

Statistical Release

17 February 2011

LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

ENGLAND 2010-11 BUDGET (Revised)

- Budgeted total net current expenditure by local authorities in England totals £122.0 billion in 2010-11, compared with £115.0 billion in 2009-10, an increase of 6%.
- 38% of budgeted total net current expenditure in 2010-11 is on education, 17% on social care, 14% on housing benefits and 10% on police.
- 25% of budgeted revenue expenditure on a non-International Accounting Standard 19 basis in 2010-11 is estimated to be funded through council tax, 27% through formula grant and 48% through specific grants inside Aggregate External Finance and Area Based Grant.

This release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2010 to March 2011. The statistical release follows the submission of Leicester City UA's completed RA Budget form and local authority corrections to errors on their financial reserve levels and service expenditure data after further quality assurance. These estimates are on a non International Accounting Standards 19 (IAS19) & Private Finance Initiative (PFI) on an "Off Balance Sheet" basis except where stated otherwise.

Headline figures for previous years were published on a FRS17 and non-FRS17 basis.

This information is derived from Communities and Local Government / Chartered Institute of Public Finance and Accountancy (CIPFA) Revenue Account (RA) budget forms submitted by local authorities in England. This release is based on returns from all 443 local authorities that complete the return, for which local authority data used to compile the information in this release can be found at:

<http://www.communities.gov.uk/publications/corporate/statistics/revenuelocaldatabudget1011>

The release has been compiled by the Local Government Finance - Data Collection Analysis and Accountancy division of Communities and Local Government.

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We welcome comments and suggestions for further improvement or about your experiences with this product. This may include comments on data quality, timing and the format of the statistics. Please contact us at:

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Local authority revenue expenditure and financing England 2009-10 budget

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Budgeted net current expenditure by service

1. Budgeted net current expenditure in 2010-11 is summarised in **Table 1** and **Chart A**. **Table 1** also shows budgeted net current expenditure in 2009-10 and the percentage change to 2010-11. Service expenditure is based on information from the RA forms, which can be found in **Annex A**. The service breakdowns have been created from this detailed information, according to **Annex C** of this release. It should be noted that year on year comparisons may not be valid due to local government changes in function and responsibility.

- Budgeted total net current expenditure by local authorities in England totals £122.0 billion in 2010-11 compared with £115.0 billion in 2009-10, an increase of 6%.
- The definition of total net current expenditure has changed for this year to include revenue expenditure funded from capital by statute (RECS). Removing RECS, the 2010-11 net current expenditure figure is £121.1 billion. If compared to the 2009-10 figure of £115.0 billion, this is an increase of 5%.
- 38% of budgeted total net current expenditure in 2010-11 is on education, 17% on social care, 14% on housing benefits and 10% on police.

Table 1: Budgeted net current expenditure by service 2009-10 and 2010-11 ⁽¹⁾

	non-FRS17 Net current expenditure 2009-10	non-IAS19 Net current expenditure 2010-11	£ million % Change
Education	43,188	45,966	6
Highways & transport	6,347	6,661	5
Social care	20,254	20,857	3
Housing (excluding Housing Revenue Account)	2,482	2,733	10
Cultural, environment & planning	10,513	10,959	4
Police	11,932	12,165	2
Fire & rescue	2,265	2,284	1
Central services ⁽²⁾	3,162	3,644	15
Mandatory rent allowances	10,126	12,130	20
Mandatory rent rebates	641	548	-14
Rent rebates granted to HRA tenants	3,885	3,961	2
Other services	202	86	-58
Total net current expenditure	114,997	121,994	6

(1) Net current expenditure estimates after 2009-10 are not fully comparable against previous years owing to revenue expenditure from capital by statute (RECS) distributed across all services. This amounts to £868 million (see Table 2, Page 6).

(2) Court services were previously included as a separate service and have now been integrated with Central Services for 2010-11

