 million will not be ringfenced for that purpose. It will instead be rolled into the iBCF; and allocated using the existing Adult Social Care Relative Needs Formula, as in 2019-20.

***Question 6: Do you agree with the Government's proposals for iBCF in 2020-21?***

**6.3. Better Care Fund 2020-21**

- 6.3.1. The Government remains committed to the integration of health and social care and can confirm that the Better Care Fund (BCF) will continue into 2020-21. As well as announcing continued iBCF funding, the Spending Round announced that the NHS contribution to adult social care through the BCF will increase by 3.4% in real terms in 2020-21. As the NHS works with local government on plans for enhanced and improved Primary and Community services, they should also be working together on continued integration of health and social care, as well as alignment to wider local government services such as housing. Details of the BCF for 2020-21 will be issued in due course.

**6.4. New Homes Bonus**

*Background*

- 6.4.1. The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. Over £7.9 billion has been allocated to local authorities to reward additional housing supply.
- 6.4.2. Although it was successful in encouraging authorities to support housing growth, New Homes Bonus did not originally reward those authorities who are the most open to growth. In December 2016, following consultation, the Government announced reforms to New Homes Bonus as follows:

- reduction of the number of years New Homes Bonus payments are made (legacy payments) from 6 to 5 years in 2017-18 and to 4 years from 2018-19;
- introduction of a national baseline for housing growth of 0.4% of council tax base (weighted by band) from 2017-18, below which New Homes Bonus will not be paid.

#### *New Homes Bonus in 2020-21*

- 6.4.3. As part of our roll-forward settlement the Government proposes to retain the £900 million top-slice of Revenue Support Grant to fund New Homes Bonus payments in 2020-21. In addition to funding legacy payments associated with previous allocations, the Government is minded to make a new round of allocations for 2020-21.
- 6.4.4. New Homes Bonus calculations are based on additional housing stock reported through council tax base statistics published in November. For any new allocations made in 2020-21 the Government will retain the option of adjusting the baseline in 2020-21 to reflect significant additional housing growth and spending limits. The Government will set out proposals on the baseline for 2020-21 at the provisional settlement alongside any new allocations. Any funding intended for New Homes Bonus payments in 2020-21 that is not used for this purpose will be returned to local government.
- 6.4.5. It is the Government's intention to look again at the New Homes Bonus and explore the most effective way to incentivise housing growth. We will consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020-21 subject to the 2020 Spending Review and potential new proposals, any new allocations in 2020-21 will not result in legacy payments being made in subsequent years on those allocations.

***Question 7: Do you agree that there should be a new round of 2020-21 New Homes Bonus allocations for 2020-21, or would you prefer to see this funding allocated for a different purpose, and if so how should the funding be allocated?***

#### **6.5. Rural Services Delivery Grant**

- 6.5.1. In recognition of additional cost pressures in rural areas, the Government proposes to roll-forward 2019-20 allocations of Rural Services Delivery Grant, totalling £81 million.
- 6.5.2. 2019-20 allocations were distributed to the top quartile of local authorities on the basis of the 'super-sparsity' indicator, which ranks authorities by the proportion of

the population which is scattered widely, using Census data and weighted towards the authorities with the sparsest populations.

***Question 8: Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?***

## 7. Equalities impacts of these proposals

7.1.1. Equality statements have been published for every year of the multi-year settlement, including 2019-20. Any representations made in response to this consultation will be used to inform the equalities statement to be published at the time of the 2020-21 provisional settlement.

