



Ministry of Housing,
Communities &
Local Government

Local Authority Revenue Expenditure and Financing: 2017-18 Provisional Outturn, England



Local Government Finance
Statistical Release

23 August 2018

Service Expenditure

- Total Local Authority Service Expenditure was £90.0bn in 2017-18, down £447m (0.5%) compared to 2016-17.
- The largest decrease in local authority expenditure was on Education services. This was £1.0billion (3.2%) lower in 2017-18 than in 2016-17. This continues the decrease seen in recent years as local authority funded schools have converted to academies.
- Local authority Total Service Expenditure excluding Education Services was £57.7bn in 2017-18. This was 1.1% higher than in 2016-17.
- The categories of services with the largest increases in expenditure were:
 - Adult Social Care, up by 2.9% from 2016-17 to £15.3 billion in 2017-18, and
 - Children's Social Care, up by 4.3% from 2016-17 to £8.8bn in 2017-18.

Revenue expenditure and reserves

- The broader measure of local authority Revenue Expenditure (see Definitions section) totalled £93.3 billion across all local authorities in England in 2017-18. This was 0.3% lower than the £93.6 billion spent in 2016-17.
- The aggregate change in non-ringfenced revenue account reserves across all local authorities during 2017-18 was a net increase of £630 million.

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Introduction

This Local Authority Revenue Expenditure and Financing statistical release and the associated tables show expenditure by local authorities in England during 2017-18. The tables in this report make comparisons to spend in the previous financial year. Local government expenditure accounts for almost a quarter of all government spending and the majority of this is shown in local authorities' revenue accounts. The release presents the main sources of income available to local authorities to finance this expenditure. Broadly, these sources include the central government grants and funding they receive, the business rates authorities retain and council tax.

All the data in the release is compiled from the Ministry of Housing, Communities and Local Government Revenue Outturn (RO) returns submitted by all local authorities in England. Coverage includes but is not limited to local councils which are of the following types: London Boroughs, Metropolitan Districts, Shire Counties, Shire Districts and Unitary Authorities. The returns also cover other authority types such as Police and Crime Commissioners, Fire Authorities, Waste Authorities, Combined Authorities, Park Authorities and the Greater London Authority.

This publication is based on returns from 438 of the 443 local authorities in England. We did not receive returns in time for publication from Copeland, North Yorkshire, Reading, Warwick, and The West Yorkshire Combined Authority. Local authorities were sent the forms on 5 May 2018. The most recent copy of the forms and guidance sent to authorities can be found here:

www.gov.uk/government/publications/general-fund-revenue-account-outturn

Comparable England level figures are derived using other publically available 2017-18 data on [grants](#) and [council tax requirement](#), and estimating other quantities from budget data for the authorities that are yet to provide 2017-18 outturn data.

Notes and definitions

Functions and responsibilities of local government can change year on year so comparisons between financial years may not be wholly valid. Major changes are highlighted in the report.

Definitions of the terms used in the report can be found from page 15. Full descriptions of what is included in each service area and individual line are provided in guidance notes for each of the revenue outturn forms on the ['forms'](#) section of our website.

Key contexts for revenue account data for 2017-18

Since April 2017, 29 local authorities in 11 areas have been piloting 100% business rates retention in. Details can be found here: www.gov.uk/government/collections/final-local-government-finance-settlement-england-2018-to-2019 Since April 2018, a further 123 local authorities in 11 areas are piloting 100% business rate retention from 2018-19.

Local authorities were able to raise council tax by up to an additional 3% under the Adult Social Care referendum principle threshold in 2017-18. More detail can be found at:

www.gov.uk/government/publications/council-tax-in-2017-to-2018

Uses of the data

Data in this Statistical Release are essential for providing Ministers, HM Treasury and the Office for National Statistics with the most up to date and comprehensive information available on local authority revenue spending for decision making. They are used by the Office for National Statistics in compiling Public Sector Finances and National Accounts, which are used to set fiscal and monetary policy.

The data are an important source for the department to create evidence based policy, make financial decisions and answer parliamentary questions. The data are also used by local authorities and their associations, regional bodies, other government departments, academics, research organisations, members of the business community and the general public.

The release allows for trends in funding for different local authority services and types to be identified over a period of years when compared with previous releases. Local authorities can also compare their own spending with the aggregated figures presented here or with the equivalent data for individual local authorities.

These statistics can be compared to budgeted Revenue Account (RA) statistics, which are collected at the beginning of the financial year, to illustrate how local authorities budgeting plans at the start of the year compare with actual spend and financing.