Budgeted revenue expenditure and financing

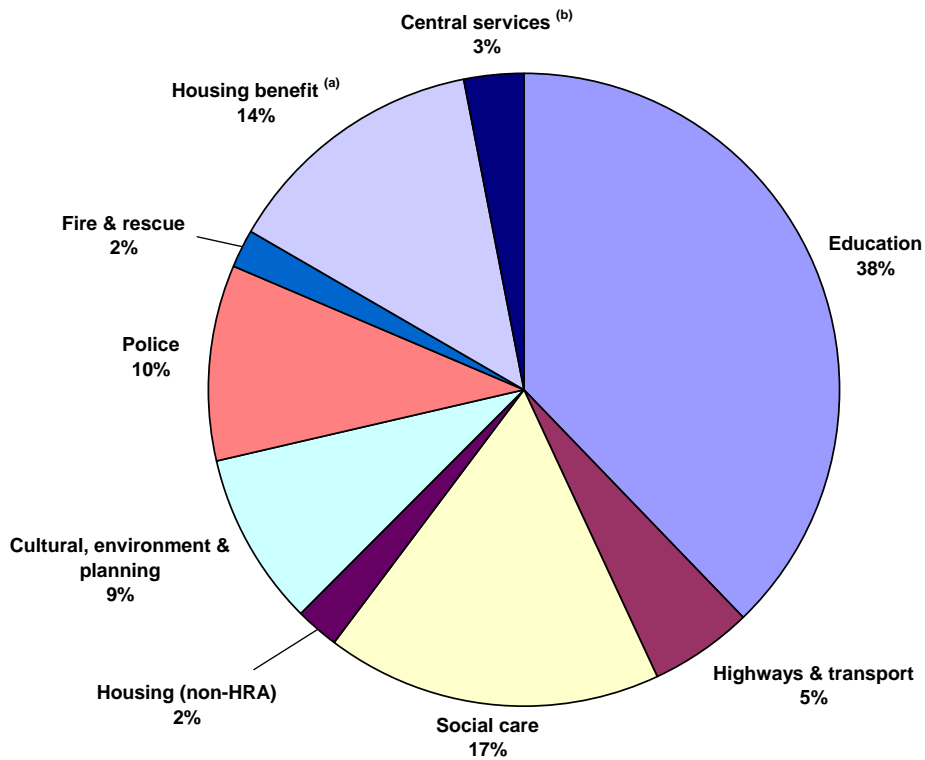
2. **Table 2** shows the link between the definitions of net current and revenue expenditure and how revenue expenditure is financed on a non-IAS19 basis in 2010-11. A more detailed breakdown of this information can be found in **Annex A**. **Chart B** illustrates how budgeted revenue expenditure is to be financed on a non-IAS19 basis in 2010-11.

- Revenue expenditure on a non-IAS19 basis is budgeted to be £105.8 billion in 2010-11.
- 25% of budgeted revenue expenditure on a non-IAS19 basis in 2010-11 is estimated to be funded through council tax, 27% through formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) and 48% through specific grants inside Aggregate External Finance and Area Based Grant.
- Formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) totals £29.0 billion in 2010-11.
- Specific grants inside Aggregate External Finance are estimated to amount to £45.7 billion.
- £26.3 billion is being raised locally through council tax.
- Area Based Grant (ABG) is estimated to amount to £4.7 billion in 2010-11.
- Capital financing costs in the 2010-11 budget amount to £3.9 billion, while £2.0 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts are estimated to be £0.4 billion in 2010-11.
- In 2010-11 local authorities are budgeting to add £10 million to their reserves compared with their drawing down £1,635 million in 2009-10. The bulk of the difference is due to GLA, who are adding £409m to reserves in 2010-11 having drawn down £816m in 2009-10. The GLA change from 2009-10 to 2010-11 is largely due to their receipt during 2010-11 of cross rail funding for Transport for London's (TfL) investment program, which will be spent in subsequent years. If we exclude GLA's figures, the remaining authorities are budgeting to draw down £399 million of reserves in 2010-11 compared with their drawing down £819m in 2009-10.
- In 2010-11 for non-school reserves: 33% of local authorities in England budgeted to add to their reserve levels, 60% budgeted to draw out from their reserves and 7% had no change. If comparing to 2009-10, 18% of local authorities in England budgeted to add to their reserve levels, 75% budgeted to draw out from their reserves and 7% had no change.

Table 2: Budgeted revenue expenditure and financing on a non-IAS19 basis 2010-11

	£ million
	Net current expenditure non-IAS19
Total net current expenditure	121,994
plus non-current expenditure	
Capital financing	3,861
Capital Expenditure charged to Revenue Account	1,993
Council tax benefit	3,935
Discretionary Non-Domestic Rate relief	29
Bad debt provision	30
Flood defence payments to Environment Agency	31
Reversal of Revenue expenditure funded from capital by statute (RECS)	-868
Private Finance Initiative (PFI) schemes - difference from service charge	63
Appropriations to(+)/ from(-) financial instruments adjustment account ^(a)	-6
Appropriations to(+)/ from(-) unequal pay back pay account ^(b)	21
<i>less interest receipts</i>	424
<i>less specific grants outside AEF ^(c)</i>	24,869
Revenue expenditure	105,790
<i>less specific grants inside AEF ^(c)</i>	45,737
<i>less Area Based Grant (ABG)</i>	4,679
Net revenue expenditure	55,373
<i>less appropriations from other revenue reserves</i>	-10
<i>less adjustments</i>	4
Budget requirement	55,380
financed by:	
Revenue Support Grant	3,122
Redistributed non-domestic rates	21,516
Police grant	4,374
General Greater London Authority (GLA) grant	48
Other items	65
Council tax requirement	26,254
(a) Adjustments permitted by regulation to the revenue account charges for financial instruments.	
(b) The deferral of revenue account charges for unequal pay back pay as permitted by regulation, and the reversal of the deferral in the year that payment of the back pay is due.	
(c) Aggregate External Finance; see Background Notes for definition	

