



Ministry of Housing,  
Communities &  
Local Government

# Local Authority Revenue Expenditure and Financing: 2018-19 Budget, England



Local Government Finance  
*Statistical Release*

28 June 2018

## Revenue Expenditure

- Total revenue expenditure by all local authorities in England is budgeted to be £95.9 billion in 2018-19. This is 1.6% higher than the £94.5 billion budgeted for 2017-18.

## Service expenditure

- Expenditure on services totalled £92.6 billion. This is £1.6bn (1.8%) higher than the £91.0 billion budgeted for 2017-18.
- The largest increases in expenditure within this change are:
  - Children's social care: £8.6bn budgeted in 2018-19, up £542 million (6.8%) compared to 2017-18 budget.
  - Adult social care: £16.1bn budgeted in 2018-19, up £496 million (3.2%) compared to 2017-18 budget.
  - Education: £33.9bn budgeted in 2018-19, up £520m (1.6%) compared to 2017-18 budget.
  - Police Services: £11.4bn budgeted in 2018-19, up £229m (2.1%) compared to 2017-18 budget.
- 37% of budgeted local authority total service expenditure is to be spent on Education, 17% on Adult Social Care, 12% on Police and 9% on Children's social care.

## Revenue account financing

- The financing of revenue expenditure for 2018-19 is budgeted to be funded as follows: 31% of from council tax, 18% from retained business rates, 50% from government grants and 1% from use of reserves.

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# Introduction

This release and all the associated tables show local authorities' intended expenditure for the financial year 2018-19. Tables in this report make comparisons between spend that local authorities have budgeted for this year against what was budgeted to be spent in the previous financial year (2017-18). Local authorities' outturn data for 2017-18 will be published later in the year.

This release presents detail on how much authorities are budgeting to spend on across the services that they provide, and the main sources of income available to finance this expenditure.

The information is compiled from Revenue Account (RA) budget returns submitted to the Ministry of Housing, Communities and Local Government by local authorities in England. This information was then validated as part of a data quality exercise with the Chartered Institute of Public Finance and Accountancy (CIPFA). This publication is based on returns from 442 of all 443 local authorities in England.

Copeland District Council did not provide a return so data for Copeland was estimated using adjusted 2017-18 budget data and 2018-19 data for Council Tax and Business Rates and some grants.

## Notes and definitions

Functions and responsibilities of local government can change year on year so comparisons between financial years may potentially not be wholly valid, but where major changes occur these will be highlighted in the report.

Figures in this report and the associated tables are collected and reported as **net** expenditure figures. So, for example, a decrease may be driven by decreases in expenditure or increases in income within the service area.

Definitions of terms used in this report can be found from page 12. Full definitions of what is included in each service area are provided in the guidance notes on the [forms](#) section of our website.

## Uses of the data

Data in this Statistical Release are essential for providing the Secretary of State for Housing, Communities and Local Government, other Ministers, HM Treasury and the Office for Budget Responsibility with the most up to date and comprehensive information available on budgeted local authority revenue spending. They are used by the Office for National Statistics in compiling Public Sector Finances and National Accounts both of which inform the setting of fiscal and monetary policy.

It is also an important source to enable evidence-based policy and to inform decisions and to answer parliamentary questions. It is used by local authorities and their representative bodies, other government departments, members of the business community and by others.

The release allows for trends in expenditure of different local authority services to be identified. Local authorities can also compare their own spending with the aggregated figures presented here or with the equivalent data for individual local authorities. When read in conjunction with Revenue Outturn (RO) statistics which are published by the Autumn following the end of the financial year; they show how budgeting plans at the start of the year compare with what was actually spent at the end of the year and how this was financed.

Accompanying drop-down tables presenting detailed budgeted revenue expenditure and financing figures for 2018-19 for all local authorities are available to download alongside this release. See **Accompanying tables** on page 14 for more details.

## Symbols

- ... = not available
- 0 = zero or negligible
- = not relevant
- || = discontinuity
- (R) = revised since the last statistical release

## Rounding

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent parts.

# Local Authority Expenditure

Most local authority expenditure can be divided into different service areas which sum to 'Total Service Expenditure'. This is a net figure calculated as total expenditure minus total income for the specific service. 'Total Net Current Expenditure' is the cost of running local authority services within the financial year. Housing benefits allowances and rebates, parish precepts and levies are added to the Total Service Expenditure to obtain this. 'Revenue Expenditure' takes net current expenditure and adjusts for costs which don't fall in this financial year and takes out any grants that are passed on to a third party. This section details the budgeted figures for the components of these totals and the recent trends in these figures.

