

## Tower Hamlets Core Spending Power

## Appendix 2

<b>Illustrative Core Spending Power of Local Government:</b>								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	£ millions							
Settlement Funding Assessment	187.9	170.7	158.1	151.1	143.0	145.3	145.5	146.6
Compensation for under-indexing the business rates multiplier <sup>1</sup>	1.5	1.5	1.6	2.5	3.6	4.5	5.8	9.2
Council Tax Requirement excluding parish precepts <sup>2,3</sup>	69.8	76.9	85.8	93.8	100.3	108.4	114.2	121.9
Improved Better Care Fund	0.0	0.0	8.7	11.9	14.9	16.3	16.3	16.8
New Homes Bonus	24.8	28.6	23.9	20.7	19.2	22.0	17.6	16.3
New Homes Bonus returned funding	0.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Rural Services Delivery Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transition Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult Social Care Support Grant	0.0	0.0	1.5	0.9	0.0	0.0	0.0	0.0
Winter Pressures Grant <sup>4</sup>	0.0	0.0	0.0	1.5	1.5	0.0	0.0	0.0
Social Care Support Grant	0.0	0.0	0.0	0.0	2.5	0.0	0.0	0.0
Social Care Grant <sup>5</sup>	0.0	0.0	0.0	0.0	0.0	9.4	12.3	16.6
Market Sustainability and Fair Cost of Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Lower Tier Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.5
2022/23 Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.7
<b>Core Spending Power</b>	<b>284.3</b>	<b>278.0</b>	<b>279.8</b>	<b>282.3</b>	<b>284.9</b>	<b>305.9</b>	<b>313.2</b>	<b>337.5</b>
Change since 2015-16 (£ millions)								53.2
Change since 2015-16 (% change)								18.7%
<p><sup>1</sup> For 2022-23, the Government will continue to pay under-indexation grant to ensure that local authorities are compensated for the difference between the change in the small business rates multiplier and the change in the Retail Price Index (RPI). The Core Spending Power figures published at provisional settlement show under-indexation in line with the Consumer Price Index but will be updated to RPI for the final settlement.</p> <p><sup>2</sup> The Government proposes to provide the lowest charging quartile of fire and rescue authorities with the flexibility to increase band D precepts by £5 for one year only in 2022-23. This is to assist them in addressing immediate pressures and to maintain a sustainable income baseline for future years. This flexibility is not currently outlined in these Core Spending Power figures. Following consideration of responses to the Local Government Finance Settlement consultation, if the proposal is taken forward, the flexibility will be included in the allocations for which we will seek the approval of the House of Commons at the final settlement.</p> <p><sup>3</sup> Islington Council, Herefordshire Council and Royal Borough of Windsor and Maidenhead Council have identified historical errors in reporting their council tax, which will affect Social Care Grant and improved Better Care Fund allocations. Discussions are ongoing between them and the Department for Levelling Up, Housing and Communities and any adjustments will be reflected at the final settlement.</p> <p><sup>4</sup> From 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced for alleviating winter pressures.</p> <p><sup>5</sup> From 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.</p> <p>Please see the Core Spending Power Explanatory note for details of the assumptions underpinning the elements of Core Spending Power.</p> <p>The figures presented in Core Spending Power do not reflect the changes to Settlement Funding Assessment made for authorities with increased Business Rate Retention arrangements. For information about authorities with increased Business Rates Retention Arrangements see the Explanatory Note. For Settlement Funding Assessment figures after adjustments for increased Business Rate Retention authorities please see the Key Information for Local Authorities table.</p>								