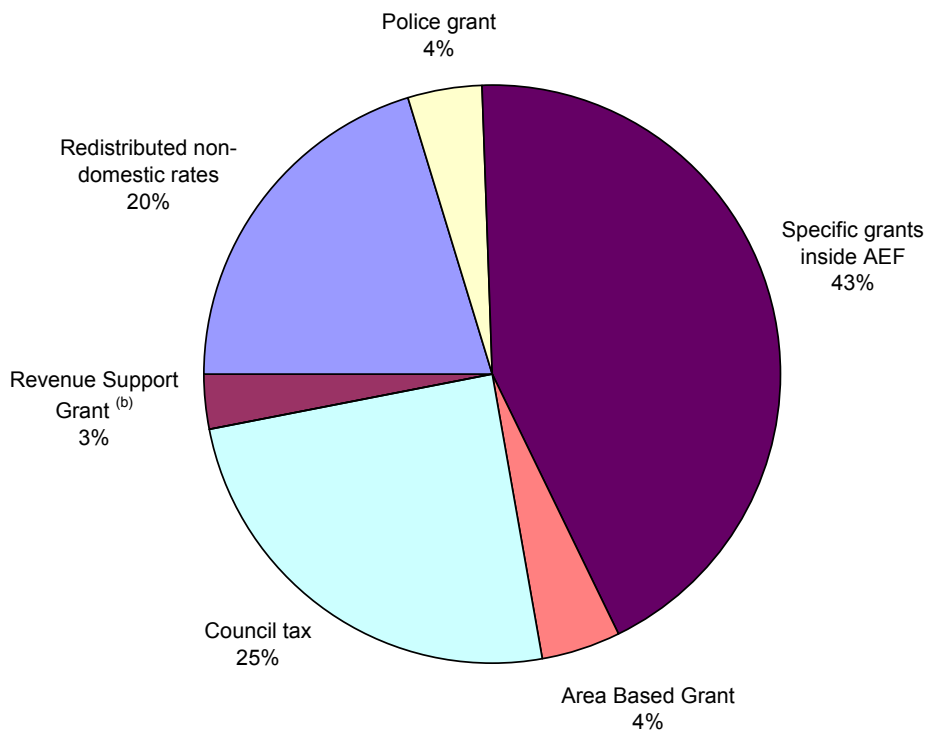
Chart A: Budgeted total net current expenditure by service 2010-11



(a) Housing benefit includes mandatory rent allowances and rent rebates

(b) Central services include courts and other services

Chart B: Budgeted financing of revenue expenditure 2010-11 (a)



(a) Produced on a non-International Accounting Standards 19 basis

(b) Revenue Support Grant includes General GLA grant and 'Other items'

3. **Table 3** shows the funding of budgeted revenue expenditure in terms of government grants, redistributed non-domestic rates and council taxes from 2004-05 onwards. All years are produced on a non-IAS19 basis. This is because local authorities set their council tax with regard to their expenditure on a non-IAS19 basis. A fuller definition of IAS19 can be found in the **Terminology used in this release** section.

- In 2010-11, 55% of budgeted revenue expenditure on a non-IAS19 basis is estimated to be funded by government grants (including Revenue Support Grant, specific grants inside Aggregate External Finance, Area Based Grant, Police grant and General (GLA) grant), 25% by council tax and 20% by redistributed non-domestic rates.

Table 3: Financing of revenue expenditure since 2004-05 ^(a)

	Revenue Expenditure	Government grants		Redistributed non-domestic rates		Council tax	
	(£ million)	(£ million)	% of total	(£ million)	% of total	(£ million)	% of total
Outturn							
2004-05	79,303	45,258	57	15,004	19	20,299	26
2005-06	84,422	45,838	54	18,004	21	21,315	25
2006-07	88,172	49,093	56	17,506	20	22,453	25
2007-08	92,384	51,656	56	18,506	20	23,608	26
2008-09	98,107	53,008	54	20,506	21	24,759	25
2009-10	103,404	57,883	56	19,515	19	25,633	25
Budget							
2010-11 ^(b)	105,790	57,960	55	21,516	20	26,254	25

(a) All figures produced on a non-Financial Reporting 17 basis, except where stated otherwise. Sum of government grants, redistributed non-domestic rates and council taxes does not normally exactly equal revenue expenditure because of the use of reserves

(b) Produced on a non-International Accounting Standard 19 basis. Sum of government grants, redistributed non-domestic rates and council taxes does not normally exactly equal revenue expenditure because of the use of reserves

Budgeted income from specific grants

4. **Table 4** shows the top five incomes from specific grants inside and outside Aggregate External Finance. Details on all income from specific grants can be found in **Annex B**.

- In 2010-11, Dedicated Schools Grant (DSG) is budgeted to account for 67.3% of the income received by local authorities through specific grants inside Aggregate External Finance.

