Local Government Association
Provisional Local Government Finance Settlement 2017/18 – On the Day Briefing
15 December 2016

Local Government Association

Introduction

The local government finance settlement is the annual determination of funding to local government. The briefing covers the consultation on the local government finance settlement for 2017/18 and indicative settlements for 2018/19 and 2019/20. The final 2017/18 settlement will be laid before the House of Commons, for its approval, in February 2017.

The full set of documents is available on the Department for Communities and Local Government's website.

The LGA has also circulated a media statement responding to today's announcement.

Key Messages

- No new money from central government has been included in the settlement. The Government has, however, created more flexibility by allowing the social care precept to rise by an additional 1 per cent in 2017/18 and 2018/19 (from 2 per cent to 3 per cent), on condition that the total increase to 2019/20 does not exceed 6 per cent. However, as the total allowable precept increase over the remaining years of the Spending Review remains the same, this flexibility does not address the £2.6 billion funding gap facing social care by the end of the decade.

- By bringing forward council tax raising powers, the Government has recognised the LGA's call for the urgent need to help councils tackle some of the immediate social care pressures they face. However, this shifts the burden of tackling a national crisis onto councils and their residents.

- The measures announced in today's settlement will help in part but fall well short of what is needed to fully protect the care services for elderly and vulnerable people today and in the future. In addition, increasing the precept raises different amounts of money for social care in different parts of the country unrelated to need and will add an extra financial burden on already struggling households.

- Councils, the NHS, charities and care providers have been clear both before and since the Autumn Statement about the need for an urgent injection of genuinely new additional Government funding to protect care services for elderly and disabled people. Given this unified call for action, it is hugely disappointing that today's settlement has failed to find any new money to tackle the growing crisis in social care.

Briefing

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- Social care should be treated as a national priority. There needs to be an urgent and fundamental review of social care and health before next year's spring Budget. Local government leaders must be part of that review. This is imperative to get a long-term, sustainable solution to the social care crisis that the most vulnerable people in our society deserve.

- Savings of £241 million from the reform of the New Homes Bonus have been allocated to social care authorities through a new Adult Social Care Support Grant. This is not new money but a redistribution of funding already promised to councils. This cannot be presented as a solution, given the scale of the funding crisis. This move will see money designed to incentivise new homes taken away from councils at a time when the Government has made boosting housebuilding a clear priority. This, as well as the introduction of a 0.4 per cent threshold, will be a source of concern to many authorities, particularly shire districts and those with lower housing growth.

- Councils still face challenging funding pressures of £5.8 billion by 2019/20. Further government funding cuts will result in local authorities up and down the country having to make significant reductions to the local services communities rely on.

- We are concerned that confirmation of the decision to cut the public health budget by £84 million could undermine the objectives we share to prevent illness, improve the public's health and to keep the pressure off adult social care and the NHS. The decision to transfer public health responsibilities to local government in 2013 was welcomed but many will now feel that they have been handed the responsibility without the appropriate resources.

- Almost all councils signed up to the offer on the four year settlement. This does provide more stability of funding and we welcome this. However, authorities have expressed concern about the 'negative Revenue Support Grant adjustment' in 2019/20. Some councils will also be concerned that core spending power figures for 2017/18 are lower than the figures included in the 2016/17 local government finance settlement due to changes in the New Homes Bonus. The late announcement of the settlement has not helped councils deal with this change.

- Business rates pilots in five areas will enable aspects of the further business rates retention system to be tested. At the same time discussions will continue between Government officials, the LGA and councils including reforming the way appeals are dealt with. We will continue to engage as the enabling legislation, the Local Growth and Jobs Bill, progresses through Parliament in 2017.

- We will continue to work with Government to help shape the details of today's announcements ensuring that the views of councils are heard and understood, and will continue to respond to all related consultations.

The Settlement in Detail

The Department for Communities and Local Government (DCLG) has announced the provisional Local Government Finance Settlement for 2017/18 and indicative settlements for 2018/19 and 2019/20.

