



Department for Levelling Up, Housing & Communities

Rt Hon Michael Gove MP

*Secretary of State for Levelling up Housing &
Communities*

Minister for Intergovernmental Relations

2 Marsham Street

London

SW1P 4DF

To All Council Leaders in England,
copied to all Chief Executives

19th December 2022

Dear Leader,

2023/24 Provisional Local Government Finance Settlement

On 12 December we published a policy statement that outlined our proposals for the 2023/24 Local Government Finance Settlement and details of funding in 2024/25. We have today launched our formal consultation on the proposals for 2023/24 through the provisional Local Government Finance Settlement. The consultation closes on 16 January.

The councils you represent undertake vital work for local communities. In recognition of this, we are announcing an increase of 9% in cash terms of national level Core Spending Power which will make available £5 billion in additional resources, demonstrating how Government stands behind councils up and down the country.

This Local Government Finance Settlement provides a significant boost for social care services. Ahead of any consideration of council tax, it provides around £2 billion in additional grant for social care in 2023/24.

Local government delivers a broad range of services for all our communities. That is why we are supporting all tiers of local government through this settlement. a new, one-off Funding Guarantee that ensures all local authorities will see a minimum 3% increase in their Core Spending Power before taking any local decisions on raising council tax.

The Government's manifesto commits to continuing to protect local taxpayers from excessive council tax increases. This is an additional local democratic check and balance to avoid the repeat seen under the last Labour Government when council tax more than doubled. The package of referendum principles we are proposing strikes a fair balance. This settlement confirms our intention for referendum principles of up to 3% for core council tax and up to 2% for the adult social care precept in 2023/24. When taking decisions on council tax levels, I expect Councillors, mayors, police and crime commissioners and local councils to take into consideration the pressures many households are facing.

We are also today announcing £100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area.

I am confident that this Settlement will make good progress in addressing some of the concerns that have been raised. I also hope it provides the resources to deliver on priority areas such as housing quality, an important issue for this Government on which I have recently written to all Chief Executives to encourage more targeted action.

Further detail on our proposals can be found in the consultation document we have published today here: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2023-to-2024>.

With every good wish,

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive, slightly slanted style.

Rt Hon Michael Gove MP