

## Funding Simplification – Explanatory Tables

We are simplifying the local government funding landscape through three primary mechanisms:

1. Bringing together the Levelling Up Fund, Town Deals, and the Pathfinder Pilots into a single Local Regeneration Fund as the first step to simplify capital funding.
2. Bringing together funding into four high-value consolidated grants.
3. Consolidating funding directly into the Revenue Support Grant (RSG).

This table sets out how revenue funding is being simplified. Some revenue funding is being delivered through the Settlement for the first time, while some is existing Settlement funding which we are taking the opportunity to rationalise. The following tables provide a breakdown of each funding stream; how they are being consolidated; whether they are new or existing Settlement funding; and whether they are in Core Spending Power (CSP).

All figures below are over the multi-year Local Government Finance Settlement (2026-27 to 2028-29), expressed in billions and have been rounded to two decimal places.

### Summary:

|                                                                                        |                 |
|----------------------------------------------------------------------------------------|-----------------|
| <b>Total of 16 funding streams simplified into four high-value consolidated grants</b> | <b>£21.49bn</b> |
| 12 funding streams <u>new</u> to the Settlement                                        | £18.58bn        |
| 3 <u>existing</u> Settlement funding streams                                           | £2.05bn         |
| New funding for children's social care reform from 2026-27                             | £0.87bn         |

|                                                                                |                 |
|--------------------------------------------------------------------------------|-----------------|
| <b>Total of 17 funding streams consolidated into the Revenue Support Grant</b> | <b>£25.29bn</b> |
| 11 funding streams <u>new</u> to the Settlement                                | £1.15bn         |
| 6 <u>existing</u> Settlement funding streams                                   | £24.15bn        |

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|                                                            |                 |
|------------------------------------------------------------|-----------------|
| <b>Grand total of 33 simplified funding streams</b>        | <b>£46.78bn</b> |
| 23 funding streams <u>new</u> to the Settlement            | £19.72bn        |
| 9 <u>existing</u> Settlement funding streams               | £26.19bn        |
| New funding for children's social care reform from 2026-27 | £0.87bn         |

## Consolidated Grants

| Funding stream |                                               | New to the Settlement?                                  | In Core Spending Power? | Value over the multi-year Settlement (2026-27 to 2028-29) | Total values over the multi-year Settlement (2026-27 to 2028-29)                   |
|----------------|-----------------------------------------------|---------------------------------------------------------|-------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------|
| 1              | Children's Social Care Prevention Grant       | No - Settlement grant in 2025-26                        | Yes                     | £0.81bn                                                   | <b>Children, Families and Youth Grant</b><br><br>£3.1bn<br><br><i>Paragraph 58</i> |
| 2              | Supporting Families                           | No - part of the Children and Families Grant in 2025-26 | Yes                     | £0.76bn                                                   |                                                                                    |
| 3              | Holiday Activities and Food Programme         | Yes                                                     | No                      | £0.62bn                                                   |                                                                                    |
| 4              | Post-16 Pupil Premium Plus Programme          |                                                         |                         | £0.04bn                                                   |                                                                                    |
| 5              | New funding for children's social care reform | Yes - announced at SR                                   | Yes                     | £0.32bn                                                   |                                                                                    |
|                |                                               | Yes - announced at this Policy Statement                |                         | £0.55bn                                                   |                                                                                    |

|    |                                                                           |                                  |     |          |                                                                                                |
|----|---------------------------------------------------------------------------|----------------------------------|-----|----------|------------------------------------------------------------------------------------------------|
| 6  | Household Support Fund                                                    | Yes                              | No  | £2.49bn  | <b>Crisis and Resilience Fund</b><br>£2.49bn<br><i>Paragraph 60</i>                            |
| 7  | Discretionary Housing Payments                                            |                                  |     |          |                                                                                                |
| 8  | Prevention and Relief element of the former Homelessness Prevention Grant | Yes                              | Yes | £1.09bn  | <b>Homelessness, Rough Sleeping and Domestic Abuse Grant</b><br>£2.45bn<br><i>Paragraph 57</i> |
| 9  | Rough Sleeping Accommodation Programme                                    |                                  |     | £0.88bn  |                                                                                                |
| 10 | Rough Sleeping Prevention & Recovery Grant                                |                                  |     |          |                                                                                                |
| 11 | Domestic Abuse Accommodation Support                                      | No - Settlement grant in 2025/26 |     | £0.48bn  |                                                                                                |
| 12 | Public Health Grant                                                       | Yes                              | No  | £12.08bn | <b>Public Health Grant</b><br>£13.45bn<br><i>Paragraph 59</i>                                  |
| 13 | Drug and Alcohol Treatment and Recovery Improvement Grant                 |                                  |     | £1.05bn  |                                                                                                |

|    |                                               |  |  |         |  |
|----|-----------------------------------------------|--|--|---------|--|
| 14 | Local Stop Smoking Services and Support Grant |  |  | £0.2bn  |  |
| 15 | Individual Placement and Support Grant        |  |  | £0.07bn |  |
| 16 | Swap to Stop programme                        |  |  | £0.05bn |  |