***Question 9: Do you have any comments on the impact of the proposals for the 2020-21 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.***

# Annex A: Summary of consultation questions

**Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21?**

**Question 2: Should central government eliminate negative RSG in full through forgone business rates receipts?**

**Question 3: Do you think that there should be a separate council tax referendum principle of 2% or £5, whichever is greater, for shire district councils in 2020-21?**

**Question 4: Do you have views on the proposed package of council tax referendum principles for 2020-21?**

**Question 5: Do you agree with the Government's proposals for social care funding in 2020-21?**

**Question 6: Do you agree with the Government's proposals for iBCF in 2020-21?**

**Question 7: Do you agree that there should be a new round of 2020-21 New Homes Bonus allocations for 2020-21, or would you prefer to see this funding allocated for a different purpose, and if so how should the funding be allocated?**

**Question 8: Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?**

**Question 9: Do you have any comments on the impact of the proposals for the 2020-21 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.**

# Annex B: Social Care Grant Indicative Allocations and Equalisation Methodology

The proposed equalisation methodology for Social Care Grant in 2020-21 is based on identifying the total potential new resource for social care to be equalised.

This is the sum of the additional grant funding to be used for equalisation (in this case £150m) plus the total potential increase in council tax precept income in that year as a result of the proposed 2% Adult Social Care precept referendum principle (approximately £500m). This amount is then allocated between authorities on the basis of the Relative Needs Formula.

The amount for each local authority is then reduced by its potential council tax precept income.

The resulting figure is then essentially that authority's share of the equalisation amount (£150m).

However, for a small number of authorities, the precept income exceeds the needs share, and in these cases the equalisation component of the grant is set to zero and the authority concerned retains the potential council tax resources in excess of their calculated needs share.

This results in turn in a grant total for equalisation which exceeds £150m; to reduce this to the required level, the grant payments for each authority are reduced, by amounts in proportion to the figure for each authority. The resulting amounts are shown in the second column of the table below and are added to the other grant components to give the overall total. From this, all authorities receive over 97% of their needs-based share of the total new resources.

**Social Care Grant 2020-21: Indicative Allocations**

<b>Authority</b>	<b>Element used to equalise for 2% ASC precept flexibility</b>	<b>Remaining new funding, using 2013-14 ASC RNF</b>	<b>Rollover of 2019-20 Social Care Support Grant</b>	<b>Total 2020-21 Social Care Grant</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
<b>England</b>	<b>150,000,000</b>	<b>850,000,000</b>	<b>410,000,000</b>	<b>1,410,000,000</b>
Barking and Dagenham	1,077,159	3,233,759	1,559,813	<b>5,870,731</b>
Barnet	243,671	5,126,523	2,472,794	<b>7,842,988</b>
Barnsley	1,291,901	4,386,003	2,115,602	<b>7,793,506</b>
Bath & North East Somerset	99,139	2,584,541	1,246,661	<b>3,930,341</b>
Bedford	-	2,198,710	1,060,554	<b>3,259,264</b>
Bexley	232,651	3,287,993	1,585,973	<b>5,106,618</b>
Birmingham	7,344,917	19,834,379	9,567,171	<b>36,746,468</b>
Blackburn with Darwen	911,523	2,707,308	1,305,878	<b>4,924,710</b>
Blackpool	1,177,496	3,200,550	1,543,795	<b>5,921,841</b>
Bolton	1,342,933	4,923,279	2,374,758	<b>8,640,971</b>
Bournemouth, Christchurch & Poole*	441,248	6,197,541	2,985,959	<b>9,624,749</b>
Bracknell Forest	-	1,281,502	618,136	<b>1,899,638</b>
Bradford	2,024,698	8,135,950	3,924,399	<b>14,085,046</b>
Brent	1,000,158	4,756,589	2,294,354	<b>8,051,100</b>
Brighton & Hove	364,424	4,351,504	2,098,961	<b>6,814,889</b>
Bristol	1,026,241	7,183,796	3,465,125	<b>11,675,162</b>
Bromley	-	4,216,196	2,033,694	<b>6,249,890</b>
Buckinghamshire*	-	5,919,253	2,855,169	<b>8,774,422</b>
Bury	481,788	2,892,518	1,395,214	<b>4,769,520</b>
Calderdale	562,097	3,260,518	1,572,720	<b>5,395,335</b>
Cambridgeshire	221,760	8,231,033	3,970,263	<b>12,423,057</b>
Camden	1,089,170	4,553,741	2,196,510	<b>7,839,421</b>
Central Bedfordshire	-	3,066,985	1,479,369	<b>4,546,354</b>