Accompanying dropdown tables presenting detailed revenue expenditure and financing figures for 2017-18 for all local authorities are available to download alongside this release. See **Accompanying tables** on page 17 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 Outturn Summary

Table 1 below provides a summary of all key expenditure lines for all local authorities in England for 2017-18 in comparison to 2016-17 outturn. Detail is also provided on how this expenditure is financed, presented under the broad categories of financing available to authorities.

The majority of local authority spend is on providing services, the sum of spend in all these areas is '**Total Service Expenditure**'. Housing Benefits payments and any charges, levies and adjustments are added to this total to obtain '**Total Net Current Expenditure**'. This measures the costs involved in running local authority that are within the current financial year.

'**Revenue Expenditure**' accounts for any costs which do not fall wholly within the financial year but which are charged to the year's account. The majority of these costs relate to repayment and management of debt, financing capital and grants authorities receive on behalf of a third party.

For 2017-18, total revenue expenditure by local authorities in England was £93.3 billion. This was £311 million (0.3%) lower than in 2016-17.

Table 1: Revenue Expenditure and Financing Summary, England, 2016-17 and 2017-18

	Net ⁽¹⁾ current expenditure 2016-17 £m	Net ⁽¹⁾ current expenditure 2017-18 £m	Change £m	Change %
Education services	33,382	32,321	-1,061	-3.2
Highways and transport services	4,013	3,994	-19	-0.5
Children's Social Care services	8,476	8,844	368	4.3
Adult Social Care services	14,914	15,349	435	2.9
Public Health services	3,480	3,356	-124	-3.6
Housing services (excluding Housing Revenue Account)	1,508	1,537	29	1.9
Cultural, environmental and planning services	8,445	8,399	-46	-0.5
Police services	11,050	11,163	114	1.0
Fire and rescue services	1,961	1,972	11	0.6
Central services	3,159	3,072	-87	-2.8
Other Services (2)	56	-12	-68	-122.0
Total Service Expenditure	90,444	89,996	-447	-0.5
<i>Total Service Expenditure excluding Education Services ⁽³⁾</i>	<i>57,061</i>	<i>57,675</i>	<i>613</i>	<i>1.1</i>
Housing Benefits	20,228	19,180	-1,049	-5.2
Precepts, levies, trading account movements and adjustments (4)	52	115		
Total Net Current Expenditure	110,724	109,291	-1,432	-1.3
Non Current Expenditure and External Receipts	-21,396	-20,218		
Capital financing and debt servicing	4,239	4,183		
Revenue Expenditure	93,567	93,256	-311	-0.3
<i>Financed by:</i>				
Government Grants	53,812	50,455	-3,356	-6.2
Locally Retained Business Rates ^{(5) (6)}	11,735	15,145	3,411	29.1
Council Tax	26,083	27,648	1,565	6.0
Movements to(-) / from (+) financial reserves	1,523	-447	-1,970	-
Collection fund surpluses (+) and deficits (-)	419	484	65	15.6

(1) Net of sales, fees and charges and net of funding from other local authorities or delivery bodies such as from the NHS (eg the Better Care Fund)

(2) The shift from net expenditure in 2016-17 to a net income in 2017-18 is largely the result of two items in Birmingham City Council's return: an expenditure item in 2016-17 and an income item in 2017-18

(3) Education is excluded to provide a fairer year-on-year comparison since schools converting to academies and thus becoming directly funded has led to decreasing total expenditure by local authorities on education services

(4) The largest change in a total increase in parish precepts (up to £485m from £445m in 2016-17). Further quality assurance reconciling levies payments between local authorities will be carried out.

(5) This is retained business rates income used to finance expenditure during the financial year. Comprehensive data on business rates income is available at www.gov.uk/government/collections/national-non-domestic-rates-collected-by-councils

(6) Since April 2017, the government has been piloting 100% business rates retention in 29 of local authorities, including 11 areas. Details can be found here: <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2018-to-2019>. From April 2018, a further 123 local authorities in 11 areas are piloting 100% business rate retention from 2018-19.

Total net current expenditure

Table 2 expands on the previous table and provides a more detailed breakdown and comparison of the components of Total Service Expenditure and total Net Current Expenditure.

Total net current expenditure was £109.3 billion in 2017-18, 1.3% lower than in 2016-17.

