

2016/17 Local Government Finance Settlement

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Finance**

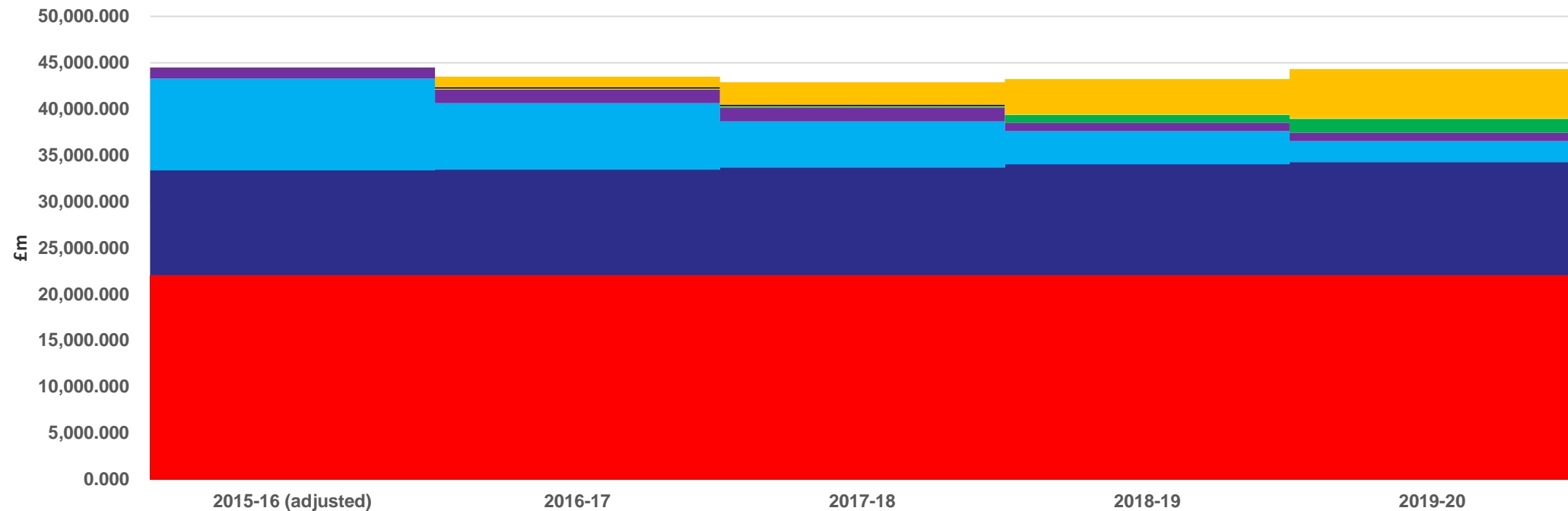
South East of England Councils, 22 March 2016

2016/17 Local Government Finance Settlement - Headlines

- Core Spending Power will fall by 0.4% to 2019/20
 - This definition includes councils' ability to raise tax revenue as well government grant funding
- Social care a priority
- Revenue Support Grant – new method of allocations taking Council tax into account, and some councils will have “Negative RSG” in 2019-20
- Offer to local government through to 2019/20 (subject to efficiency plan) – response by 14th October 2016

Core Spending Power – all councils

Final Settlement - February 2016



- Council tax at 2015-16 levels
- Modified business rates baseline
- Revenue Support Grant
- New Homes Bonus
- Improved Better Care Fund
- Rural Services Delivery Grant
- Transition Grant
- Total additional council tax