**Table 1: Estimated net\* current expenditure by service, England, 2017-18 and 2018-19**

	£ million			
	Net current expenditure	Net current expenditure	£	%
	2017-18	2018-19	Change	Change
Education services	33,343	33,862	520	1.6
Highways and transport services	4,240	4,251	12	0.3
Children's Social Care services	8,028	8,570	542	6.8
Adult Social Care services **	15,623	16,119	496	3.2
Public Health services	3,410	3,314	-96	-2.8
Housing services (excluding Housing Revenue Account)	1,543	1,575	32	2.1
Cultural services	2,190	2,137	-53	-2.4
Environmental services	5,064	5,047	-17	-0.3
Planning and development services	1,078	1,074	-4	-0.4
Police services	11,145	11,374	229	2.1
Fire and rescue services	2,055	2,081	26	1.3
Central services	2,987	2,875	-113	-3.8
Other Services	264	319	56	21.2
<b>Total Service Expenditure</b>	<b>90,970</b>	<b>92,599</b>	<b>1,630</b>	<b>1.8</b>
Housing Benefits <sup>(a)</sup>	20,304	19,286	-1,017	-5.0
Parish Precepts	486	515	29	6.0
Levies <sup>(b)</sup> & Trading Account Adjustments and Other Adjustments <sup>(c)</sup>	-389	-378	11	-2.8
<b>Total Net Current Expenditure</b>	<b>111,370</b>	<b>112,022</b>	<b>612</b>	<b>0.5</b>
Non Current Expenditure and External Receipts	-21,161	-20,453		
<i>of which:</i>				
<i>Capital expenditure charged to Revenue Account (CERA)</i>	1,785	1,509		
<i>Housing Benefits Subsidies</i>	-20,308	-19,105		
<i>Community Infrastructure Levy (CIL)</i>	-138	-129		
Capital financing and debt servicing <sup>(d)</sup>	4,261	4,370		
<b>Revenue Expenditure</b>	<b>94,470</b>	<b>95,940</b>	<b>1,470</b>	<b>1.6</b>

\* Net of sales, fees and charges, and net transfers between local authorities and from other delivery bodies.

\*\* Therefore this does not reflect expenditure funded by the Better Care Fund.

(a) Includes all Mandatory and Non-Mandatory Housing Benefits

(b) Includes 'Integrated Transport Authority levy', 'Waste Disposal Authority levy', 'London Pensions Fund Authority levy' and 'Other levies'

(c) Includes 'External Trading Accounts', 'Internal Trading Accounts', 'Capital items accounted for in External Trading Accounts', 'Capital items accounted for in Internal Trading Accounts', 'Adjustments to net current expenditure' and 'Appropriations to/from Accumulated Absences Account'

(d) Includes provision for repayment of principal, leasing payments, external interest payments and HRA item 8 interest payments and receipts

