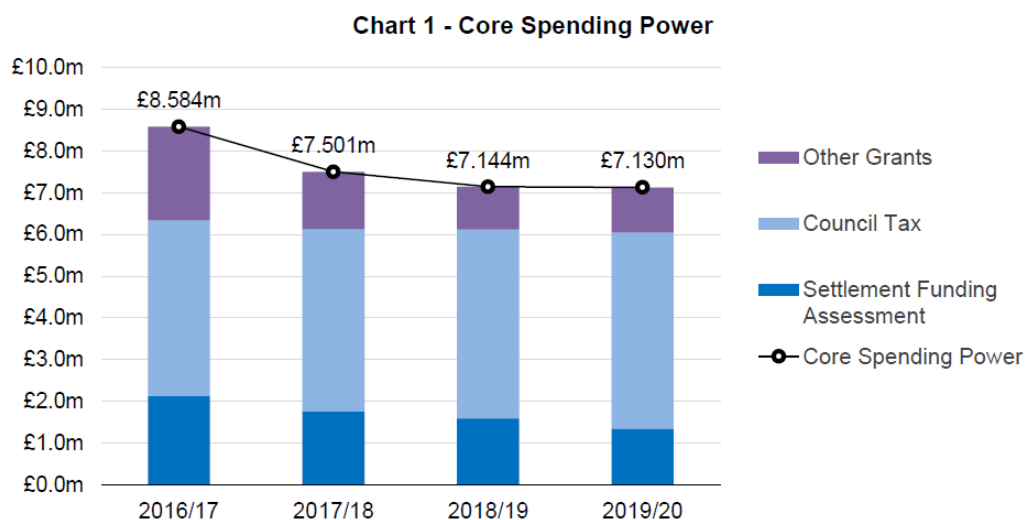


1. Core Spending Power

'Core Spending Power' is a headline figure used by DCLG to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax.



Core Spending Power is a measure of the amount of funding a Local Authority has from Government Grants (including New Homes Bonus), funding from Business Rates and funding from Council Tax.

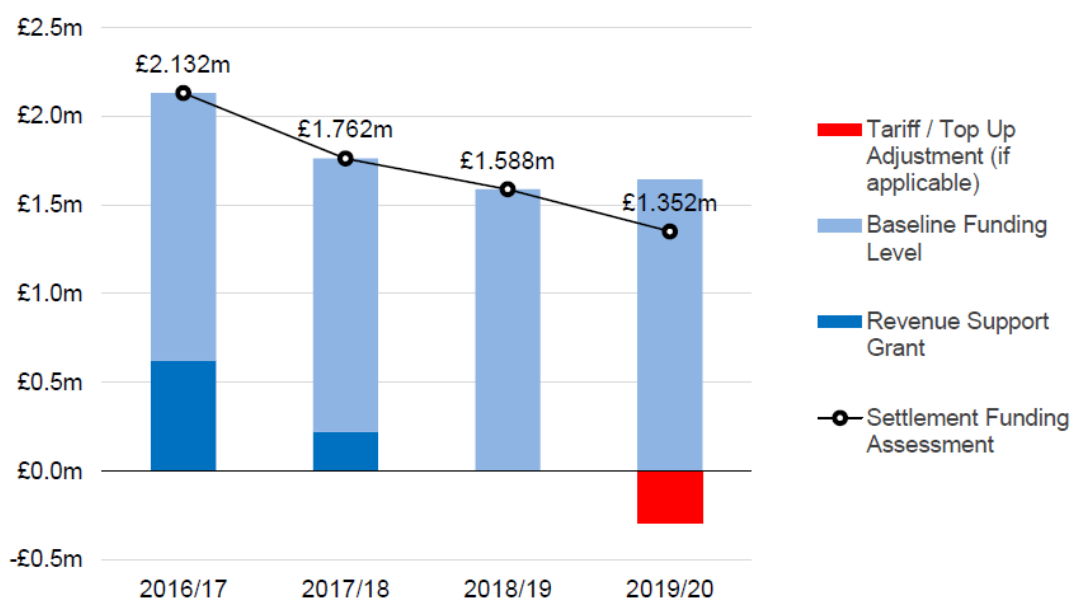
Table 1 - Core Spending Power (£m)

	2016/17	2017/18	2018/19	2019/20
Core Spending Power	8.584	7.501	7.144	7.130
Settlement Funding Assessment	2.132	1.762	1.588	1.352
Council Tax	4.211	4.370	4.534	4.700
Other Grants	2.241	1.368	1.022	1.078
<i>Change in Core Spending Power:</i>				
<i>Annual change</i>		-12.6%	-4.8%	-0.2%
<i>Cumulative change</i>		-12.6%	-16.8%	-16.9%

2. Settlement Funding Assessment

'Settlement Funding Assessment' is the revenue received by local authorities in the form of (i) Revenue Support Grant from central government and (ii) a share of business rates retained locally.