Cheshire East	-	5,137,675	2,478,173	<b>7,615,848</b>
Cheshire West & Chester	183,950	5,196,400	2,506,499	<b>7,886,849</b>
City of London	-	172,800	83,351	<b>256,151</b>
Cornwall	1,378,248	9,893,235	4,772,031	<b>16,043,514</b>
Coventry	1,287,789	5,493,344	2,649,731	<b>9,430,864</b>
Croydon	75,137	4,963,076	2,393,954	<b>7,432,167</b>
Cumbria	1,815,168	8,879,744	4,283,171	<b>14,978,083</b>
Darlington	321,159	1,774,984	856,169	<b>2,952,312</b>
Derby	1,020,142	4,067,849	1,962,139	<b>7,050,129</b>
Derbyshire	2,897,426	12,846,708	6,196,648	<b>21,940,782</b>
Devon	1,388,650	12,663,344	6,108,201	<b>20,160,195</b>
Doncaster	1,635,278	5,347,491	2,579,378	<b>9,562,147</b>
Dorset*	-	6,044,757	2,919,150	<b>8,963,907</b>
Dudley	1,573,930	5,530,739	2,667,768	<b>9,772,437</b>
Durham	2,833,674	9,995,914	4,821,558	<b>17,651,147</b>
Ealing	924,417	5,020,555	2,421,679	<b>8,366,651</b>
East Riding of Yorkshire	439,626	5,121,138	2,470,196	<b>8,030,959</b>
East Sussex	1,055,898	9,157,513	4,417,153	<b>14,630,565</b>
Enfield	848,733	4,599,334	2,218,502	<b>7,666,569</b>
Essex	2,174,750	20,964,875	10,112,469	<b>33,252,095</b>
Gateshead	1,110,784	4,013,716	1,936,028	<b>7,060,528</b>
Gloucestershire	702,999	8,960,361	4,322,057	<b>13,985,417</b>
Greenwich	1,434,191	4,711,396	2,272,556	<b>8,418,144</b>
Hackney	1,911,327	4,976,053	2,400,214	<b>9,287,594</b>
Halton	651,498	2,263,593	1,091,851	<b>4,006,942</b>
Hammersmith and Fulham	1,134,408	3,252,600	1,568,901	<b>5,955,908</b>
Hampshire	-	16,838,843	8,122,265	<b>24,961,108</b>
Haringey	930,749	4,066,550	1,961,512	<b>6,958,811</b>
Harrow	47,296	3,434,809	1,656,790	<b>5,138,895</b>