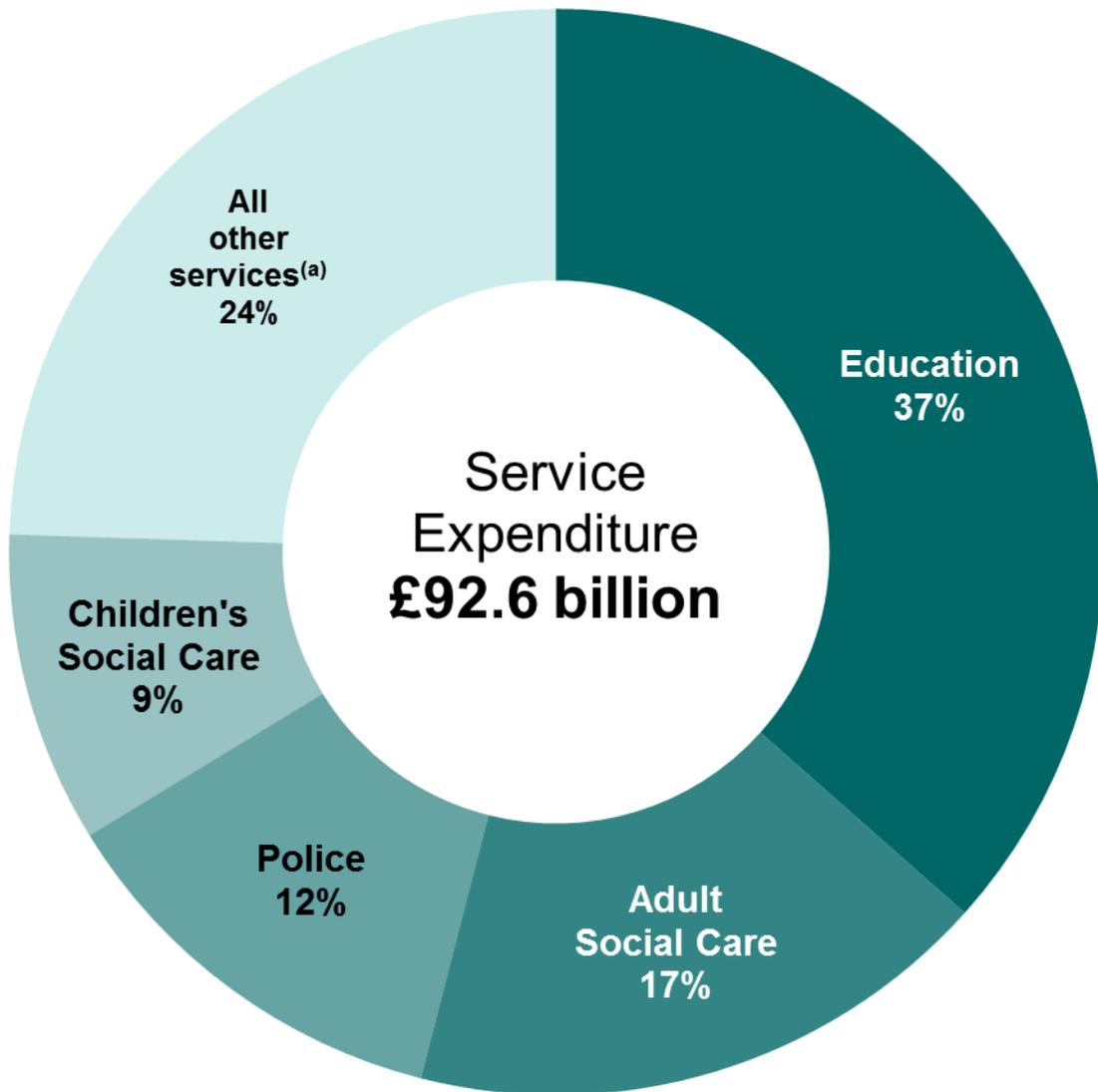
## Service Expenditure

**Table 1** shows that budgeted Service Expenditure for 2018-19 is £92.6 billion, £1.6bn (1.8%) higher than was budgeted for 2017-18. Within this overall change the following increases are most notable:

- Children's social care up overall by £542m (+6.8%) to £8.6 billion in 2018-19. The largest changes within this are from expenditure on:
  - i) looked after children of £4.2bn, up by £350m (9.1%) compared to 2017-18 budget, and
  - ii) safeguarding of children of £2.0bn, up by £128m (6.7%) compared to the 2017-18 budget.
- Adult social care up by £496m (+3.2%) to £16.1 billion in 2018-19.
- Education services up overall by £520m (+1.6%) to £33.9 billion in 2018-19. This is in spite of schools converting to academies, for which funding is then provided directly rather than passing through local authorities. These conversions have resulted in year-on-year decreases in local authorities' total expenditure on education services. The overall increase in education service from 2017-18 to 2018-19 is driven by expenditure on:
  - i) early years of £3.6bn in 2018-19, up by £317m (9.7%) compared to 2017-18 budget
  - ii) special schools and alternative provision of £3.7bn in 2018-19, up by £312m (9.3%) compared to the 2017-18 budget.

Chart A shows the largest proportions of local authority service expenditure. This covers expenditure by councils, combined authorities and single-purpose local authorities, including Police. Education funding, which is ring-fenced, is budgeted to account for 37% of this total. Adult Social Care and Children's social care are large elements of council expenditure, and whose expenditure accounts for 17% and 9% across all expenditure of all authorities.

**Chart A: Proportion of budgeted service expenditure by service, England, 2018-19**



(a) 'Other' includes Highways and Transport, Public Health, Fire and Rescue, Central services, Cultural, Environmental and Planning services and Other Services.

## **Net Current Expenditure**

Total net current expenditure also includes all the costs of running the local authority within the financial year. This is calculated by taking Service Expenditure and adding housing benefits that the authority pays its residents, any money passed down to parish councils through local precepts and any additional levies and adjustments charged during the year.

Although housing benefits form a significant part of overall net current expenditure and are budgeted to account for 17% of all net current expenditure for 2018-19, these are funded by grants from the Department for Work and Pensions.

## **Revenue Expenditure and Non-Current Expenditure**

Revenue Expenditure is derived from the Net Current Expenditure figure by accounting for any non-current expenditure. Non-current expenditure includes financial payments necessary to balance local authority's budgets; generally expenditure where the cash impact falls in one year but the cost is spread over more than one year.

The figures included in the non-current expenditure also include interactions with local authority accounts other than the revenue account. The largest of these are with the capital account. The main interactions are capital financing (interest payments and leases) and CERA (capital expenditure charged to the revenue account).

Total Revenue Expenditure by local authorities in England is budgeted to be £95.9 billion in 2018-19, compared with a budgeted £94.5 billion in 2017-18, an increase of 1.6%.

## Revenue Expenditure by Class of Local Authority

Analysing the data at local authority level the changes in budgeted expenditure highlights the level of variance across different types of authorities.