We have provided a glossary of Local Government Finance terms which provides a brief explanation of some of the language used in this briefing. This can be found at Annex B.

Today's statement is broadly in line with the indicative figures for 2017/18 announced in the four year settlement last year with the following changes:

- A cut of £241 million in the amount for New Homes Bonus broadly in line with the consultation on reform of the Bonus with the money being put into a new Adult Social Care Support Grant, distributed in line with the Relative Needs Formula for social care. This will be paid in 2017/18 only.

- An increase in the social care precept of up to 3 per cent in 2017/18 and 2018/19 and up to 2 per cent in 2019/20. However the total increase in the precept over the three years when compared with 2016/17 will not be allowed to exceed 6 per cent.

- Five local authority areas are piloting further business rates retention. In addition the Greater London Authority will receive Transport for London capital funding through business rates rather than grant. This will have no financial effect on other authorities. Full details are expected to be included in the final Local Government Finance Settlement.

- Top-ups and tariffs for all councils have changed due to the business rates revaluation which comes into force in April 2017.

97 per cent of councils accepted the multi-year settlement offer and the Government has now written to those authorities. Barring exceptional circumstances, and subject to the normal statutory consultation process for the local government finance settlement, the Government expects to present the four year figures as already published to Parliament each year.

For those local authorities who have not accepted the multi-year offer and published an efficiency plan, the Government is only confirming funding allocations for 2017/18. The funding allocations for these authorities in 2018/19 and 2019/20 will be revisited in due course as part of the annual settlement process covering these years.

The closing date for responses to DCLG is Friday 13 January 2017. We expect the final settlement to be published in February 2017.

At the LGA's Annual Finance Conference on Thursday 5 January 2017 we will share details of further analysis of the settlement with councils. You can book your place and find out more information online.

Core Spending Power

Core Spending Power consists of:

- Revenue Support Grant;
- Retained business rates;
- Income from the New Homes Bonus;
- Income from the Improved Better Care Fund;
- Income from the Rural Services Delivery Grant;
- Income from the Transition Grant;
- Income from the 2017/18 Adult Social Care Support Grant;
- Income from council tax assuming that the tax base grows, councils increase council tax by the 2 per cent basic referendum limit, a 2 per cent social care precept in each year and additional flexibility for shire districts and police and crime commissioners.

The Government figures indicate that Core Spending Power in accordance with this definition will fall by an average 1.1 per cent in 2017/18 assuming the council tax flexibilities as set out above. The change over the whole Spending Review period is 0.4 per cent.

Detailed core spending power figures are included in Annex A.

There are no changes to the proposed distribution of Revenue Support Grant (RSG) in 2017/18. The Government will continue to pay a Transition Grant to those authorities which were affected by the change in methodology for distributing RSG implemented in 2016/17. It will also pay an additional £241 million to social care authorities in 2017/18, distributed in line with the Relative Needs Formula for adult social care.

According to the Government's figures there is still a 'negative RSG' for some authorities in 2019/20. This adjustment could be made through the top-up and tariff system.

New Homes Bonus

The provisional amount of £1.252 billion for the New Homes Bonus (NHB) has been included in Core Spending Power in 2017/18. This is a reduction of £241 million when compared to the indicative figures included in core spending power for 2017/18 published with the 2016/17 settlement in February 2016. The bonus will be funded through £93 million in specific grant with the rest in top-sliced funding, expected to be £1.159 billion.

The Government has confirmed the following changes to the New Homes Bonus following the consultation published at the time of the 2016/17 provisional settlement on 17 December 2015:

- Reducing the length of time that the bonus is paid from six years to five years in 2017/18. This will be followed by a further reduction to four years in

2018/19 and thereafter.

- The introduction of a 0.4 per cent baseline to threshold NHB payments. This will mean that local authorities will need to achieve growth of greater than 0.4 per cent before they receive any NHB funding. This is higher than the threshold consulted upon this year and the Government may change this threshold in future years if there is a significant increase in housing growth.