Table 4: Top five incomes from specific grants budget 2010-11

		£ million
Grants inside Aggregate External Finance	Line Reference	
Dedicated Schools Grant (DSG)	SG line 102	30,773
GLA Transport Grant	SG line 221	4,382
Standards Fund (excluding elements now in ABG)	SG line 145	3,421
Sure Start, Early Years and Childcare Grant	SG line 150	1,709
School Standards Grant (including Personalisation)	SG line 141	1,536
Grants outside Aggregate External Finance		
Mandatory Rent Allowances: subsidy	SG line 745	11,788
Council Tax Benefit: subsidy	SG line 741	4,025
Rent Rebates Granted to HRA Tenants: subsidy	SG line 747	3,423
Sixth forms funding from Young People's Learning Agency (YPLA)	SG line 716	1,808
Mandatory Rent Rebates outside HRA: subsidy	SG line 746	1,340

Detailed budget information

5. **Annex A** (RA10) and **Annex B** (RASG10) show all England detailed budget information in the same way as it is returned to Communities and Local Government. It forms the basis of the tables in this release. The notes, which accompany each form sent to local authorities, can be found at:

<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/usefulinformation/formst timetable/revenueforms/>

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11			
	£ thousand		
	Net current expenditure	Capital charges	Net total Cost excluding specific grants
Education Services			
110 Nursery schools	847,087	48,590	895,676
120 Primary schools	18,048,813	843,487	18,892,299
130 Secondary schools	18,087,861	712,799	18,800,661
140 Special schools	2,809,070	79,735	2,888,805
150 Non-school funding	6,171,932	170,902	6,342,834
190 TOTAL EDUCATION SERVICES (total of lines 110 to 150)	45,964,762	1,855,510	47,820,274
Highways and Transport Services			
210 Transport planning, policy and strategy	305,723	51,436	357,160
220 Capital charges relating to construction projects	0	486,692	486,692
230 Structural maintenance	644,861	179,018	823,879
247 Environmental, safety and routine maintenance	1,024,063	123,289	1,147,352
248 Winter service	154,431	7,125	161,556
249 Street lighting (including energy costs)	510,108	20,155	530,264
251 Traffic management and road safety: congestion charging	-185,558	1	-185,557
254 Traffic management and road safety: road safety education and safe routes (including school crossing patrols)	132,687	14,832	147,520
258 Traffic management and road safety: other	277,299	36,200	313,498
260 Parking services	-550,796	73,502	-477,295
271 Public transport: concessionary fares	1,111,166	503	1,111,669
275 Public transport: support to operators	2,645,408	25,256	2,670,664
276 Public transport: co-ordination	595,406	25,236	620,641
280 Airports, harbours and toll facilities	-3,714	14,430	10,716
290 TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280)	6,661,086	1,057,673	7,718,758
Social Care			
311 Social care strategy - children	120,783	336	121,119
325 Children's and families' services - asylum seekers	145,803	822	146,625
329 Children's and families' services - other	6,150,846	57,163	6,208,008
330 Social care strategy - adults	72,888	3,226	76,114
340 Older people (aged 65 or over) including older mentally ill	7,407,062	74,756	7,481,819
351 Adults aged under 65 with physical disability or sensory impairment	1,531,026	13,567	1,544,592
352 Adults aged under 65 with learning disabilities	3,874,133	34,517	3,908,652
353 Adults aged under 65 with mental health needs	1,140,931	9,173	1,150,105
375 Other adult social care - asylum seekers - lone adults	45,203	141	45,344
379 Other adult social care - other	368,027	9,765	377,792
390 TOTAL SOCIAL CARE (total of lines 311 to 380)	20,856,701	203,469	21,060,171

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

	£thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Housing Services (GFRA only)			
409 Housing strategy, advice, advances, enabling, renewals and licensing	464,324	91,424	555,747
440 Homelessness	292,095	8,152	300,247
456 Housing benefits: rent allowances and rent rebates - discretionary payments	72,489	254	72,743
457 Housing benefits administration	512,849	7,770	520,619
460 Other council property - travellers' sites and non-HRA housing	7,181	20,926	28,107
475 Housing welfare: Supporting People	1,355,232	5,822	1,361,054
478 Other welfare services	32,107	10,026	42,133
490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 409 to 478)	2,736,276	144,373	2,880,649
Cultural and related Services			
501 Culture and heritage	597,946	72,953	670,899
502 Recreation and sport	862,685	246,986	1,109,672
503 Open spaces	862,180	61,055	923,237
504 Tourism	129,378	3,152	132,529
505 Library service	939,108	67,681	1,006,788
509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505)	3,391,296	451,830	3,843,126
Environmental and Regulatory Services			
510 Cemetery, cremation and mortuary services	-6,336	12,775	6,439
519 Regulatory services: Trading standards	177,098	1,809	178,907
520 Regulatory services: Water safety	910	4	914
521 Regulatory services: Food safety	115,650	1,038	116,688
522 Regulatory services: Environmental protection	131,900	3,377	135,277
523 Regulatory services: Private rented housing standards	48,860	2,254	51,114
524 Regulatory services: Health and safety	54,178	1,028	55,206
525 Regulatory services: Port health	4,629	251	4,880
526 Regulatory services: Pest control	36,040	513	36,553
527 Regulatory services: Public conveniences	80,570	12,236	92,806
528 Regulatory services: Animal and public health; infectious disease control	131,918	3,919	135,835
529 Regulatory services: Licensing - Alcohol and entertainment licensing; taxi licensing	22,187	1,069	23,256
531 Community safety (Crime reduction)	243,420	5,293	248,714
532 Community safety (Safety services)	196,374	1,759	198,133
533 Community safety (CCTV)	63,319	8,640	71,959
541 Defences against flooding	18,212	2,374	20,587
543 Land drainage and related work	36,164	942	37,106
547 Coast protection	14,901	18,180	33,081
550 Agriculture and fisheries services	-3,392	3,860	468
570 Street cleansing (not chargeable to Highways)	760,208	15,437	775,645
581 Waste collection	1,013,933	51,430	1,065,363
582 Waste disposal	1,834,427	19,242	1,853,669
583 Trade waste	-1,691	1,796	105
584 Recycling	507,642	16,905	524,546
585 Waste minimisation	21,846	2,183	24,029
586 Climate change costs	7,501	227	7,728
590 TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (total of lines 510 to 586)	5,510,468	188,540	5,699,008

