

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 <sup>1,2,3</sup>	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 <sup>4</sup>	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 <sup>5</sup>	0.0	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Social Care Support Grant <sup>6</sup>	0.0	0.0	0.0	0.0	2.5	0.0	0.0	0.0	0.0	0.0
Social Care Grant <sup>7</sup>	0.0	0.0	0.0	0.0	0.0	9.4	12.3	16.6	26.0	34.0
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 <sup>8</sup>	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 <sup>9</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.7	4.5	0.8
Grants rolled in <sup>10</sup>	1.0	1.2	1.1	1.0	1.0	1.0	1.1	1.1	2.2	0.0
Funding Guarantee <sup>11</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Core Spending Power</b>	<b>285.3</b>	<b>279.1</b>	<b>280.9</b>	<b>283.4</b>	<b>285.9</b>	<b>306.9</b>	<b>314.4</b>	<b>340.6</b>	<b>363.5</b>	<b>390.9</b>
Change since 2015-16 (£ millions)										105.6
Change since 2015-16 (% change)										37.0%

<sup>1</sup>Council tax projections for 2024-25 assumes 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.

<sup>2</sup>Council tax projections for 2024-25 includes the additional flexibility granted by the Secretary of State to Woking, Thurrock and Slough Councils to increase council tax in 2024-25 by an additional amount above the referendum principles applied to other councils. This additional amount is 7% for Woking and 5% for Thurrock and Slough. This additional flexibility has been granted in very specific circumstances, where the scale of the issues facing the councils is exceptional. The additional flexibility of 5% granted to Birmingham will be reflected in Core Spending Power figures in due course.

<sup>3</sup>Due to a reporting error in Eastleigh's Council Tax for 2023-24, their Core Spending Power for 2023-24 and 2024-25 is overstated by approximately £65k. The department will revise their Core Spending Power and any grant determinations affected by this in due course.

<sup>4</sup>In January 2024 the Secretary of State announced that Rural Services Delivery Grant will increase by £15m. Consequently, allocations have increased from those announced at provisional settlement.

<sup>5</sup>From 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced for alleviating winter pressures.

<sup>6</sup>From 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.

<sup>7</sup>In January 2024 the Secretary of State announced that Social Care Grant will increase by £500m. Consequently, allocations have increased from those announced at provisional settlement.

<sup>8</sup>From 2023-24, Market Sustainability and Fair Cost of Care Fund allocations were rolled into the ASC Market Sustainability and Improvement Fund.

<sup>9</sup>The Services Grant allocation for the Isle of Wight council includes an additional £1 million in 2022-23, £1 million in 2023-24, and £4 million in 2024-25, in recognition of the unique circumstances facing the Isle of Wight and its physical separation from the mainland. The Services Grant also includes £150k allocated to the Isles of Scilly for 2024-25 as part of the same arrangements. This funding is reviewed each year as part of the local government finance settlement.

<sup>10</sup>The Grants rolled in row states the value of grants which have been consolidated into the settlement, for financial years prior to 2024-25. This is to maintain the integrity of Core Spending Power comparisons between years. Grants rolled in include grants rolled in at this settlement: £115 million allocation of Fire Pension Grant for the years 2019-20 to 2023-24 (included in the Settlement Funding Assessment for 2024-25); and the Market Sustainability and Improvement Fund Workforce Fund, worth £365m for the year 2023-24 (included in ASC Market Sustainability and Improvement Fund for 2024-25). Also included in this row are grants rolled in at previous settlements, including: the Family Annexe Council Tax Discount grant, Local Council Tax Support Administration Subsidy grant, the Independent Living Fund.

<sup>11</sup>In January 2024 the Secretary of State announced that the funding guarantee will increase from 3% to 4%. Consequently, allocations have increased from those announced at provisional settlement.

<sup>12</sup>Core spending power per dwelling for 2023-24 and 2024-25 available here: <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2024-to-2025>

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/final-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 on the website.