Hartlepool	468,058	1,774,812	856,086	<b>3,098,957</b>
Havering	170,533	3,561,794	1,718,042	<b>5,450,369</b>
Herefordshire	251,872	3,118,840	1,504,382	<b>4,875,094</b>
Hertfordshire	-	14,642,720	7,062,959	<b>21,705,679</b>
Hillingdon	430,480	3,687,256	1,778,559	<b>5,896,295</b>
Hounslow	523,401	3,539,335	1,707,209	<b>5,769,946</b>
Isle of Wight	300,925	2,714,387	1,309,293	<b>4,324,605</b>
Isles of Scilly	629	44,841	21,630	<b>67,100</b>
Islington	1,430,736	4,554,190	2,196,727	<b>8,181,653</b>
Kensington and Chelsea	542,486	3,069,937	1,480,793	<b>5,093,216</b>
Kent	2,003,602	21,832,371	10,530,908	<b>34,366,881</b>
Kingston upon Hull	1,996,455	5,145,840	2,482,111	<b>9,624,405</b>
Kingston upon Thames	-	2,030,009	979,181	<b>3,009,190</b>
Kirklees	1,266,544	6,587,080	3,177,297	<b>11,030,921</b>
Knowsley	1,412,938	3,460,406	1,669,137	<b>6,542,481</b>
Lambeth	1,416,041	5,344,078	2,577,732	<b>9,337,852</b>
Lancashire	4,446,134	19,543,454	9,426,843	<b>33,416,432</b>
Leeds	2,272,701	11,725,500	5,655,829	<b>19,654,030</b>
Leicester	1,726,110	5,573,657	2,688,470	<b>9,988,237</b>
Leicestershire	349,128	8,550,459	4,124,339	<b>13,023,927</b>
Lewisham	1,252,963	4,844,582	2,336,798	<b>8,434,343</b>
Lincolnshire	2,803,393	11,928,156	5,753,581	<b>20,485,129</b>
Liverpool	4,002,239	10,473,090	5,051,726	<b>19,527,055</b>
Luton	549,673	2,791,275	1,346,380	<b>4,687,328</b>
Manchester	3,567,145	9,442,260	4,554,502	<b>17,563,906</b>
Medway	253,039	3,534,127	1,704,697	<b>5,491,863</b>
Merton	131,240	2,648,847	1,277,679	<b>4,057,767</b>
Middlesbrough	838,065	2,684,362	1,294,810	<b>4,817,237</b>
Milton Keynes	62,256	3,216,109	1,551,300	<b>4,829,665</b>

Newcastle upon Tyne	1,666,547	5,315,442	2,563,919	<b>9,545,908</b>
Newham	2,101,439	5,200,629	2,508,539	<b>9,810,607</b>
Norfolk	2,817,272	14,799,485	7,138,575	<b>24,755,332</b>
North East Lincolnshire	693,434	2,761,473	1,332,004	<b>4,786,911</b>
North Lincolnshire	519,845	2,694,922	1,299,903	<b>4,514,670</b>
North Somerset	250,621	3,272,307	1,578,407	<b>5,101,334</b>
North Tyneside	794,124	3,651,730	1,761,423	<b>6,207,278</b>
North Yorkshire	324,562	8,583,586	4,140,318	<b>13,048,466</b>
Northamptonshire	1,040,162	9,623,090	4,641,726	<b>15,304,977</b>
Northumberland	457,683	5,388,477	2,599,148	<b>8,445,308</b>
Nottingham	1,655,068	5,489,681	2,647,964	<b>9,792,714</b>
Nottinghamshire	1,869,848	12,491,707	6,025,412	<b>20,386,967</b>
Oldham	1,062,263	3,975,005	1,917,355	<b>6,954,622</b>
Oxfordshire	-	8,115,922	3,914,739	<b>12,030,661</b>
Peterborough	512,725	2,810,883	1,355,838	<b>4,679,447</b>
Plymouth	1,111,659	4,547,870	2,193,679	<b>7,853,208</b>
Portsmouth	716,866	3,153,561	1,521,129	<b>5,391,556</b>
Reading	-	2,016,987	972,900	<b>2,989,887</b>
Redbridge	538,831	3,952,416	1,906,459	<b>6,397,706</b>
Redcar and Cleveland	631,656	2,550,797	1,230,384	<b>4,412,837</b>
Richmond upon Thames	-	2,340,482	1,128,938	<b>3,469,420</b>
Rochdale	1,106,484	3,925,436	1,893,446	<b>6,925,365</b>
Rotherham	1,330,479	4,764,558	2,298,199	<b>8,393,236</b>
Rutland	-	480,676	231,855	<b>712,531</b>
Salford	1,206,536	4,666,741	2,251,016	<b>8,124,292</b>
Sandwell	2,615,103	6,544,745	3,156,877	<b>12,316,725</b>
Sefton	1,309,277	5,400,635	2,605,012	<b>9,314,924</b>
Sheffield	2,660,789	9,581,141	4,621,492	<b>16,863,423</b>
Shropshire	565,317	4,936,458	2,381,115	<b>7,882,889</b>