<b>Table 2: Budgeted revenue expenditure by class of authority, England, 2017-18 and 2018-19</b>				
	£ million			
	Revenue expenditure 2017-18	Revenue expenditure 2018-19 <sup>(a)</sup>	£ Change	% Change
<b>England</b>	<b>94,470</b>	<b>95,940</b>	<b>1,470</b>	<b>1.6</b>
<b>Class of authority</b>				
Shire Counties	25,979	26,526	546	2.1
Metropolitan Districts	18,342	18,462	120	0.7
Unitary Authorities	17,143	17,349	205	1.2
London Boroughs	13,851	14,272	420	3.0
Shire Districts	3,066	2,986	-80	-2.6
Greater London Authority	5,792	5,860	69	1.2
Police Authorities <sup>(b)</sup>	7,773	7,959	186	2.4
Fire Authorities <sup>(b)</sup>	1,371	1,389	18	1.3
Other Authorities <sup>(b) (c)</sup>	1,151	1,096	-55	-4.7
			<b>£</b>	
<b>Revenue Expenditure per head (£) <sup>(d)</sup></b>	<b>1,709.30</b>	<b>1,735.17</b>	<b>25.87</b>	<b>1.5</b>

(a) Class totals do not sum to total due to a small number of returns whose expenditure and financing did not balance

(b) Greater Manchester Fire and Police Authorities merged with Greater Manchester Combined Authority at the start of 2018. Therefore adjusted Revenue Expenditure figures have been recalculated for 2017-18 to enable meaningful comparisons

(c) Includes Combined Authorities, Waste Authorities, Transport Authorities and National Park Authorities

(d) From ONS mid-year population estimates for 2016:  
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

- With the exception of Shire Districts and Other Authorities, all other classes of authority show an overall increase in budgeted expenditure.
- Shire Districts' total budgeted revenue expenditure for 2018-19 is 2.6% lower than it was for 2017-18.
- The decrease for the grouping of authorities 'Other Authorities' is due to an increase in income for the Greater Manchester Authority through its transport levy which is funded by the Metropolitan Districts of Greater Manchester.
- Revenue Expenditure per head (using 2016 population estimates) is budgeted to increase from £1,709 in 2017-18 to £1,735 in 2018-19.

# Revenue Expenditure Financing

This section outlines the different funding streams that finance local authorities' budgeted expenditure and how these differ for 2018-19 from what was budgeted in 2017-18.

Authorities additionally receive income from sales, fees and charges. Service line expenditure is collected and presented net of sales, fees and charges in the revenue account. Sales, fees and charges are not identified at budget stage but they are reported and published in the Revenue Outturn returns.

Central Government funding comprises funding announced in the annual [Local Government Finance Settlement](#) plus grants from a number of government departments.

**Table 3: Budgeted revenue expenditure and financing, England, 2017-18 and 2018-19**

	£ million			
	Net current expenditure 2017-18	Net current expenditure 2018-19	£ Change	% Change
<b>Revenue expenditure</b>	<b>94,470</b>	<b>95,940</b>	<b>1,470</b>	<b>1.6%</b>
<b>Financed by:</b>				
<b>Government Grants</b>	<b>50,188</b>	<b>47,983</b>	<b>-2,205</b>	<b>-4.4</b>
<i>of which:</i>				
Specific grants inside AEF	39,004	39,406	403	1.0
<i>of which:</i>				
Dedicated Schools Grant (DSG)	27,860	28,458		
Public Health Grant	3,112	2,991		
Pupil Premium Grant	1,476	1,364		
NewHomes Bonus	1,175	889		
The Private Finance Initiative (PFI)	1,160	1,157		
Other grants inside AEF	3,823	4,547		
Local Services Support Grant (LSSG)	23	14	-10	-41.1
Revenue Support Grant <sup>(a)</sup>	3,868	1,443	-2,425	-62.7
Police grant	7,293	7,120	-174	-2.4
<b>Retained income from Business Rate Retention Scheme<sup>(b)</sup></b>	<b>14,665</b>	<b>17,054</b>	<b>2,389</b>	<b>16.3</b>
<b>Appropriations to(-) / from (+) revenue reserves</b>	<b>1,444</b>	<b>914</b>	<b>-530</b>	<b>-36.7</b>
<b>Council tax net collection fund deficit/surplus from the previous year</b>	<b>541</b>	<b>427</b>	<b>-114</b>	<b>-21.1</b>
<b>Council tax requirement<sup>(c)</sup></b>	<b>27,631</b>	<b>29,561</b>	<b>1,930</b>	<b>7.0</b>

(a) Most of the the difference between 2017-18 and 2018-19 is the result of local authorities which chose to forego the revenue support grant due to them in return for an equivalent higher amount of retained business rates under the business rates retention pilots in 2018-19.