- The Government will not be introducing the proposed measures to withhold payments in 2017/18 for local authorities that have not submitted their local plan but the Government will revisit this from 2018/19. The Government intends to withhold payments for residential development that has been allowed on appeal but this will apply from 2018/19.

LGA view:

- The NHB makes up a considerable part of funding for some authorities particularly shire district authorities. The reduction is intended to deliver savings to fund increases to the Improved Better Care Fund. However, for many authorities this leads to a net reduction in resources not helped by the fact the changes have been announced so close to the start of the 2017/18 financial year.

- The introduction of a baseline could remove any incentive to grow in relatively low growth areas and penalises areas with limited opportunity to grow.

- We will respond to any consultation on further changes to the NHB when it is published but in many cases delays in adopting a local plan are beyond the control of the council so it is unfair to penalise authorities for failure to submit a local plan. We are further concerned that the proposal to remove payments from developments allowed on appeal will unfairly prejudice the planning process.

- Councils and the house building industry are united in their call for adequately resourced planning departments. Currently, year-on-year, taxpayers are subsidising approximately 30 per cent of the estimated cost of processing all planning applications in England because nationally set planning fees do not cover the full costs. Locally set planning fees would enable local authorities to deliver responsive council planning services that are crucial to growth and building the homes we need.

- We call on the Government to fully engage councils in the shaping of the Housing White Paper, which we hope to be published in January.

Business rates

A number of areas are piloting further business rates retention. These are Greater Manchester, Liverpool City Region, Cornwall Council, the Combined Authorities of the West of England and the West Midlands. Additionally the Transport for London capital grant will be paid to the Greater London Authority through retained business rates rather than grant. Adjustments will be made to the tariff and top-ups of these authorities. Full details are expected to be published at the time of the final settlement. It should be noted that as the pilots are currently being finalised the detailed figures for Revenue Support Grant and retained business rates given in the provisional settlement do not take account of the pilots. The pilots will not impact on non-pilot authorities.

All top-ups and tariffs have been recalculated in line with the draft list following the 2017 business rates revaluation. This is broadly in line with the proposals in the technical consultation document for the 2017/18 settlement with a couple of changes. Firstly including the value of section 31 grants to authorities which are paid to compensate for changes to the rating system in successive Autumn Statements, and secondly adjusting the calculation to take account of inflation only after the revaluation adjustment to tariff and top-ups has been made. The government has not made an adjustment for the effect on the rateable value of charities changing out of line from the general change in rateable value but will keep this under review and will consider further adjustments for the 2018-19 settlement.

The following table shows the change to the business rates multiplier:

2016/17 small business rates multiplier	48.4p
2016/17 multiplier used to recalculate top-ups and tariffs	43.6p
plus September 2016 RPI increase; 2.0 per cent	0.9p
plus Adjustment for appeals in the 2017 list	2.1p
equals 2017/18 small business rates multiplier	46.6p
2017/18 national business rates multiplier	47.9p

DCLG is consulting on 29 proposals for pools in 2017/18, the same number as in 2016/17.

The work programme to introduce further business rates retention by the end of the Parliament is continuing. The Government is expected to publish a further technical consultation in due course and the Secretary of State confirmed that they intend to introduce a Bill into Parliament early in 2017.

LGA view:

- The LGA and the sector have been engaging extensively in discussions with the Government on the implementation of further business rates retention and we look forward to this continuing.

- We welcome the fact that certain aspects of further retention can be tested through early adoption of further business rates retention in some areas and look forward to seeing the detail of this in the final settlement. At the same time it is important that this does not affect other authorities now or when full business rates retention is implemented.

- The Government has recalculated top-ups and tariffs for 2017/18 to ensure, as far as practicable, that there are no windfall gains or losses due to the 2017 revaluation. We welcome the fact that the Government will revisit the methodology in 2018/19 in the light of final figures. This will allow any concerns authorities have to be dealt with then.

- With the move to further business rates retention we are working with Government to find a better way to deal with business rates appeals. Separately, we call on the Government to provide resources to the Valuation Office Agency to ensure that all outstanding appeals from the 2010 rating list are dealt with by April 2018.