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total Cost excluding specific grants
Planning and development Services			
591 Building control	85,114	3,398	88,512
592 Development control	321,637	5,964	327,601
593 Planning policy	322,056	4,404	326,460
594 Environmental initiatives	93,198	12,653	105,852
595 Economic development	805,657	50,179	855,837
596 Community development	429,726	13,926	443,652
599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596)	2,057,387	90,525	2,147,911
601 TOTAL POLICE SERVICES	12,164,939	355,615	12,520,554
602 TOTAL FIRE AND RESCUE SERVICES	2,283,705	99,246	2,382,951
Central Services			
604 Coroners' court services	71,414	246	71,660
605 Other court services	2,792	1,135	3,927
610 Corporate and democratic core	1,641,790	82,173	1,723,963
623 Local tax collection: council tax discounts - locally funded	10,050	240	10,290
625 Local tax collection: council tax benefits administration	317,856	4,397	322,253
628 Local tax collection: other	334,937	5,918	340,855
650 Emergency planning	59,246	673	59,919
675 Central services to the public: other	321,314	32,973	354,287
681 Non-distributed costs - retirement benefits	479,854	504	480,358
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	16,864	24,594	41,458
683 Non-distributed costs - depreciation / impairment of surplus costs etc	0	13,692	13,692
690 TOTAL CENTRAL SERVICES (total of lines 604 to 683)	3,256,117	166,545	3,422,661
698 TOTAL OTHER SERVICES	280,757	85,007	365,765
699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 690 and 698)	105,163,496	4,698,332	109,861,829

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

	£ thousand
	Net current expenditure
701 Education: student support - mandatory awards	1,024
711 Housing benefits: rent allowances - mandatory payments	12,130,328
712 Housing benefits: non-HRA rent rebates - mandatory payments	548,467
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,961,464
714 Housing benefits: subsidy limitation transfers from HRA	-11,769
718 Contribution to the HRA re items shared by the whole community	8,119
Precepts and levies	
721 Parish Precepts	356,741
722 Integrated Transport Authority levy	0
724 Waste Disposal Authority levy	0
727 London Pensions Fund Authority levy	30,655
728 Other levies	25,092
731 External Trading Accounts net surplus(-)/ deficit(+)	-214,933
732 Internal Trading Accounts net surplus(-)/ deficit(+)	5,839
748 Adjustments to net current expenditure	-10,821
749 NET CURRENT EXPENDITURE (total of lines 699 to 748)	121,993,705
754 Local tax collection: Council tax benefit paid to the Collection Fund	3,934,932
757 Local tax collection: Non-domestic rate relief - discretionary payments	28,562
759 Levy: Environment Agency flood defence	31,130
761 Capital charges accounted for in External Trading Accounts	-36,234
762 Capital charges accounted for in Internal Trading Accounts	-83,212
765 Capital expenditure charged to the GF Revenue Account (CERA)	1,993,360
767 Reversal of Revenue expenditure funded from capital by statute (RECS)	-868,421
771 Provision for bad debts	29,981
773 Provision for repayment of principal	1,791,961
776 Leasing payments	12,867
781 Interest: external payments	3,037,018
783 Interest: HRA item 8 payments and receipts	-861,812
785 SUB-TOTAL (total of lines 749 to 783)	131,003,838
786 Interest and investment income (-): external receipts and dividends	-423,983
788 Private Finance Initiative (PFI) schemes - difference from service charge	63,442
789 Appropriations to(+)/ from(-) financial instruments adjustment account	-5,634
790 Appropriations to(+)/ from(-) unequal pay back pay account	21,291
791 Specific and special grants outside AEF [SG line 799 as income]	-24,869,064
795 REVENUE EXPENDITURE (total of lines 785 to 791)	105,789,892
797 Specific and special grants inside AEF [SG line 699 as income]	-45,737,270
798 Area Based Grant (ABG)	-4,679,133
799 NET REVENUE EXPENDITURE (total of lines 795 to 798)	55,373,491

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

	£ thousand
	Net current expenditure
801 Inter-authority transfers in respect of reorganisation	-3,579
811 Appropriations to(+)/ from(-) schools' reserves	-32,633
815 Appropriations to(+)/ from(-) other earmarked financial reserves	190,366
816 Appropriations to(+)/ from(-) unallocated financial reserves	-147,890
830 THE BUDGET REQUIREMENT (total of lines 799 to 816)	55,379,756
851 Revenue Support Grant	-3,122,131
856 Police grant	-4,373,500
858 General GLA grant	-48,136
870 Redistributed non-domestic rates	-21,516,487
880 Other items	-65,342
890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)	26,254,157