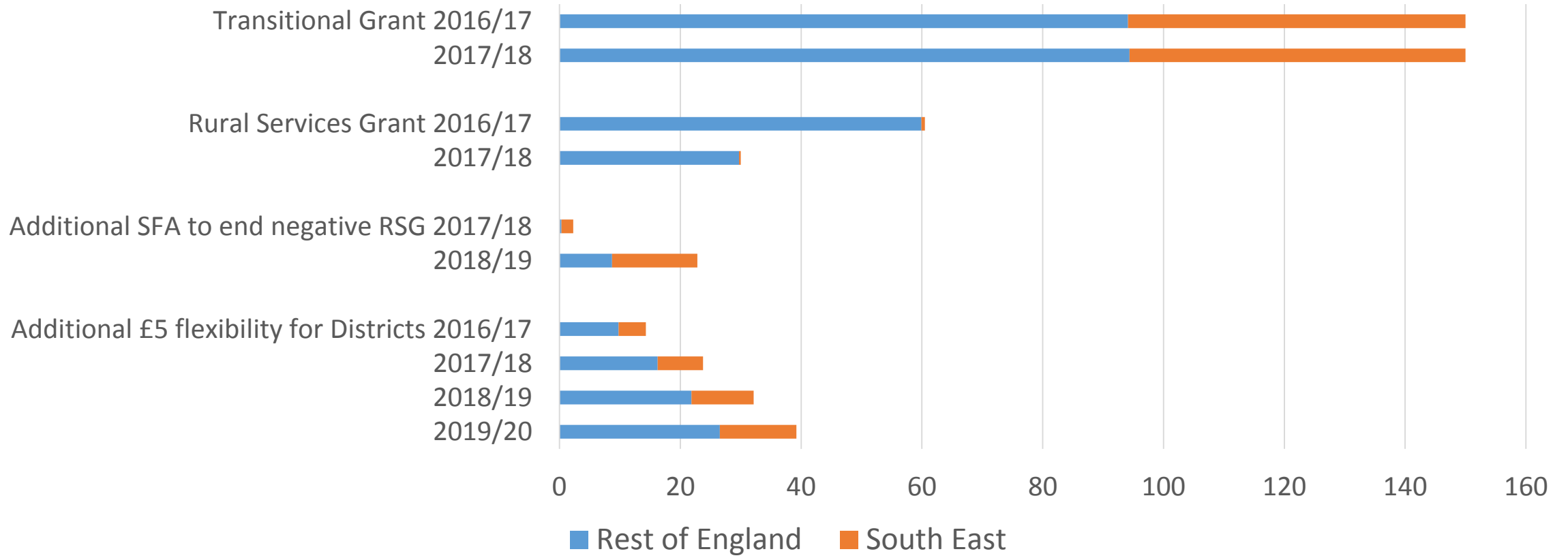
2016/17 Local Government Finance Settlement - Council Tax

1. 2% referendum limit
2. Additional 2% social care precept
3. Shire Districts able to raise by the higher of £5 or 2%
4. Assumed growth in core spending power:
 - 2 and 3 above
 - 1.75% pa for inflation (average forecast inflation to 2020), over 4 years
 - Growth in base extrapolated from last three years (est 7.8% in total)

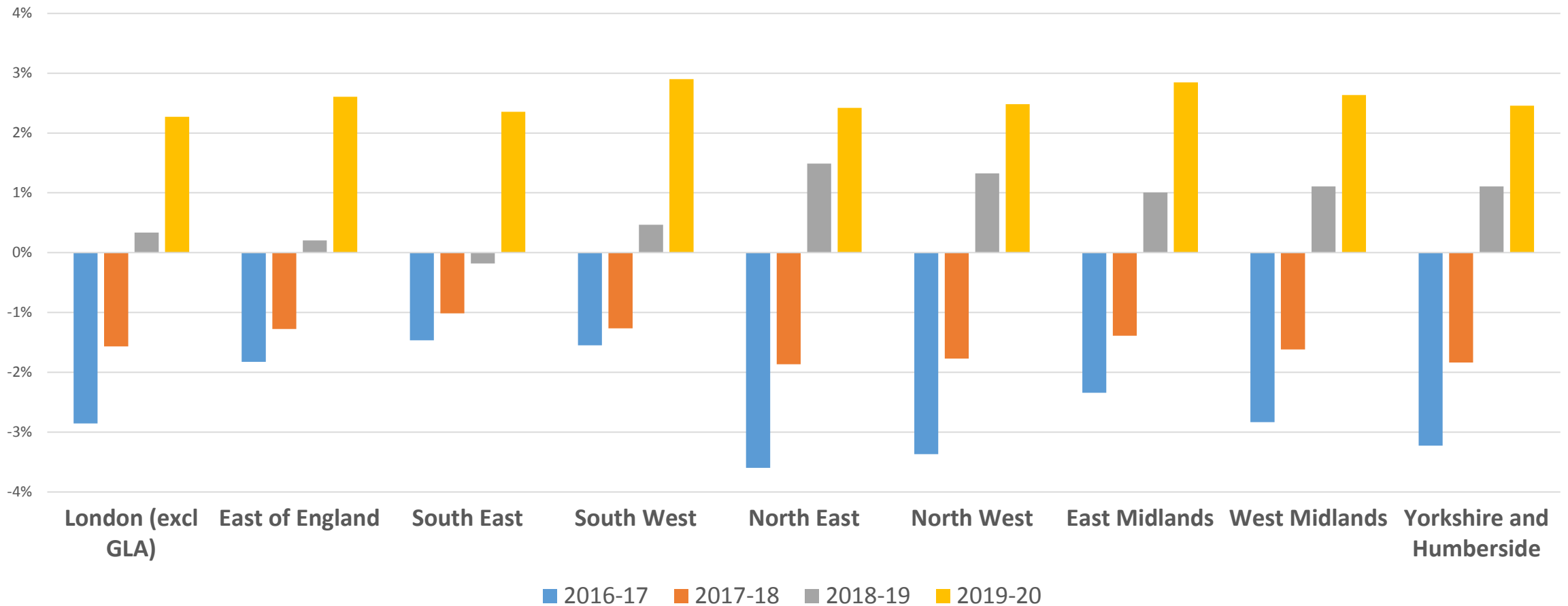
Final settlement – additional resources (£m)