- We welcome that councils will continue to be fully compensated for the loss of income from the centrally imposed reliefs, such as rural rate relief and small business rate relief. However, this reduces the buoyancy of the tax base by impacting upon the amount of business rates income and the growth in business rates. This is one of the issues to discuss with the Government as we move to further business rates retention.

Council tax

The basic referendum principle for 2017/18 is proposed to be 2 per cent, with the exception of the lowest 10 Police and Crime Commissioners and all shire district authorities, for which a higher limit of either 2 per cent or £5 (on a Band D bill) applies.

Additionally, social care authorities will be able to increase their council tax by up to 3 per cent (over the existing basic referendum threshold of 2 per cent referred to above) in both 2017/18 and 2018/19 as long as increases do not exceed 6 per cent over the 3 year period. For example, councils could levy 3 per cent in 2017/18 and 2018/19 and 0 per cent in 2019/20, or 2 per cent in each year at their discretion. As with 2016/17 this adult social care precept will have to be separately itemised on council tax bills.

The Government states "councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer. Councils wishing to use the extra freedom to raise the precept by 3 per cent instead of 2 per cent in 2017/18 must also show how they plan to use this extra money to improve social care. The Government will write to adult social care authorities with further details on the conditions of the scheme in the near future."

The Government has announced that they will not be introducing referendum principles for parish and town councils, a proposal that they consulted on as part of the summer technical consultation on the 2017/18 settlement. They will keep the level of precepts set by town and parish councils under review and may introduce referendum principles in the future.

LGA view:

- More flexibility in the social care precept will go some way to providing more funding for social care authorities in 2017/18 and 2018/19 but it is not enough to close the national funding gap.

- The adult social care precept raises variable amounts of income in different areas due to differences in the tax base. In addition, the ability to collect council tax is unrelated to need.

- Councils should be free to use the social care precept without conditions imposed by the Government. If any assurance is required the Government should ensure the administrative burden of assurance on councils regarding the social care flexibility is kept to a minimum.

- A referendum on council tax increases is an unnecessary burden and real local accountability should be through the ballot box.

Adult social care

Social care authorities will be able to increase their council tax by up to 3 per cent (over the existing basic referendum threshold of 2 per cent referred to above) in both 2017/18 and 2018/19 as long as increases do not exceed 6 per cent over the 3 year period. For example, councils could levy 3 per cent in 2017/18 and 2018/19 and 0 per cent in 2019/20, or 2 per cent in each year at their discretion. As with 2016/17 this adult social care precept will have to be separately itemised on council tax bills.

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The Settlement also confirms additional funding for adult social care through a new 2017/18 adult social care support grant worth £241 million for 2017/18 only. This will be allocated using the adult social care relative needs formula. This money comes from a reduction in the New Homes Bonus (which is existing local government funding) compared to indicative figures published in February 2016.

The allocations of the improved Better Care Fund (iBCF) for the Spending Review period remain unchanged and councils will receive the first payment of £105 million in 2017/18 in line with indicative allocations published in February 2016.

The Government is using the iBCF grant as a method of equalising the relative needs for social care services and the impact of the social care council tax precept, based on an assumed precept increase of 2 per cent per year. This leads to some social care councils receiving no iBCF money in 2017/18.

The Government will soon publish an Integration and Better Care Fund Policy Framework to improve adult social care outcomes.

LGA view:

- The flexibility to raise more funding through the social care precept, and front load it, is some recognition by Government of the urgent need to tackle the immediate and significant pressures facing social care. However, as the total allowable precept increase over the remaining years of the Spending Review remains the same, this flexibility does not address the £2.6 billion funding gap facing social care by the end of the decade.

- Councils, the NHS, charities and care providers have been united about the need for an urgent injection of genuinely new additional government funding to protect services caring for elderly and disabled people. Our concerns set out in this briefing have also been echoed by partners today including NHS Clinical Commissioners, the Chair of the Communities and Local Government Select Committee, The King's Fund, the Chair of the Health Select Committee, NHS Confederation, NHS Providers, the Association of Directors of Adult Social Services, Age UK, and the Care and Support Alliance. Given the strength and unity of the care and health sector on this issue it is disappointing that the Government has failed to address this most pressing issue. It is now inevitable that services which support older and vulnerable people will remain at risk, and providers will face continued uncertainty and risks to their viability.