(b) Much of the increase in retained business rates follow from an equivalent amount of grants to be foregone as part of the business rates retention pilots in 2018-19. Includes business rates collection fund deficit/surplus from the previous year. These figures do not reconcile fully with local authorities' business rates forecasts which are available at <https://www.gov.uk/government/collections/national-non-domestic-rates-collected-by-councils> Reasons for the differences include changes since when budgets were set.

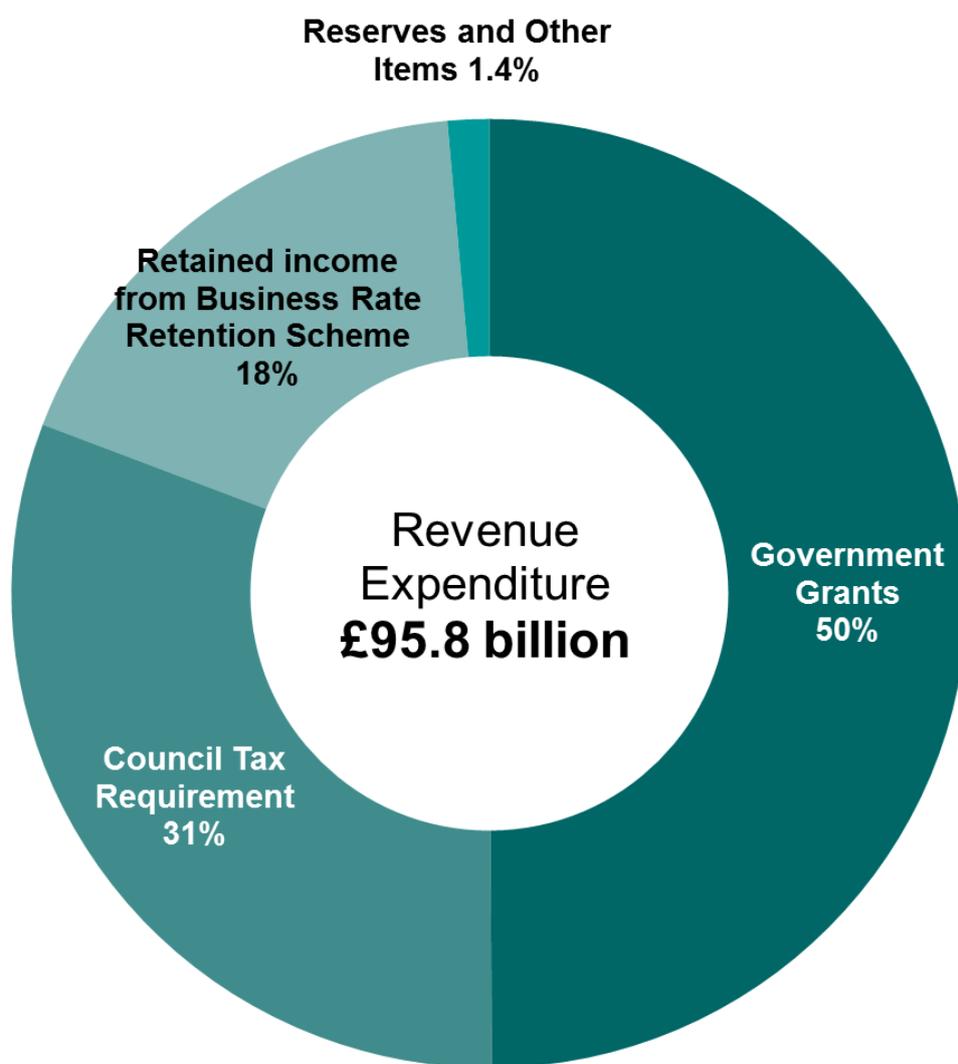
(c) The increase in council tax requirement reflects the combination of increases of bills (average increase of 5.1% for 2018-19) and the increase in tax base (i.e. the effective number of properties)

Table 3 above and Chart B below show how local authorities intend to finance revenue expenditure. Central government grants are expected to account for 50%, with 31% from council tax and the remainder set to be financed through locally retained business rates and use of (or appropriations) from the reserves.

**Central government grants** are expected to total £47.8 billion. This includes Police Grant (£7.1bn), Revenue Support Grant (£1.4bn), and Specific grants inside Aggregate External Finance (£39.4bn of which £28.5bn Dedicated School Grant).

**Council tax requirement** is set to amount to £29.6 billion in 2018-19, 7.0% higher than in 2017-18. This is due to the combination of council tax levels increases including the adult social care precept, and due to increased tax base. As shown in Chart B, this accounts for 31% of all budgeted local authority funding.

**Chart B: Budgeted financing of revenue expenditure, England, 2018-19**



Budget data are collected as net expenditure and thus do not show sales, fees and charges. Data on these are published in detailed tables RSX and RS1 to RS6 in Revenue Outturn statistics at <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

Table 4 shows funding of revenue expenditure in terms of government grants, redistributed non-domestic rates, retained business rates and council tax since 2010-11. Data for 2010-11 to 2016-17 are actuals whilst 2017-18 and 2018-19 are budgeted figures.