	2016/17	2017/18	2018/19	2019/20	Total over period
Transitional Grant	150	150	-	-	300
Rural Services Delivery Grant	60.5	30	-	-	90.5
Additional grants (negative RSG end for 2017-18 and 2018-19)	-	2.3	22.8	-	25.1
Total extra cash	210.5	182.3	22.9	0	415.6
Additional £5 council tax Districts	14.3	23.8	32.1	39.2	109.4
Total extra core spending power	224.8	206.1	55	39.2	525

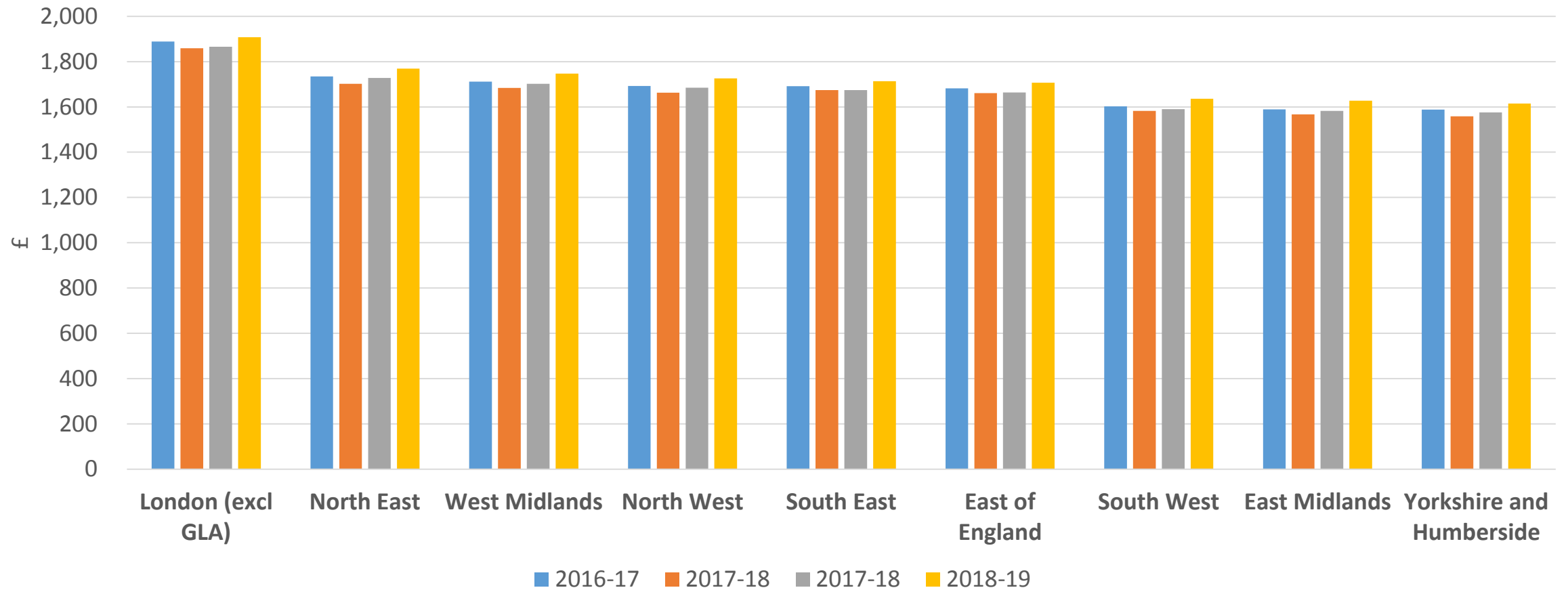
Additional resources in final settlement £m



Change in Core Spending Power over SR period by region



Core Spending Power per dwelling



2019/20 - Negative Revenue Support Grant

Year	Shire Counties	London Boroughs	Shire Unitaries	Shire Districts	Metropolitan Districts	Fire	Total
2019/20	11	3	8	146	0	0	168
South East	5		3	48			56

Table shows number of councils of each type who on current plans will have to pay over some local business rates because their core revenue support grant is “negative”.