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

	£ thousand	
Financial reserves	At 1 April 2010	At 31 March 2011
911 Estimated schools reserves level	1,735,563	1,702,930
915 Estimated other earmarked financial reserves level	7,712,472	7,902,838
916 Estimated unallocated financial reserves level	3,236,588	3,088,697
920 Prior Year Adjustments	-197,403	
Capital Charges	2010-11	
931 Depreciation	4,702,413	
933 Loss on impairment of assets	511,060	
935 Credit for capital grants ^(a)	-515,141	
939 Total capital charges (total of lines 931 to 935)	4,698,332	

(a) Where capital expenditure has been financed by capital grant, the grant is credited to the income and expenditure account over the useful life of the asset in the line with the depreciation charge.

Annex B: RA(SG10) Income from specific grants budget 2010-11

	£ thousand
Grants inside Aggregate External Finance	
102 Dedicated Schools Grant (DSG)	30,773,488
104 London Pay Addition	20,129
109 ContactPoint	15,540
141 School Standards Grant (including Personalisation)	1,535,817
145 Standards Fund (excluding elements now in ABG)	3,420,690
150 Sure Start, Early Years and Childcare Grant	1,708,770
152 Play (Pathfinders & Playbuilders)	27,824
153 Consortia Support Grant	13,383
154 Diploma Specific Formula Grant	26,572
155 Think Family Grant	59,261
157 Targeted Mental Health in Schools	15,876
195 Youth Opportunity	39,275
212 Kerbcraft Road Safety	316
215 Road Safety Partnerships	3,255
217 Congestion Performance Fund	374
218 Transport Innovation Fund	290
219 Inner City Demonstration Projects	0
220 Concessionary Fares	182,358
221 GLA Transport Grant	4,382,335
231 Metropolitan Railway Passenger Services	177,123
241 Personalised Travel Pilot	0
243 Roadside Vehicle Testing	0
251 Rural Bus Challenge and Kickstart	1,625
252 Walking to School	154
253 Cycling	4,887
254 Smart Ticketing Grant	1,000
257 Travel Plan Bursaries	99
260 Urban congestion	198
261 Urban Bus Challenge and Kickstart	196
311 AIDS Support	20,005
320 Social Care Reform	210,103
324 Learning Disability Campus Closure Programme	49,081
326 Stroke Strategy	15,576
405 Housing Benefit and Council Tax Benefit Administration	458,897
481 Workstep	13,560
511 Homelessness	42,967
514 The Growth Fund	9,167
515 Local Authority Business Growth Incentives (LABGI) scheme	15,755
521 Local Area Agreements (LAA) Reward Grant or Local Public Service Agreement (LPSA) Performance Reward Grant	34,017
522 Local Area Agreements (LAA) Pump Priming Grant	3,476
523 Other Local Area Agreements (LAA) Revenue Grants	22,865
537 New Dimension Grants	17,523
541 Housing Planning Delivery Grant	38,956
542 Fire Control	6,099
545 The Private Finance Initiative (PFI)	474,657
560 Free Swimming	13,977
571 Animal Movement Licences	2,692
575 Coastal Change Pathfinder	988
581 National Parks & Broads	47,348
592 Waste Regional Improvement and Efficiency	866
593 Waste LA Financial Incentives	79
594 Joint Waste Authorities or Advanced Partnership	0
611 Asylum Seekers	164,844
613 Sexual Assault Referral Centres	0
614 Alcohol Arrest Referral Pilots	186
615 Multi Agency Risk Assessment Conferences	75
616 Guns, Gangs & Knives	65

Annex B: RA(SG10) Income from specific grants budget 2010-11 (continued)

	£ thousand
617 Drug Action Teams	55,092
618 Crime and Disorder Reduction Partnerships	3,941
621 Basic Command Units (BCU) Fund	30,098
625 Community Support Officers	108,610
631 Counter Terrorism	439,972
635 Crime Fighting Fund	265,276
643 Neighbourhood Policing Fund	217,310
647 Probation Loan Charges	560
648 Reform Deal	641
650 Additional Rule 2 Grant	182,927
667 Generations Together	277
669 LFEPA Civil Contingencies	6,353
698 Other grants within AEF (enter in memorandum box A below)	351,556
699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)* (Transferred to RA line 797 as income)	45,737,271
Grants outside Aggregate External Finance	
708 Further Education funding from Learning and Skills Council (LSC) - 19+ funding	159,720
711 Education Maintenance Allowance	435
712 Further Education funding from Young People's Learning Agency (YPLA) - 16-18 funding ^(a)	1,203,172
713 Higher Education Funding Council (HEFC) Payments	37,698
715 Adult and Community Learning from Learning and Skills Council (LSC)	303,487
716 Sixth forms funding from Young People's Learning Agency (YPLA) ^(a)	1,807,656
718 Mandatory Student Awards	9,435
719 DVLA Trading Fund	0
720 Free Flowing Cities	0
721 Mersey Travel	87,999
741 Council Tax Benefit: subsidy	4,024,607
745 Mandatory Rent Allowances: subsidy	11,787,847
746 Mandatory Rent Rebates outside HRA: subsidy	1,339,651
747 Rent Rebates Granted to HRA Tenants: subsidy	3,422,965
750 Beacon	44,685
751 Capacity Building	250
752 Housing Acts/ Urban Developments - contributions towards cost of loan charges	441
753 New Deal for Communities (NDC)	18,259
754 LG Efficiency Challenge Fund	13,311
755 Efficiency Improvements in Local Government	9,966
758 Best Value Parishes	0
759 Invest to Save	265
766 Tackling Extremism	391
769 Housing Market Renewal Grant	22,509
773 Rural Community Action Network (RCAN)	18
782 Tackling Violent Crime Programme	1,417
783 Crime Reduction Grants	3,378
788 Youth Offending Teams Grant	52,454
791 European Community grants	56,804
798 Other grants outside AEF (enter in memorandum box B below)	460,244
799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 708 to 798)* (Transferred to RA line 791 as income)	24,869,064
800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)	70,606,332