The proportion of centrally distributed income is forecast to reduce further from 53% in 2017-18 to 50% in 2018-19, with a corresponding increase in income retained by local authorities from 45% in 2017-18 to a forecast 49%. Local authorities have become more reliant on locally retained income due to changes to council tax and business rates policies since 2013-14.

Table 4: Financing of revenue expenditure, England, since 2010-11

	£ million					£ million				£ million	
	<i>Centrally distributed income</i>					<i>Locally retained income</i>				<i>Reserves and Other Items (d)</i>	
	<i>Revenue Expenditure</i>	<i>Government Grants (a)</i>	<i>Redistributed non-domestic rates</i>	<i>Centrally distributed income</i>	<i>% of total</i>	<i>Retained income from Business Rate Retention Scheme (b)</i>	<i>Council Tax (c)</i>	<i>Locally retained income</i>	<i>% of total</i>	<i>Reserves and Other Items (d)</i>	<i>% of total</i>
<b>Outturn</b>											
2010-11	104,256	57,657	21,517	79,173	75.9	...	26,254	26,254	25.2	-1,172	-1.1
2011-12	99,278	56,237	19,017	75,254	75.8	...	26,451	26,451	26.6	-2,427	-2.4
2012-13	94,148	46,765	23,129	69,895	74.2	...	26,715	26,715	28.4	-2,461	-2.6
2013-14	96,419	64,578	...	64,578	67.0	10,719	23,371	34,090	35.4	-2,249	-2.3
2014-15	95,942	61,312	...	61,312	63.9	11,331	23,964	35,295	36.8	-665	-0.7
2015-16	94,533	57,090	...	57,090	60.4	11,855	24,734	36,589	38.7	853	0.9
2016-17	93,530	53,766	...	53,766	57.5	11,740	26,082	37,821	40.4	1,943	2.1
<b>Budget</b>											
2017-18	94,470	50,188	...	50,188	53.1	14,665	27,631	42,297	44.8	1,985.2	2.1
2018-19	95,940	47,983	...	47,983	50.0	17,054	29,561	46,615	48.6	1,341.3	1.4

(a) Includes 'Local Services Support Grant (LSSG)', 'Specific grants inside AEF', 'Revenue Support Grant' and 'Police Grant'. Since 2013-14 the specific grants inside AEF have included 'public health grant', 'local council tax support grant' and the 'central share of non-domestic rates'

(b) Much of the increase in retained business rates follow from an equivalent amount of grants to be foregone as part of the business rates retention pilots in 2018-19.

(c) Since 2013-14 Council Tax has not included the 'local council tax support grant', this is now included in Government Grants. The increase in council tax receipts reflects the combination of increases of bills (average increase of 5.1% for 2018-19) and the increase in tax base (i.e. the effective number of properties)

(d) Reserves and Other items includes all appropriations to (-) and from (+) the reserves, any income from Inter-authority transfers and net collection fund surpluses (+)/deficits (-) from the previous year. This figure is an adds to financing when reserves and surpluses are being used (+) and draws from financing when reserves are being added to and deficits are being financed (-).

## Financing of Revenue Expenditure by Class of Local Authority

Table 5 shows funding of budgeted revenue expenditure in terms of government grants, redistributed non-domestic rates, retained income from rate retention scheme, council tax and reserves & other items across the different local authority class types.

The proportions of income from business rates and centrally distributed income are not comparable across all authorities due to the 100% business rates retention pilots.

The council tax share is comparable and shows that shire districts rely on council tax for a larger share of their income compared to other councils.

Table 5: Financing of revenue expenditure by local authority classification, England, 2018-19

£ million									
<i>Financing components of Revenue Expenditure</i>									
	Revenue Expenditure	<i>Centrally distributed income</i>		<i>Locally retained income</i>				<i>Reserves</i>	
		Government Grants <sup>(b)</sup>	% of total	Retained income <sup>(b)</sup> from Business Rate Retention Scheme		Council Tax <sup>(c)</sup>		Appropriations to (-) & from (+) reserves	
					% of total		% of total		% of total
<b>England</b>	<b>95,940</b>	<b>47,983</b>	<b>50.0</b>	<b>17,054</b>	<b>17.8</b>	<b>29,988</b>	<b>31.3</b>	<b>914</b>	<b>1.0</b>
<b>Class of authority</b>									
Shire Counties	26,526	13,250	49.9	2,900	10.9	10,116	38.1	260	1.0
Metropolitan Districts	18,461	9,361	50.7	4,417	23.9	4,470	24.2	213	1.2
Unitary Authorities	17,351	8,588	49.5	2,895	16.7	5,818	33.5	51	0.3
London Boroughs	14,267	7,786	54.6	3,076	21.6	3,349	23.5	56	0.4
Police Authorities	7,959	5,206	65.4	0	0.0	2,622	32.9	132	1.7
Greater London Authority	5,860	2,372	40.5	2,552	43.6	890	15.2	47	0.8
Shire Districts	3,031	461	15.2	812	26.8	1,763	58.2	-5	-0.2
Fire Authorities	1,389	212	15.2	345	24.8	780	56.1	53	3.8
Other Authorities <sup>(d)</sup>	1,095	749	68.4	57	5.2	182	16.6	107	9.8