- The adult social care precept raises variable amounts of income in different areas due to differences in the tax base. In addition, the ability to collect council tax is unrelated to need.

- Councils should be free to use the social care precept without conditions imposed by the Government. If any assurance is required the Government should ensure the administrative burden of assurance on councils regarding the social care flexibility is kept to a minimum.

- The announcement of additional funding for social care from the New Homes Bonus is not new money and is instead a redistribution of funding already promised to councils. It is wrong to present this as a solution, given the scale of the funding crisis. This move will see money designed to incentivise new homes taken away from councils at a time when the Government has made boosting housebuilding a clear priority. This will be a source of concern to many authorities, particularly shire districts. Early analysis suggests some social care authorities might be worse off because of the switch.

- Social care should be treated as a national priority. There needs to be an urgent and fundamental review of social care and health before next year's spring Budget. Local government leaders, who are responsible for social care in their local community, must be part of that review. This is imperative to get a long-term, sustainable solution to the social care crisis that the most vulnerable people in our society deserve.

Public health

Alongside the local government finance settlement, the Department for Health published final allocations of the public health grant for 2017/18. The announcement confirms indicative allocations published in February 2016.

The grant will be worth £3.3 billion, a reduction of £84 million from 2016/17. This follows a £77 million reduction in 2016/17 and a £200 million in-year cut in 2015/16.

LGA view:

- We are concerned that confirmation of the decision to cut the public health budget by £84 million could undermine the objectives we share to prevent illness, improve the public's health and to keep the pressure off adult social care and the NHS. To take vital money away from the services which can be used to prevent illness, reduce the need for treatment later down the line, and would ease pressure on the NHS is extremely counterproductive.

- The decision to transfer public health responsibilities to local government in 2013 was welcomed but many will now feel that they have been handed the responsibility without the appropriate resources.

- It is crucial that councils are given a free hand in how best to find the savings in public health budgets and we seek the Government's reassurance on this point. Anything less will make the task of finding the reductions more difficult. Councils are best placed to decide how reduced resources should be used to meet our public health ambitions locally.

Schools Funding

Funding for schools is allocated through ringfenced resources, the Dedicated Schools Grant (DSG) and the Pupil Premium. Details of 2017/18 allocations for these grants are expected to be published by the Department for Education (DfE) shortly. Yesterday DfE published the second stage of its consultation on the national funding formula for schools, to be implemented from 2018/19.

DfE published an operational guide on schools revenue funding in November 2016. It sets out the approach to Education Services Grant (ESG) from 2017/18 to deliver the £600 million reduction in funding announced in Spending Review 2015. Funding for the retained duties element of ESG (£15 per pupil) will be transferred into DSG from 2017/18. The general funding rate element of ESG will be paid at a transitional rate between April 2017 and August 2017. From September 2017 onwards, the general funding element of ESG will no longer be paid. Instead, local authorities will receive a separate grant covering their statutory intervention functions, equivalent to £50 million for the whole year. Further details are expected to be announced shortly.

LGA view:

- The proposed reduction in ESG funding could have a serious negative effect on children's education. The Government has told councils that they can only expect to receive £50 million to carry out the exact same duties that cost up to £815 million annually.

- Yesterday we responded to the Government's consultation on a new funding formula.

Rural Services Funding

As announced in February 2016, the Rural Services Delivery Grant will be £65 million in 2017/18. This will be paid as an un-ringfenced section 31 grant and is in line with the arrangements announced in last year's settlement.

LGA view:

- Councils in rural areas will welcome this continued funding.