	Net ⁽¹⁾ current expenditure 2016-17 £m	Net ⁽¹⁾ current expenditure 2017-18 £m	Change £m	Change %
Education services	33,382	32,321	-1,061	-3.2
Highways and transport services	4,013	3,994	-19	-0.5
Social care services	23,390	24,193	803	3.4
<i>of which:</i>				
<i>Children's Social Care services</i>	8,476	8,844	368	4.3
<i>Adult Social Care services</i>	14,914	15,349	435	2.9
Public Health services	3,480	3,356	-124	-3.6
Housing services (excluding Housing Revenue Account)	1,508	1,537	29	1.9
Cultural, environmental and planning services	8,445	8,399	-46	-0.5
<i>of which:</i>				
<i>Cultural services</i>	2,346	2,225	-121	-5.1
<i>Environmental services</i>	4,923	4,985	62	1.3
<i>Planning and development services</i>	1,176	1,189	13	1.1
Police services	11,050	11,163	114	1.0
Fire and rescue services	1,961	1,972	11	0.6
Central services	3,159	3,072	-87	-2.8
Other Services ⁽²⁾	56	-12	-68	-122
Total Service Expenditure	90,444	89,996	-447	-0.5
<i>plus precepts, levies, trading accounts and adjustments</i>				
Housing Benefits	20,228	19,180	-1,049	-5.2
Parish Precepts	445	485	40	9.0
Levies ⁽³⁾	62	76	14	22.8
Trading Account Adjustments and Other Adjustments ⁽⁴⁾	-455	-446	9	-2.1
Total Net Current Expenditure	110,724	109,291	-1,432	-1.3

(1) Net of sales, fees and charges and net of funding from other local authorities or delivery bodies such as from the NHS (eg the Better Care Fund)

(2) Much of this shift from overall net expenditure of £56m nationally to a net income of £12m can be attributed to movement for Birmingham City Council arising from an item of expenditure in 2016-17, and an income item in 2017-18.

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

(4) 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'

Service expenditure is made up of 12 distinct service areas of spend (such as Education, Adult Social Care and Public Health) and an 'Other services' category catching all the spend authorities are unable to allocate to specific areas.

'**Total Service Expenditure**' is the net of individual 'Total Expenditure' (which is the total of the amounts spent on the Running Expenses for the service and Employees in that area) and 'Total income' for each area. This comprises income from Sales, Fees and Charges and Other Income (including lottery funding, joint arrangements and additional grants authorities apply for, which are not part of central government funding). Detail on these can be found in the Service Expenditure Summary (RSX) table associated with this release.