(a) Central Government Grants includes Local Services Support Grant, Specific Grants inside Aggregate External Finance, Revenue Support Grant and Police Grant.

(b) Retained income from Rate Retention Scheme; expected retained non-domestic rate income after payment of central share, major precepting shares and any tariff, top up, levy or safety net payments, and business rates collection fund surplus/deficit brought forward.

(c) Includes Council Tax Surplus (line 980) added to Council Tax Requirement, which is the amount local authorities expect to collect from all domestic properties within

(d) Other authorities comprise Combined Authorities, Waste Disposal Authorities (WDA), Integrated Transport Authorities (ITA) and National Park Authorities. For WDA and ITA, the core financing of their service expenditure comes from Waste Disposal and Integrated Transport levies respectively, funded by their constituent authorities, which is already included in revenue expenditure.

# Definitions

A list of terms relating to local government finance is given in *Local Government Finance Statistics England* (LGFS). The most recent edition is LGFS No. 27 2017. This is accessible at:

<https://www.gov.uk/government/statistics/local-government-financial-statistics-england-2016>.

The most relevant terms for this release are explained below.

## **Aggregate External Finance**

This is the total amount of grant provided to finance all local government expenditure, excluding that subject to separate arrangements under statutory schemes, rent allowances and rebates and council tax benefit, which are funded by specific grants outside Aggregate External Finance.

## **Central Government Grants**

The biggest source of funding that local authorities receive is from central government. This is made up from 'specific' grants and a general grant (also called the Revenue Support Grant). Central government grant money pays for capital projects, such as roads or school buildings, as well as revenue spending, such as the cost of maintaining council housing and running services, including employee wages.

## **Central Services**

These are services organised on a corporate basis that support the delivery of services to the public. Central services include building costs, administration and IT

## **Council Tax Requirement**

The amount of revenue a local authority needs to raise through council tax, (its council tax requirement) is calculated by deducting from its planned spending any funding from reserves, income it expects to raise, and funding it will receive from the Government.

## **Current expenditure**

This is the cost of running local authority services within the financial year. This includes the costs of staffing, heating, lighting and cleaning, together with expenditure on goods and services consumed within the year. This expenditure is offset by income from sales, fees and charges and other (non-grant) income, which gives total **net current expenditure**. Total net current expenditure also includes payments made by local authorities on behalf of central government, under statutory schemes and the payment of rent allowances and rebates. Such payments are fully funded by central government through specific grants outside **Aggregate External Finance**.

## **Dedicated Schools Grant (DSG)**

There was a change in the funding of specific and formula grants in 2006-07 largely due to changes in the way that expenditure on schools is funded. From 2006-07, local authorities receive school funding through specific grant rather than funding previously included in formula grant.

### **Funding through the Settlement Grant**

This the main channel of government funding. This includes **Retained income from the Rate Retention Scheme, Revenue Support Grant**, and Police grant. The distribution is determined by the Formula spending shares formulae, also taking account of authorities' relative ability to raise council tax and the floor damping mechanism. There are no restrictions on what local government can spend it on.

### **Greater London Authority (GLA) Group**

This includes GLA and its constituent bodies, Metropolitan Police Authority, London Fire and Emergency Planning Authority, Transport for London (TfL) and London Development Agency (LDA). Transactions in their General Fund Revenue Account are reported by the GLA and the four functional bodies as a group.

### **Housing Revenue Account**

The HRA is a local authority statutory account, it contains all the spending and income related to the housing stock owned by the council.

### **Local Services Support Grant**

This is an non-ringfenced grant paid under section 31 of the Local Government Act 2003 to support local government functions.

### **Mandatory Housing Benefit**

This is financial help given to local authority or private tenants whose income falls below the prescribed amounts as required by law. This usually consists of mandatory Rent Allowances and mandatory Rent Rebates, to HRA and non-HRA tenants.

### **Net Current Expenditure**

see **Current Expenditure**

### **Reserves**

These are sums set aside to finance future spending for purposes falling outside the definition of a provision. Reserves set aside for stated purposes are known as earmarked reserves.

