

Tower Hamlets Core Spending Power 2024-25

Appendix 2

Illustrative Core Spending Power of Local Government:										
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	£ millions									
Settlement Funding Assessment	187.9	170.7	158.1	151.1	143.0	145.3	145.5	146.6	155.0	164.0
Compensation for under-indexing the business rates multiplier	1.5	1.5	1.6	2.5	3.6	4.5	5.8	11.4	19.7	22.0
Council tax requirement excluding parish precepts ^{1 2}	69.8	76.9	85.8	93.8	100.3	108.4	114.2	121.7	129.5	140.8
Improved Better Care Fund	0.0	0.0	8.7	11.9	14.9	16.3	16.3	16.8	16.8	16.8
New Homes Bonus	24.8	28.6	23.9	20.7	19.2	22.0	17.6	16.3	3.9	2.2
New Homes Bonus returned funding	0.3	0.2	0.2	0.0	0.0	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	0.0	0.0
Transition Grant	0.0	0.0	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	0.0	0.0
Winter Pressures Grant ³	0.0	0.0	0.0	1.5	1.5	0.0	0.0	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	0.0	0.0
Social Care Grant ⁴	0.0	0.0	0.0	0.0	0.0	9.4	12.3	16.6	26.0	31.0
Market Sustainability and Fair Cost of Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
ASC Market Sustainability and Improvement Fund ⁵	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	6.4
Lower Tier Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.5	0.0	0.0
ASC Discharge Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	3.9
Services Grant ⁶	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.7	4.5	0.7
Grants rolled in ⁷	1.0	1.2	1.1	1.0	1.0	1.0	1.1	1.1	2.2	0.0
Funding Guarantee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Core Spending Power	285.3	279.1	280.9	283.4	285.9	306.9	314.4	340.6	363.5	387.8
Change since 2015-16 (£ millions)										102.4
Change since 2015-16 (% change)										35.9%

¹ Council tax calculations for 2024-25 assume local authorities increase their Band D council tax in line with the maximum allowable level set out by the council tax referendum principles for 2024-25. That is: a 3% core principle; a 2% adult social care precept; the greater of 3% or £5 cash principle for shire districts; 3% plus a cash principle of £20 on Band D bills for the Greater London Authority; and a cash principle of £13 on Band D bills for the police element of the Greater London Authority.

² Council tax calculations for 2024-25 do not take into account the additional flexibilities granted by the Department to councils in extreme financial circumstances. These additional flexibilities are granted in very specific circumstances by the Secretary of State, where the scale of the issues facing the councils is exceptional.

³ From 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced for alleviating winter pressures.

⁴ From 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.

⁵ From 2023-24, Market Sustainability and Fair Cost of Care Fund allocations were rolled into the ASC Market Sustainability and Improvement Fund.

⁶ The Services Grant allocation for the Isle of Wight council includes an additional £1 million that was allocated to the council for 2022-23, 2023-24 and 2024-25 in recognition of the unique circumstances facing the Isle of Wight and its physical separation from the mainland. This funding is reviewed each year as part of the local government finance settlement.

⁷ Grants rolled in includes the £115 million allocation of Fire Pension Grant for the years 2019-20 to 2023-24; Fire Pensions Grant allocations are included in Settlement Funding Assessment for 2024-25. Grants rolled in includes the £365 million allocation of Market Sustainability and Improvement Fund Workforce Fund for the year 2023-24; this is included in ASC Market Sustainability and Improvement Fund for 2024-25. Also included in this row are grants rolled in at previous settlements: the Family Annexe Council Tax Discount grant, Local Council Tax Support Administration Subsidy grant, the Independent Living Fund.

Please see the Core Spending Power Explanatory note for details of the assumptions underpinning the elements of Core Spending Power.
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2024-to-2025>

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.