Funding for lead local flood authorities

Funding for lead local flood authorities within the settlement amounts to £31.7 million in total for 2017/18. In addition, the Government last year announced an additional new section 31 grant to ensure that the overall funding for lead local flood authorities increases in real terms in each year of the Settlement. This year's settlement provides clarity on the section 31 grant allocations up to 2019/20. The figure for 2017/18 is £3.7 million.

LGA view

- Lead local flood authorities will welcome the clarity on the allocations of the section 31 grant.

Fire Funding

The settlement announced a £103 million decrease in RSG funding available for fire and rescue services in 2017/18. RSG funding for fire and rescue services reduces year on year over the settlement period.

LGA view:

- The fire and rescue service has a track record of improving safety while making the service more efficient and effective through increasing collaboration within the service and with other parts of the public sector.

- However further reductions in funding for fire and rescue services in 2017/18 and beyond will continue to put pressure on the delivery of fire and rescue services, and their ability to respond to the full range of risks it faces and is expected to address. The reductions will have an impact on national and local resilience as well as operational capacity, and the ability of fire and rescue to respond to unpredictable events such as flooding.

- We need to ensure this important public service is adequately funded.

Police Funding

The Minister for Policing and Fire, Brandon Lewis MP, announced the police funding settlement in a written ministerial statement today. Direct resource funding for each Police and Crime Commissioner (PCC) will be protected at 'flat cash levels', compared to 2015/16, assuming PCCs take full advantage of the maximum council tax precept increase available in both 2016/17 and 2017/18 (i.e. the income available to PCCs is broadly the same in 2017/18 as in 2015/16). The PCCs in England with the lowest precept bills (10 PCCs) will be able to raise their precept by up to £5 per Band D household. All other PCCs in England will have a 2 per cent council tax referendum threshold.

The 2017/18 settlement continues the existing methodology of applying uniform percentage changes to core grant funding for each PCC. Allocations for individual policing bodies are published on the Home Office website.

Further Information

To help inform the LGA's response to the consultation settlement we will continue to analyse the settlement to develop a deeper understanding of the effect on councils. To further inform the LGA's response please send your responses and comments, on the settlement to lgfinance@local.gov.uk.

The LGA will share the results of some of this analysis with authorities, as well as focus on further business rates retention, at the LGA's Finance Conference on 5 January 2017. You can find out more about the event and book your place here.

For further information on the content of this briefing please contact Mike Heiser, Senior Adviser (Finance) (mike.heiser@local.gov.uk / 020 7664 3265); or Melanie Haslam, Public Affairs and Campaigns Adviser (melanie.haslam@local.gov.uk / 020 7664 3087).

Annex A: Core Spending Power

	2015/16	2016/17	2017/18	2018/19	2019/20
			£ million		
Settlement Funding Assessment	**21,249.938**	**18,601.462**	**16,632.428**	**15,598.773**	**14,584.285**
Improved Better Care Fund	**-**	**-**	**105.000**	**825.000**	**1,500.000**
Rural Services Delivery Grant	**15.500**	**80.500**	**65.000**	**50.000**	**65.000**
Transition Grant	**-**	**150.000**	**150.000**	**-**	**-**
Adult Social Care Support Grant	**-**	**-**	**241.072**	**-**	**-**
New Homes Bonus	**1,200.000**	**1,485.000**	**1,251.928**	**938.000**	**900.000**
Council Tax *of which:*	**22,035.883**	**23,247.252**	**24,623.217**	**26,082.066**	**27,629.011**
'Core' Council Tax, including tax base growth and maximum allowed increases from 2017/18 to 2019/20	*22,035.883*	*22,858.465*	*23,789.672*	*24,760.733*	*25,773.452*
Adult Social Care Precept	*-*	*381.834*	*814.163*	*1,289.588*	*1,811.529*
Additional flexibility for Shire Districts	*-*	*6.953*	*19.382*	*31.745*	*44.030*
Core Spending Power	**44,501.321**	**43,564.214**	**43,068.645**	**43,493.840**	**44,678.297**
Year-on-year Change (£ million)			*- 495.570*	*425.195*	*1,184.457*
Year-on-year Change (%)			*-1.1%*	*1.0%*	*2.7%*
Change over the SR period (£ million)					*177.0*
Change over the SR period (%)					*0.4%*