Expenditure by service

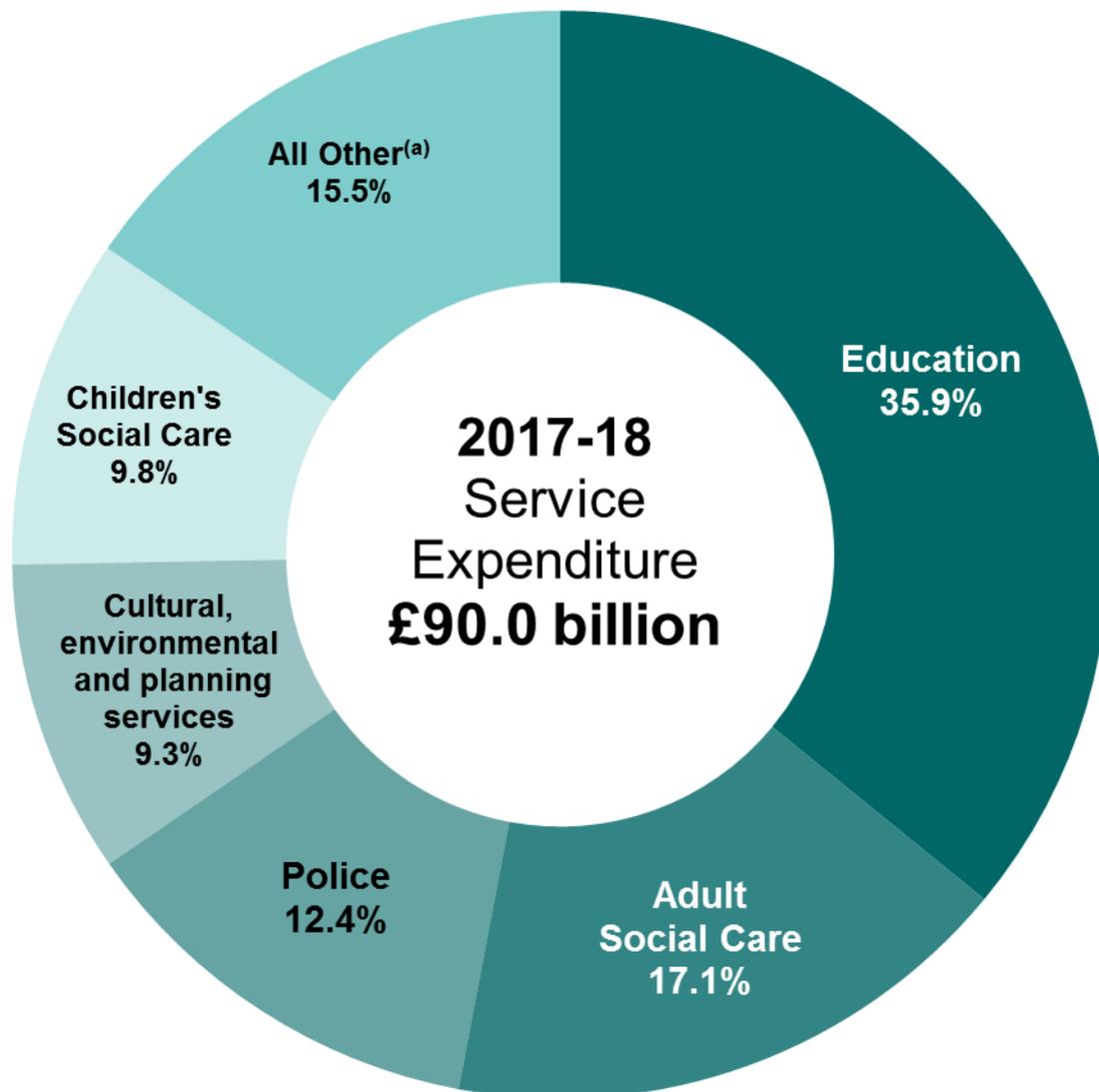
- Overall Service Expenditure decreased to £90.0 billion from £90.4 billion in 2016-17, a decrease of 0.5%.
- The largest **reduction** to any service area was to Education which was 3 per cent lower at £32.3 billion in 2017-18. This follows from conversations of local authority schools changing to centrally funded academies.
- The largest overall **increases** were to:
 - Children's Social Care which increased by £368 million (+4.3%) to £8.8 billion in 2017-18, and to
 - Adult Social Care which increased by £435m (+2.9%) to £15.3 billion in 2017-18.

Housing benefits

Although not part of Service Expenditure, Housing Benefits are a large component of total local authority spending. Paid by local councils to help individuals currently on low incomes help pay for rents for both private and social housing; these are financed through subsidies from the Department for Work and Pensions (DWP) with the authority passing this on to individuals.

Housing Benefits expenditure decreased by £1.05 billion (-5.2%) to £19.2 billion in 2017-18. This change is largely the result of the transition to Universal Credit.

Chart A: Proportion of Total Service Expenditure by service, England, 2017-18



(a) 'Other' includes Highways and Transport, Public Health, Fire and Rescue, Central services and other services

Chart A illustrates proportions of expenditure by Service. Education and Social Care services combined continue to represent over half of all local authority net current expenditure.

Non-current expenditure

Non-current expenditure and other adjustments and levies are added to Net Current Expenditure to obtain Revenue Expenditure. This non-current spend includes financial payments necessary to balance local authorities budgets and expenditure.

The majority of this expenditure is for capital financing and debt servicing. In 2017-18 this amounted to £4.2 billion, a decrease of £56 million from £4.3 billion over the previous year.

Grants 'outside AEF', which are grants authorities essentially pass on financing to a third party to administer a service, are also netted out here to obtain Revenue expenditure. The largest grant is the DWP subsidy for Housing Benefits expenditure. Grants outside AEF totalled £20.5 billion for 2017-18. The majority of this was DWP subsidies for mandatory rent allowances.

Table 3: Revenue expenditure, England, 2016-17 and 2017-18

	Net current expenditure 2016-17	Net current expenditure 2017-18
		£ million
Total Net Current Expenditure	110,724	109,291
<i>plus non-current expenditure</i>		
Capital financing ^(a)	4,239	4,183
Capital expenditure charged to Revenue Account (CERA) ^(b)	1,536	1,938
Flexible use of Capital Receipts (c)	-85	-133
Bad debt provision	160	165
Flood defence payments to Environment Agency	35	36
Private Finance Initiative (PFI) schemes - difference from service charge	78	-32
Appropriations to(+)/ from(-) financial instruments adjustment account ^(c)	37	-15
Appropriations to(+)/ from(-) unequal pay back pay account ^(d)	60	-40
<i>less interest receipts</i>	1,088	1,137
<i>less specific grants outside AEF ^(e)</i>	21,608	20,473
<i>less Business Rates Supplement</i>	235	285
<i>less Community Infrastructure Levy (CIL) (f)</i>	302	253
<i>less Carbon Reduction Commitment</i>	-17	-12
Revenue Expenditure	93,567	93,256

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

(b) Includes both Capital expenditure charged to the General Fund Revenue account and for Public Health. Equivalent figures in the provisional capital 2017-18 returns were £1.595bn for 2016-17 and 1.96bn for 2017-18

(c) These are significantly understated in this return. eg In 2017-18 provisional capital returns (CPR4) these totalled £282m.