(a) The Learning & Skills Council (LSC) ceased to exist at the end of March 2010, at which point its responsibility for funding further education passed to Local Authorities. This responsibility passed back to central government in August 2010. RA income and expenditure lines reflect the best view of authorities at June 2010 of how this process would be implemented for the year. The approach taken varied and authorities have budgeted to receive and pay out the grant for differing periods within 2010/11; in total £1.2bn was budgeted for this grant for the year. For this reason, the RA figures for education and for total service expenditure and income should be treated with caution.

Annex C: Derivation of service lines used in Tables 1 and 2

	Line reference	Additional levies/transfers
Education	RA line 190 RA line 701	Mandatory student awards
Highways and transport	RA line 290 RA line 722	Passenger transport authority levy
Social care	RA line 390	
Housing (excluding Housing Revenue Account)	RA line 490 RA line 714 RA line 718	Subsidy limitation transfers from HRA Contribution to HRA re items shared by whole community
Cultural	RA line 509	
Environment	RA line 590 RA line 724	Waste disposal authority levy
Planning	RA line 599	
Police	RA line 601	
Fire & rescue	RA line 602	
Central services	RA line 690 RA line 721 RA line 727	Parish precepts London Pensions Fund Authority levy
Mandatory rent allowances	RA line 711	
Mandatory rent rebates	RA line 712	
Rent rebates granted to HRA tenants	RA line 713	
Other	RA line 698 RA line 728 RA line 731 RA line 732 RA line 748	Other levies External Trading Accounts net surplus/deficit Internal Trading Accounts net surplus/deficit Adjustments
Total net current expenditure	RA line 749	

Terminology used in this release

A list of terms relating to local government finance is given in the glossary at Annex G of *Local Government Finance Statistics England* No. 20 2010. This is accessible at <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics20210>. The most relevant terms for this release are explained below.

Aggregate External Finance - 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.

Current expenditure - 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** (line 749). 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.

Appropriations to/from financial instruments adjustment account (line 789) Appropriations to/from unequal pay back pay account (line 790)

These are two new lines connected with the adjustments permitted or required by our regulations. The accounts show figures fully compliant with accounting standards, but regulations made by CLG provide for adjustments to those figures to prevent unreasonable increases in council tax. The first line allows for adjustments connected with borrowing and investments, including the regulation on Icelandic banks investments. The second allows for the regulation that permits a charge for unequal pay back pay to be deferred until payments are due to be made (accounting requires a charge as soon as the liability is established).

International Accounting Standard 19 (IAS 19)

Local authorities are required to account for Employee benefits (pensions) in accordance with IAS 19 from 2010-11. This requirement is enshrined in the Code of Practice on Local Authority Accounting in the UK, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in CIPFA's Best Value Accounting Code of Practice (BVACOP).

Under IAS19 most of the pension schemes covering local government employees are classed as defined benefit schemes. The main implication of defined benefit status is that retirement benefits are accounted for on the basis of the retirement benefit entitlement to which employment in the year gives rise, rather than the cash amounts of employer's contribution or pension due for the year. That is, the IAS19 pension liability will include all the total pension liabilities for all employees and not when the pension is.

The major exception to defined benefit status is the teachers' pension scheme, which is administered centrally; local authorities account for this on a defined contribution basis, and the charges to service expenditure equal the employer's contribution.

The defined benefit charges are not allowed to impact on council tax payers, the charge that must ultimately be carried by taxpayers is the employer's contributions due for the year. Consequently, the effects on the revenue account are that the net current expenditure service lines are on a defined benefit basis, but the Budget Requirement is based on the cash contributions due. This neutrality is achieved by reversing out the impact of IAS19 and replacing this with the actual cash contributions.

The information excluding IAS19 that we collect on the form is critical for our key users. In particular, the Office for National Statistics use the information on a non-IAS19 basis for their key statistics on Public Sector Finances and National Accounts. The following table shows summary service expenditure on both an IAS19 and a non-IAS19 basis from the RA form.

PFI schemes in accordance with the International Financial Reporting Standards (IFRS)

Under the International Financial Reporting Standards (IFRS) the PFI schemes are brought 'on balance sheet'. Local authorities have been required to account for their PFI schemes on the IFRS basis as from 2009-10.