Slough	176,941	1,825,563	880,565	<b>2,883,069</b>
Solihull	214,870	3,082,511	1,486,858	<b>4,784,239</b>
Somerset	1,592,911	8,845,550	4,266,677	<b>14,705,138</b>
South Gloucestershire	-	3,311,620	1,597,369	<b>4,908,989</b>
South Tyneside	1,135,510	3,241,548	1,563,570	<b>5,940,628</b>
Southampton	871,285	3,929,075	1,895,201	<b>6,695,561</b>
Southend-on-Sea	534,870	2,918,335	1,407,667	<b>4,860,871</b>
Southwark	1,769,007	5,562,710	2,683,190	<b>10,014,908</b>
St Helens	995,834	3,410,114	1,644,878	<b>6,050,826</b>
Staffordshire	2,244,441	12,544,457	6,050,856	<b>20,839,754</b>
Stockport	278,011	4,544,721	2,192,160	<b>7,014,892</b>
Stockton-on-Tees	430,669	2,993,553	1,443,949	<b>4,868,171</b>
Stoke-on-Trent	1,698,807	4,717,131	2,275,322	<b>8,691,260</b>
Suffolk	2,061,254	11,550,789	5,571,557	<b>19,183,600</b>
Sunderland	2,018,038	5,552,545	2,678,287	<b>10,248,871</b>
Surrey	-	14,147,673	6,824,172	<b>20,971,845</b>
Sutton	-	2,611,208	1,259,524	<b>3,870,732</b>
Swindon	-	2,724,446	1,314,145	<b>4,038,591</b>
Tameside	1,138,382	4,087,211	1,971,478	<b>7,197,071</b>
Telford and the Wrekin	672,523	2,742,279	1,322,746	<b>4,737,548</b>
Thurrock	388,454	2,316,974	1,117,599	<b>3,823,026</b>
Torbay	766,269	2,934,553	1,415,490	<b>5,116,312</b>
Tower Hamlets	1,676,113	5,188,416	2,502,648	<b>9,367,178</b>
Trafford	492,697	3,349,371	1,615,579	<b>5,457,646</b>
Wakefield	1,434,886	5,839,767	2,816,829	<b>10,091,482</b>
Walsall	1,270,480	5,071,046	2,446,034	<b>8,787,560</b>
Waltham Forest	729,460	3,855,784	1,859,849	<b>6,445,094</b>
Wandsworth	2,073,776	4,595,157	2,216,487	<b>8,885,420</b>
Warrington	230,364	2,917,403	1,407,218	<b>4,554,985</b>

Warwickshire	-	7,914,152	3,817,415	<b>11,731,567</b>
West Berkshire	-	1,774,012	855,700	<b>2,629,712</b>
West Sussex	-	11,699,725	5,643,397	<b>17,343,122</b>
Westminster	2,208,658	4,686,189	2,260,397	<b>9,155,244</b>
Wigan	1,765,260	5,639,122	2,720,047	<b>10,124,429</b>
Wiltshire	-	6,456,684	3,114,401	<b>9,571,085</b>
Windsor and Maidenhead	-	1,687,452	813,947	<b>2,501,399</b>
Wirral	1,810,692	6,376,310	3,075,632	<b>11,262,634</b>
Wokingham	-	1,422,295	686,048	<b>2,108,343</b>
Wolverhampton	1,467,437	4,875,024	2,351,482	<b>8,693,943</b>
Worcestershire	983,633	8,445,547	4,073,734	<b>13,502,914</b>
York	130,891	2,591,794	1,250,159	<b>3,972,844</b>

\* Under the proposed methodology, the indicative allocations for Bournemouth, Christchurch & Poole, Buckinghamshire and Dorset are subject to change because of restructuring. We will consult with these local authorities on the most appropriate allocations and take into account both the new restructures and updated data sets when making proposals for Social Care Grant allocations at the provisional settlement.