***Consolidated grants totals:***

|                                                                                        |                 |
|----------------------------------------------------------------------------------------|-----------------|
| <b>Total of 16 funding streams simplified into four high-value consolidated grants</b> | <b>£21.49bn</b> |
| <u>12</u> funding streams <u>new</u> to the Settlement                                 | £18.58bn        |
| <u>3 existing</u> Settlement funding streams                                           | £2.05bn         |
| New funding for children's social care reform                                          | £0.87bn         |

## Revenue Support Grant (RSG) Consolidation

Please note that all grants consolidated into RSG are included in Core Spending Power (CSP)

| Funding stream                                                                                                          |                                                                                     | New to the Settlement? | Value over the multi-year Settlement (2026-27 to 2028-29) |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------|
| Funding streams <u>new</u> to the Settlement, <u>redistributed</u> using the new Fair Funding Assessment – paragraph 64 |                                                                                     |                        |                                                           |
| 17                                                                                                                      | Temporary Accommodation element of the former Homelessness Prevention Grant         | Yes                    | £0.97bn                                                   |
| 18                                                                                                                      | Virtual School Heads for children with a social worker and children in kinship care |                        | £0.06bn                                                   |
| 19                                                                                                                      | Biodiversity Net Gain Planning Requirement                                          |                        | £0.03bn                                                   |
| 20                                                                                                                      | Local Reform and Community Voices: Deprivation of Liberty Safeguards Funding        |                        | £0.02bn                                                   |
| 21                                                                                                                      | LGF Data Review                                                                     |                        | £<0.01bn                                                  |
| 22                                                                                                                      | Enforcement of Location and Volume Price Promotions Restrictions                    |                        | £<£0.01bn                                                 |
| 23                                                                                                                      | Enforcement of OOH Calorie Labelling Regulations                                    |                        | £<£0.01bn                                                 |
| 24                                                                                                                      | Awaab's Law new burdens                                                             |                        | £<£0.01bn                                                 |
| 25                                                                                                                      | Social Housing new burdens                                                          |                        | £<£0.01bn                                                 |
| Total: £1.1bn                                                                                                           |                                                                                     |                        |                                                           |
| Funding streams <u>new</u> to the Settlement, keeping <u>existing distributions</u> – paragraph 63                      |                                                                                     |                        |                                                           |
| 26                                                                                                                      | War Pensions Disregard grant                                                        | Yes                    | £0.04bn                                                   |
| 27                                                                                                                      | Social Care in Prisons grant                                                        |                        | £0.03bn                                                   |
| Total: £0.07bn                                                                                                          |                                                                                     |                        |                                                           |

| <i>Existing Settlement funding streams, <u>redistributed</u> using the new Fair Funding Assessment – paragraph 65</i> |                                                                                          |                                                                                                                                                                                                                                                                   |                        |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 28                                                                                                                    | Social Care Grant                                                                        | No - Settlement grants in 2025-26<br><br><i>For illustrative purposes only. Values over the multi-year Settlement assumes that in 2025-26 funding would have, without simplification, been <u>held flat</u> and continued to be paid out as a separate grant.</i> | £17.77bn               |
| 29                                                                                                                    | Market Sustainability and Improvement Fund                                               |                                                                                                                                                                                                                                                                   | £3.15bn                |
| 30                                                                                                                    | Employer National Insurance Contributions                                                |                                                                                                                                                                                                                                                                   | £1.51bn                |
| 31                                                                                                                    | New Homes Bonus <sup>1</sup>                                                             |                                                                                                                                                                                                                                                                   | £0.87bn                |
| 32                                                                                                                    | Funding floor 2025/2026                                                                  |                                                                                                                                                                                                                                                                   | £0.36bn                |
| 33                                                                                                                    | Supported Accommodation Reforms new burdens                                              | No - part of the Children and Families Grant in 2025-26<br><br><i>In our totals, these are counted as a <u>single</u> funding stream.</i>                                                                                                                         | £0.28bn                |
|                                                                                                                       | Staying Put                                                                              |                                                                                                                                                                                                                                                                   | £0.10bn                |
|                                                                                                                       | Leaving Care Allowance uplift                                                            |                                                                                                                                                                                                                                                                   | £0.04bn                |
|                                                                                                                       | Personal Advisors Extended Duty                                                          |                                                                                                                                                                                                                                                                   | £0.04bn                |
|                                                                                                                       | Virtual School Heads (VSH)_Extension of the VSH role to previously looked after children |                                                                                                                                                                                                                                                                   | £0.02bn                |
|                                                                                                                       |                                                                                          |                                                                                                                                                                                                                                                                   | <b>Total: £24.15bn</b> |

**Revenue Support Grant totals:**

|                                                                                |                 |
|--------------------------------------------------------------------------------|-----------------|
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<sup>1</sup> New Homes Bonus allocations fluctuated each year to reflect local authority housebuilding. The quantum in this table is illustrative only.