Chart 2 - Settlement Funding Assessment

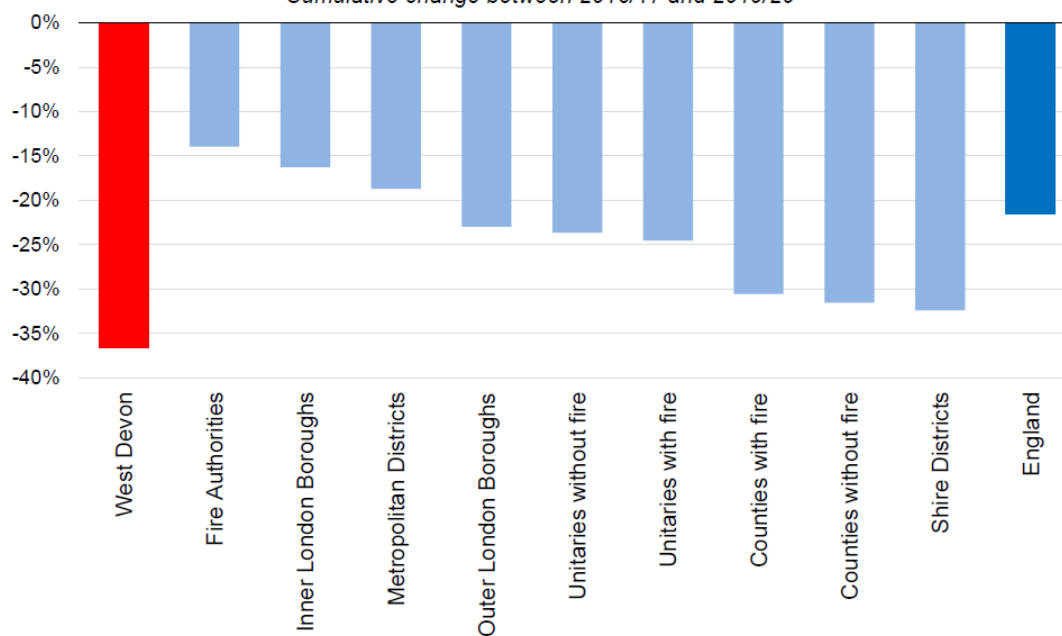


Settlement Funding Assessment (SFA) is a measure of the amount of funding a Local Authority has from Revenue Support Grant and Business Rates (Baseline Funding Level). West Devon Borough Council has the third highest cut in SFA funding in the country at 36.6% between 2016/17 and 2019/20 as shown below.

Table 2 - Settlement Funding Assessment (£m)

	2016/17	2017/18	2018/19	2019/20
Settlement Funding Assessment	2.132	1.762	1.588	1.352
Revenue Support Grant	0.623	0.223	0.000	0.000
Baseline Funding Level	1.508	1.539	1.588	1.645
Tariff / Top Up Adjustment ^a	0.000	0.000	0.000	-0.293
<i>Change in SFA:</i>				
<i>Annual change</i>		-17.3%	-9.9%	-14.9%
<i>Cumulative change</i>		-17.3%	-25.5%	-36.6%

(a) The Tariff / Top Up Adjustment is an amount which increases an authority's tariff or decreases its top up, as applicable. It is applied in cases where cuts to an authority's SFA cannot be achieved through further cuts to its Revenue Support Grant, as the latter has already fallen to zero

Chart 3 - Cumulative change in SFA by class of authority*Cumulative change between 2016/17 and 2019/20*

The following table compares the change in your authority's SFA to other classes of authority in England

Table 3 - Change in SFA by class of local authority

Authority group	Services			Change in SFA from previous year			Cumulative change between 2016/17 and 2019/20
	Lower tier	Upper tier	Fire	2017/18	2018/19	2019/20	
West Devon	✓			-17.3%	-9.9%	-14.9%	-36.6%
Unitaries without fire	✓	✓		-11.3%	-6.9%	-7.4%	-23.6%
Metropolitan Districts	✓	✓		-9.0%	-5.4%	-5.5%	-18.7%
Inner London Boroughs	✓	✓		-7.9%	-4.6%	-4.7%	-16.3%
Outer London Boroughs	✓	✓		-11.0%	-6.7%	-7.2%	-23.0%
Unitaries with fire	✓	✓	✓	-12.0%	-7.4%	-7.5%	-24.5%
Counties with fire		✓	✓	-14.9%	-9.6%	-9.7%	-30.6%
Counties without fire		✓		-15.1%	-9.8%	-10.6%	-31.5%
Shire Districts	✓			-15.1%	-7.8%	-13.7%	-32.4%
Fire Authorities			✓	-8.9%	-4.0%	-1.5%	-13.9%
England				-10.6%	-6.2%	-6.5%	-21.6%

3. Retained Business Rates

The tables below sets out the key components of the Business Rates Retention Scheme as they apply to West Devon.

Table 4 - Elements of the Business Rates Retention Scheme

Element	2016/17	2017/18	2018/19	2019/20
Baseline Funding Level (£m) ^a	1.508	1.539	1.588	1.645
Baseline Business Rates (£m) ^b	4.527	4.505	4.649	4.815
Tariff / Top Up (£m) ^c	-3.019	-2.966	-3.061	-3.170
Levy Rate (pence in the £) ^d	50	50	50	50

- (a) The Baseline Funding Level is the share of your authority's SFA that DCLG intends to be funded via locally retained business rates (with the remainder coming from RSG).
- (b) Baseline Business Rates are DCLG's projection of your authority's share of business rates, assuming there has been no change in the physical tax base since the start of the scheme. It increases each year in line with the small business rate multiplier.
- (c) Tariff / Top Up is calculated such that, if your authority's actual business rates were equal to its Baseline Business Rates, then its final revenue would equal its Baseline Funding level.
- (d) The Levy Rate is applied to growth in your authority's business rate revenue which exceeds its Baseline Business Rates.

Table 5 - Safety Net Threshold

	2016/17	2017/18	2018/19	2019/20
Safety Net Threshold (£m)	1.395	1.424	1.469	1.522
Baseline Funding Level (£m)	1.508	1.539	1.588	1.645
Baseline Business Rates (£m)	4.527	4.505	4.649	4.815
% reduction in business rates income to be eligible for threshold ^a	-2.5%	-2.6%	-2.6%	-2.6%

- (a) This is calculated on the assumption that the authority's actual retained business rates are equal to its assumed Baseline Business Rates.