Depending on the final allocation decisions for the above local authorities, this may marginally change the allocations for all local authorities.

# Annex C: Glossary of technical terms

## **Adult Social Care Precept**

The 'Adult Social Care precept' was first announced at Spending Review 2015. This gave authorities with adult social care responsibilities additional flexibility to increase their council tax level by a further % each year above the core referendum principle without triggering a referendum, to spend exclusively on adult social care.

## **Baseline Funding Level**

The amount of an individual local authority's Start-Up Funding Assessment for 2013-14 provided through the *local share* of the Estimated Business Rates Aggregate updated each year by the change to the small business non-domestic rating multiplier.

## **Council Tax Base**

A "tax base" is the number of Band D equivalent dwellings in a local authority area. To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums or exemptions.

## **Council Tax Referendum Principles**

These mark levels of council tax increases (either in percentage or cash terms) above which a local authority must hold a referendum which allows residents to approve or veto the increase. The comparison is made between the authority's average band D council tax level for the current financial year and the proposed average band D for the next financial year.

## **Relative Needs Formula**

Funding formulas which incorporate relevant local demographic or other data, to predict the relative demand councils face when delivering different services.

## **Revenue Support Grant**

Billing and most major precepting authorities receive Revenue Support Grant from central government in addition to their share of Business Rates Aggregate. An authority's Revenue Support Grant amount plus their share of the Estimated Business Rates Aggregate will together comprise its Settlement Funding Assessment.

## **Settlement Fund Assessment**

The Settlement Funding Assessment consists of the authority's share of business rates revenues and Revenue Support Grant. As the share of business rates has been fixed until 2021 to provide a strong incentive for local authorities to promote growth, any changes to the Settlement Funding Assessment other than adjustments for inflation can only be applied to the element of funding that is provided through Revenue Support Grant.

## **Tariffs and top-ups**

These are calculated by comparing at the outset of the business rates retention scheme an individual authority's business rates baseline against its Baseline Funding Level. Tariffs and top-ups are self-funding, fixed at the start of the scheme and index linked to the small business non-domestic rating multiplier in future years.

# Annex D: Privacy Notice

## Personal data

The following is to explain your rights and give you the information you are be entitled to under the Data Protection Act 2018.

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

### 1. The identity of the data controller and contact details of our Data Protection Officer

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at [dataprotection@communities.gov.uk](mailto:dataprotection@communities.gov.uk)

### 2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

### 3. Our legal basis for processing your personal data

The Data Protection Act 2018 states that, as a government department, MHCLG may process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

### 4. With whom we will be sharing your personal data

- Other Government Departments including:
  - Prime Minister's Office
  - Attorney General's Office
  - Cabinet Office
  - Department for Business, Energy and Industrial Strategy
  - Department for Digital, Culture, Media and Sport
  - Department for Education Department for Environment
  - Food and Rural Affairs
  - Department for Exiting the European Union
  - Department for International Development
  - Department for International Trade
  - Department for Transport
  - Department for Work and Pensions
  - Department of Health and Social Care
  - Foreign and Commonwealth Office
  - Her Majesty's Treasury
  - Home Office

- Ministry of Defence
- Ministry of Justice
- Northern Ireland Office
- Office of the Advocate General for Scotland
- Office of the Leader of the House of Commons
- Office of the Leader of the House of Lords
- Scotland Office UK
- Export Finance
- Wales Office

**5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for two years from the closure of the consultation.

**6. Your rights, e.g. access, rectification, erasure**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have all or some of your data deleted or corrected
- d. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

**7. Your personal data will not be sent overseas.**

**8. Your personal data will not be used for any automated decision making.**

**9. Your personal data will be stored in a secure government IT system.**