

## Provisional Finance Settlement

- The provisional finance settlement was announced on 18 December with a four-week consultation running until 15 January 2024.

**Table 1 – Provisional Finance Settlement for Local Government**

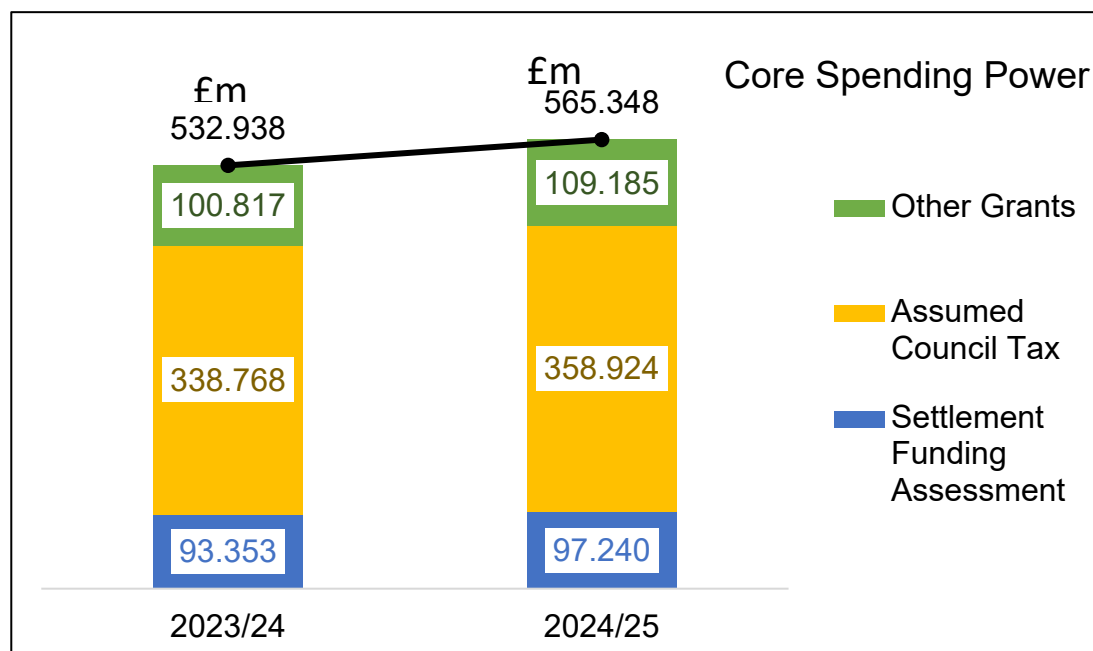
Core Spending Power by component	2023/24	2024/25	Change	
	£m	£m	£m	%
Revenue Support Grant	2,729	3,024	295	11%
Baseline Funding Levels	12,943	13,538	595	5%
Under indexation	2,205	2,581	376	17%
Council Tax	33,984	36,062	2,078	6%
Improved Better Care Fund	2,140	2,140	0	-
Social Care Grant	3,852	4,544	692	18%
ASC Discharge	300	500	200	67%
ASC Market Sustainability Improvement Fund	562	1,050	488	87%
New Homes Bonus	291	291	0	-
Rural Services Delivery Grant	95	95	0	-
Grants rolled in	480	0	(480)	(100%)
Floor Grant	133	197	64	48%
Service Grant	483	77	(406)	(84%)
<b>TOTAL</b>	<b>60,197</b>	<b>64,099</b>	<b>3,092</b>	<b>6%</b>

- The settlement for Somerset at 6.1% is lower than other Southwest unitary councils with Cornwall receiving 6.9%, Dorset 6.4% and Wiltshire 6.4%. **Table 2** below sets out the provisional finance settlement and the changes between 2023/24 and 2024/25. A key part of finance settlement is the assumption of an increase in council tax of 5% and this accounts for £20.2m (62%) out of the £32.4m change.

**Table 2 – Provisional Finance Settlement for Somerset**

Core Spending Power	2023/24	2024/25	Change	
	£m	£m	£m	%
Settlement Funding Assessment	93.4	97.2	3.9	4%
Compensation for under-indexing the business rates multiplier	14.6	17.6	3.1	21%
Council Tax Requirement	338.8	358.9	20.2	6%
Improved Better Care Fund	23.4	23.4	0.0	0%
New Homes Bonus	3.8	1.9	(1.9)	(51%)
Rural Services Delivery Grant	3.6	3.6	0.0	0%
Social Care Grant	39.2	45.8	6.6	17%
ASC Market Sustainability and Improvement Fund	5.8	10.9	5.1	87%
ASC Discharge Fund	3.3	5.5	2.2	67%
Services Grant	3.3	0.5	(2.8)	(84%)
Grants rolled in	3.8	0.0	(3.8)	(100%)
<b>Core Spending Power Total</b>	<b>532.9</b>	<b>565.3</b>	<b>32.4</b>	<b>6%</b>

3. The chart below shows the breakdown in core spending power and how it changes between 2023/24 and 2024/25.

**Chart 3 – Breakdown of Core Spending Power**

4. On 24 January 2024, following representation from councils the government announced a further £600m of support for Local Authorities, £500m added to the Social Care Grant and £100m for an increase to the Funding Guarantee

from 3% to 4%, £15m for the Rural Services Delivery Grant, £3m for authorities with Internal Drainage Boards. It is estimated that Somerset will benefit by £5.8m in 2024/25 from these additional grants.

5. The final Finance Settlement is due in early February 2024 and an update on the on this will be provided at the meeting.