Annex B – Glossary of Local Government Finance Technical Terms

Baseline funding level	The business rates baseline for each authority determined at the start of the 50 per cent business rates retention scheme in 2013/14, uprated in line with the small business rates multiplier each year.
Better Care Fund (BCF)	A single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.
Central Share	The percentage share of locally collected business rates paid to central government by billing authorities. In 2013/14 when business rates retention began this was set at 50 per cent. The central share is redistributed to local government through grants including the Revenue Support Grant.
Core Spending Power	The Government's measure of the core components of local government funding, comprising the Settlement Funding Assessment, assumed income from council tax (including the adult social care precept), New Homes Bonus, Rural Services Delivery Grant, improved Better Care Fund, the 2017-18 Adult Social Care Support Grant and Transition Grant.
Dedicated Schools Grant	The Dedicated Schools Grant is the principal source of funding for schools and related activities in England. It is a ringfenced grant paid to local authorities for maintained schools. School-level allocations are currently determined in consultation with the schools forum in each local authority area.
Education Services Grant	A grant paid for support services to schools, previously split between a per-pupil 'retained duties' element for services local authorities provide to all schools and a 'general funding' rate paid to schools and academies. From April 2017 the retained duties element will be included within the schools block of DSG and the general funding element will be paid at a transitional rate, before ceasing completely from September 2017.
Improved Better Care Fund (iBCF)	Additional funding for adult social care authorities from 2017/18 onwards.
Local Share	The percentage share of locally collected business rates retained by local government. This was set at 50 per cent at the implementation of business rates retention.
(Business Rate) Multiplier	The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is uprated annually by the retail prices index (although exceptionally a lesser increase may be imposed) and the other multiplier adjusted accordingly.
New Burdens Doctrine	The Cabinet agreed that all new burdens on local authorities must be properly assessed and fully funded by the relevant department.
New Homes Bonus (NHB)	A grant paid to reward local authorities for the number of homes built and brought back into use.
Pupil Premium	A grant allocated to schools based on the number of pupils who have been registered for free school meals at any point in the last six years ('Ever 6 FSM'). Schools also receive funding for children who are or have been in local authority care and for children of service personnel.

Revenue Support Grant	A grant paid to local authorities as part of the Settlement Funding assessment (see below) which can be used to fund revenue expenditure on any service.
Rural Services Delivery Grant	A grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.
Safety Net	A mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their baseline funding level.
Section 31 Grant	A grant paid to local councils under Section 31 of the Local Government Finance Act 2003, under such conditions as the minister may determine. This mechanism is used to compensate local authorities for the costs of additional business rates reliefs announced by Government.
Settlement Core Funding	Settlement Funding Assessment (Revenue Support Grant plus baseline funding) plus council tax at 2015/2016 levels.
Settlement Funding Assessment (SFA)	This is a local authority's share of the local government spending control total which will comprise its Revenue Support Grant for the year in question and its baseline funding level.
Small Business Rate Relief	From April 2017 businesses with a property with a rateable value of £12,000 and below will receive 100 per cent relief on business rates. Businesses with a property with a rateable value between £12,000 and £15,000 will receive tapered relief.
Social Care Precept	Local authorities with responsibility for adult social care have flexibility to raise additional council tax above the referendum threshold. Funding raised through this additional 'precept' must be used entirely for adult social care.
Top-Ups and Tariffs	The difference between an authority's business rates baseline (the amount expected to be collected through the local share of business rates) and its baseline funding level (the amount of SFA provided through the local share). Tariff authorities make a payment and top-up authorities receive a payment. Tariffs and top-ups are self-funding at the outset of the scheme and uprated in line with the small business rates multiplier each year. In 2017/18 they are being recalculated so that authorities do not have gains or losses solely due to business rates revaluation.
Transition Grant	A grant provided to some authorities to smooth the transition to the new methodology used to allocate Revenue Support Grant in 2016/17 and 2017/18.