For National Accounts purposes, however, PFI schemes should be accounted for 'on balance sheet' basis only where **economic ownership** of the asset rests with the Authority.

Economic ownership for national accounts purposes is determined by the same test as applies under UK accounting standards and hence that local authorities applied in preparing their 2008-09 accounts. The basis of that test was set out in Appendix E to the 2008 SORP, and depends on whether the local authority or the contractor has an asset of the property used to provide the contracted services. A party has an asset of the property where that party has access to the benefits of the property and exposure to the risks inherent in those benefits.

Budgeted net current expenditure by service on an IAS19 & non-IAS19 basis, including Private Finance Initiatives (PFI) for 2010-11

	£ million		
	Net current expenditure on a non-IAS19 & PFI "Off Balance Sheet"	Net current expenditure on an IAS19 & PFI "Off Balance Sheet"	Net current expenditure on a non-IAS19 & PFI "On Balance Sheet"
961 Education services	45,965	45,818	45,896
962 Highways, roads and transport services	6,661	6,656	6,633
963 Social care	20,857	20,829	20,870
964 Housing services (GFRA only)	2,736	2,734	2,728
965 Cultural and related services	3,391	3,382	3,389
966 Environmental services	5,510	5,503	5,491
967 Planning and development services	2,057	2,048	2,058
971 Police services	12,165	12,275	12,155
972 Fire and rescue services	2,284	2,252	2,276
975 Central services (excluding Non-distributed costs - retirement benefits)	2,776	2,775	2,802
976 Non-distributed costs - retirement benefits	480	498	478
978 Other services	281	290	280
981 External Trading Accounts net surplus/deficit	-215	-211	-214
982 Internal Trading Accounts net surplus/deficit	6	1	6
983 Provision for repayment of principal	1,792	1,791	1,834
984 Interest: external payments	3,037	3,033	3,163
986 Pensions interest cost and expected return on pensions assets	-	5,168	-
987 Appropriations to/from pensions reserve	-	-5,058	-
989 TOTAL (Total of lines 961 to 987)	109,783	109,783	109,847

(a) Figures are for individual service lines and do not include additions such as some housing benefits which are included in Table 1.

Formula Grant – the main channel of government funding. This includes **Redistributed non-domestic rates, Revenue Support Grant**, Police grant and General (GLA) 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.

Redistributed non-domestic rates – non-domestic rates which, having been paid into the non-domestic rating pool, are redistributed between local authorities on the basis of population, as part of **Formula Grant**.

Revenue expenditure (line 795) - is equal to total net current expenditure (line 749), 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 which replaced rate support grant in 1990-91. Now it is distributed as part of **Formula Grant**.

Data quality

1. This Statistical Release contains National Statistics and as such has been produced to the high professional standards set out in the National Statistics Code of Practice. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.
2. The information for 2010-11 in this release is derived from Communities and Local Government / CIPFA Revenue Account (RA) budget forms and is based on returns from all 443 authorities that complete the return.
3. 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 Communities and Local Government and CIPFA as the data are received and stored.
4. Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.
5. Please note that the figures in this release have not been adjusted to take into account changes of responsibility between 2009-10 and 2010-11.

Uses made of the data

1. The data in this Statistical Release are essential for a number of different purposes. A central and immediate purpose is to provide the Secretary of State, Ministers, HM Treasury and the Office for National Statistics with the most up to date information available on local authority revenue spending for decision making. The budget estimates on a non-IAS19 basis are used by the Office for National Statistics in compiling the Public Sector Finances and National Accounts, which are used to set fiscal and monetary policy.
2. The data are also important sources for various evidence based policy and financial decisions and answering numerous parliamentary questions. In addition it is used by local authorities and their associations, regional bodies, members of the business community and the general public.
3. 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

Background Notes

1. This Statistical Release can be found at the following web address:
<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/revenueexpenditure/>
2. For press enquiries about this Statistical Release, please contact the Local Government press desk on 0303 444 0444 or email press.office@communities.gsi.gov.uk. For other enquiries, please contact Osman Beg on 0303 444 4228 or email lcf1.revenue@communities.gsi.gov.uk.
3. Timings of future releases are regularly placed on the Department's website, <http://www.communities.gov.uk/corporate/researchandstatistics/statistics/publicationschedule/> and on the National Statistics website, <http://www.statistics.gov.uk/releasecalendar/currentreleases.asp>
4. For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Finance Statistics England* No. 20 2010, which is available in hard copy from Communities and Local Government Publications, Cambertown House at product@communities.gsi.gov.uk (Tel. 0300 123 1124) and electronically from the Communities and Local Government website: <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics202010>
5. The CIPFA *Finance and General Statistics* publication also contains detailed information on local government finance.
6. 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.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance>

Wales:

<http://wales.gov.uk/topics/statistics/headlines/localgov2010/100623/?lang=en>

Northern Ireland:

http://www.doeni.gov.uk/index/local_government/local_government_funding.htm

Symbols and conventions

...	=	not available
0	=	zero or negligible
—	=	not relevant
	=	discontinuity

Rounding

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

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