Non-ringfenced revenue reserves comprise of unallocated reserves and other earmarked reserves. Local authorities often earmark reserves to meet known financial commitments and to mitigate known risks. As reserves of this type cannot be used without putting wider service delivery at risk, most local authorities will have significantly lower usable revenue reserves than their non-ringfenced revenue reserves balance would imply. It is not possible to identify usable revenue reserves in the current release.

### **Retained income from the Rate Retention Scheme**

This is expected retained non-domestic rate income after payment of central share, major precepting shares and any tariff, top up, levy or safety net payments.

## Revenue expenditure

This is equal to total net current expenditure (line 849), plus capital financing costs and a few minor adjustments, but excludes expenditure financed by grants outside **Aggregate External Finance**. Revenue expenditure is financed by grants inside Aggregate External Finance, council tax and authorities' reserves.

## Revenue Support Grant

A general grant now distributed as part of **Funding through the Settlement Grant**.

## Specific Grants inside AEF

These are revenue grants which are paid to local authorities by individual government departments, for which the local authority has sole responsibility for decisions on how the grant is allocated. The main purpose for the provision of these grants is to deliver core local authority services.

## Specific Grants outside AEF

These are revenue grants, which are paid to local authorities by individual government departments. However, the local authority usually only acts as the 'middle person', as the grants are passed over to a third party who administers the service. The local authority does not normally have any control over the service for which the grant was intended for. This responsibility rests solely with the third party that receives the grant.

# Accompanying tables

Accompanying dropdown tables, presenting detailed budgeted revenue expenditure and financing figures for 2018-19 for all local authorities are available to download alongside this release.

These tables present all revenue outturn information, by local authority, in the same format as it is returned to Ministry of Housing, Communities and Local Government and forms the basis of the tables in this release. These are available here:

<https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

Description	Form
Revenue Account Budget	RA
Specific and Special Revenue Grants	SG

# Technical notes

## Data collection

### Survey design for collecting Revenue Account data in 2018-19

From February until April 2018, all 443 local authorities in England were requested to complete the Revenue Account (RA) suite of forms to show all their budgeted transactions related to the general fund revenue account. This included net current expenditure, capital charges and also elements that finance net current expenditure, which includes; levy payments, interest receipts, central government grants, use of reserves, council tax and other non-current expenditure items.

The estimates requested cover local authority revenue expenditure and financing for the financial year 1 April 2018 to 31 March 2019. These estimates are on a non-International Accounting Standard 19 (IAS19) and PFI “Off Balance Sheet” basis except where stated otherwise.

## Data quality

This Statistical Release contains National Statistics and, as such, has been produced to the high professional standards set out in the Code of Practice for Official Statistics. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.

The information for 2018-19 in this release is derived from Ministry of Housing, Communities and Local Government (MHCLG) Revenue Account (RA) forms and is based on returns from 442 of the 443 local authorities in England.

Figures are subjected to rigorous pre-defined validation tests both within the form itself, while the form is being completed by the authority and also by Ministry of Housing, Communities and Local Government and the Chartered Institute of Public Finance and Accounting as the data are received and processed.

## Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Ministry of Housing, Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy>). There are two types of revisions that the policy covers:

### Non-Scheduled Revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

### Scheduled Revisions

At time of publication there are no scheduled revisions for this series

## User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

Comments and feedback from end users for further improvement or about your experiences with this product will be welcomed. Please send all views to: [lqf1.revenue@communities.gsi.gov.uk](mailto:lqf1.revenue@communities.gsi.gov.uk)

## Notes

Timings of future releases can be found at:

<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics#forthcoming-publications>

and at: <https://www.gov.uk/government/statistics/announcements>

The CIPFA Finance and General Statistics publication also contains detailed information on local government finance.

CLIP Finance (CLIP-F) is a consultative group which considers the collection, presentation and analysis of data on local government finance. To ensure users are made aware of significant changes and adjustments to Local Government Finance forms papers are tabled, discussed and published.

## Devolved administration statistics

The Scottish, Welsh Assembly and Northern Ireland Government also collect revenue budget data. Their information can be found at the following websites:

**Scotland** <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/POBEStats>

**Wales** <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue>

**Northern Ireland** <https://www.communities-ni.gov.uk/topics/local-government>

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Information on Official Statistics is available via the UK Statistics Authority website:

[www.statisticsauthority.gov.uk/national-statistician/types-of-official-statistics/index.html](http://www.statisticsauthority.gov.uk/national-statistician/types-of-official-statistics/index.html)

Timings of future releases are placed on the Department's website at:

<https://www.gov.uk/government/statistics/announcements>

Information about statistics at MHCLG is available via the Department's website:

[www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics](http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics)

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This document/publication is also available on our website at [www.gov.uk/dclg](http://www.gov.uk/dclg)

If you have any enquiries regarding this document/publication, email [contactus@communities.gov.uk](mailto:contactus@communities.gov.uk) or write to us at:

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