

## Local Government Finance Settlement analysis for West Devon Borough Council

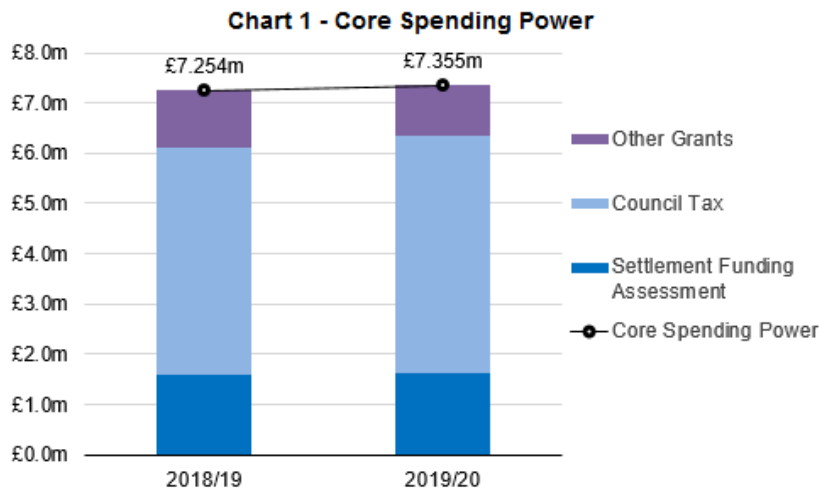
### West Devon - Core Spending Power (£m)

Core Spending Power	2018/2019 (£m)	2019/2020 (£m)	Change %
<b>TOTAL</b>	<b>7.254</b>	<b>7.355</b>	<b>1.4%</b>
<b>Breakdown of amounts:</b>			
Business Rates	1.585	1.622	2.3%
Revenue Support Grant	Nil	Nil	-
Assumed Council Tax (this is a Government assumed figure, not the actual council tax raised)	4.525	4.716	4.2%
<b>Other Grants</b>	1.144	1.017	-11.1%
(Includes Rural Services Delivery Grant of £0.464m each year and the New Homes Bonus allocation which has decreased from £0.643m in 18/19 to £0.501m in 19/20)			
Other: Levy surplus returned (National Business Rates surplus money)		0.025	(not part of the Core Spending Power calculation)

The figures quoted in the Finance Settlement will be on the basis of Core Spending Power (the terminology used by the Government) and therefore it will be stated in the finance settlement that West Devon Borough Council has had a 1.4% increase in funding.

However from the analysis of the calculation, it can be seen that the majority of this increase in funding is coming from an assumed Council Tax increase of 4.2%. (This Government figure will be based on the assumption that Councils will increase their council tax by the limit of 2.99%, plus building in some property growth).

The rest of the increase is mainly due to an increase in Business Rates funding for 2019/20, less a reduction in New Homes Bonus funding.



**How much has West Devon’s Government funding decreased by over the last four years?**

Answer: 38.2% since 2016/17, as shown below. The chart shows how much reduction in funding the Council has had since 2016/17. This shows the reduction in Revenue Support Grant (to Nil in 2018/19 onwards) and funding from Business Rates. Council Tax funding is excluded from these calculations.

**Chart 2 – Reduction in Funding Charts - Change in Settlement Funding Assessment (Business Rates and Revenue Support Grant) by class of Local Authority**

*Overall over the four year funding settlement, it can be seen that West Devon has had a 38.2% reduction in Government funding. This compares against 38.8% for the average for Shire Districts.*

Note: The reason that West Devon is showing an increase of 2.3% in its Government funding in 2019/20 is because in both of the years 18/19 and 19/20, the Council received Nil Revenue Support Grant and therefore the chart just shows the 2.3% increase in the Business Rates Baseline. (There is no reduction in the Revenue Support Grant (RSG) to offset this, as the RSG is already Nil in both years).

Authority group	Services			Change in SFA from previous year				Cumulative change since 2015/16
	Lower tier	Upper tier	Fire	2016/17	2017/18	2018/19	2019/20	
West Devon	✓			-18.7%	-17.3%	-10.0%	2.3%	-38.2%
Unitaries without fire	✓	✓		-13.6%	-11.5%	-7.1%	-7.5%	-34.4%
Metropolitan Districts	✓	✓		-10.9%	-9.0%	-5.6%	-6.4%	-28.4%
Inner London Boroughs	✓	✓		-9.6%	-7.8%	-4.7%	-5.6%	-25.1%
Outer London Boroughs	✓	✓		-13.0%	-11.0%	-6.8%	-7.4%	-33.2%
Unitaries with fire	✓	✓	✓	-13.6%	-11.8%	-7.4%	-8.4%	-35.4%
Counties with fire		✓	✓	-16.7%	-15.1%	-9.9%	-8.6%	-41.7%
Counties without fire		✓		-17.0%	-15.0%	-9.9%	-9.9%	-42.7%
Shire Districts	✓			-16.9%	-15.0%	-8.0%	-5.8%	-38.8%
Fire Authorities			✓	-6.8%	-8.9%	-4.1%	-2.4%	-20.6%
England				-12.4%	-10.6%	-6.3%	-6.5%	-31.4%

## Reduction in SFA (Settlement Funding Assessment) between 2015/16 and 2019/20

Note: Settlement Funding Assessment is made up of Business Rates funding and Revenue Support Grant (Government Grant) – Revenue Support Grant was reduced to Nil in 2018/19 for West Devon Borough Council