(d) Adjustments permitted by regulation to the revenue account charges for financial instruments

(e) Aggregate External Finance; see Definitions

(f) The provisional 2017-18 figure may be incomplete. Data quality challenges are being issued since 79 authorities have provided a value for this, compared to over 100 for 2016-17.

Revenue Expenditure Financing

This section outlines the key sources of funding available to local authorities to finance their spending. Any income authorities received from sales, fees and charges, levies and interest receipts and grants passed on to a third party have been all accounted for and netted out in the expenditure figures presented in the previous chapters.

The main sources of funding available to finance revenue expenditure are locally retained business rates, Council tax, government grants and the use of held financial reserves. The Ministry of Housing, Communities and Local Government annual [Local Government Finance Settlement](#) determines allocations for Revenue Support Grant and the local share of business rates.

Table 4: Revenue expenditure financing, England, 2016-17 and 2017-18

	£ million	£ million		
	Net current expenditure	Net current expenditure	Change	Change
	2016-17	2017-18	£m	%
Revenue expenditure	93,567	93,256	-311	-0.3
Financed by^(a) :				
Government Grants	53,812	50,455	-3,356	-6.2
<i>of which:</i>				
Specific grants inside AEF ^(b)	39,218	39,329	111	0.3
<i>including:</i>				
<i>Dedicated Schools Grant (DSG)</i>	26,904	26,602		
<i>Public Health Grant</i>	3,388	3,090		
<i>Pupil Premium Grant</i>	1,527	1,402		
<i>NewHomes Bonus</i>	1,438	1,212		
Local Services Support Grant (LSSG)	19	34	16	83.1
Revenue Support Grant	7,188	3,978	-3,210	-44.7
Police grant	7,387	7,114	-273	-3.7
Council tax requirement	26,083	27,648	1,565	6.0
Retained income from Business Rate Retention Scheme	11,735	15,127	3,392	28.9
Appropriations to(-) / from (+) revenue reserves	1,523	-447	-1,970	-129.3
Council tax collection fund surplus (+) / deficit (-)^(c)	419	484	65	15.6

(a) The financing items do not yet exactly match the revenue expenditure total. This is because we are awaiting resolution of non-matching finance and expenditure totals in a handful of returns.

(a) Specific grants inside AEF also includes grants The Private Finance Initiative (PFI), Education Services Grant, GLA Transport Grant, Universal Infants Free School Meals, Housing Benefit Subsidy and Council Tax Support Admin Grant, Adult Social Care Implementation and all Other grants inside AEF. Please see the Specific and Special Revenue Grants (RG) data tables for more detail.

(b) Council Tax collection fund surplus/deficit includes 'Inter-authority transfers in respect of reorganisation', and the net collection fund surpluses/deficits from the previous year.

Revenue Expenditure financing

Authorities are financing more of their expenditure from locally retained income, although the majority of spend is still financed from Central Government Grants.

46% of revenue expenditure was funded through council tax and retained business rates and 54% from central Government grants. These percentages were 40.4 % and 57.5% in 2016-17.

Retained income from Business Rate Retention Scheme totalled £15.1 billion in 2016-17. This is £3.4bn (29%) higher than in 2016-17.

Revenue Support Grant was £3.2bn (45%) lower in 2017-18. Much of this decrease is the result of business rates 100 per cent retention pilots. Details can be found here:

www.gov.uk/government/collections/final-local-government-finance-settlement-england-2017-to-2018

Central government grants financed £50.4 billion (54.1% of revenue expenditure) this year. The grants comprises all direct grants to local government, which comprise 'Specific grants inside AEF', Revenue Support Grant (which is determined as part of the Local Government Finance Settlement), Local Services Support Grant (LSSG) and Police Grant

Council tax requirement was £27.6 billion in 2017-18 which is 5.9% higher than the £26.1 billion in 2016-17. This increase reflects the combined effect of increase in council tax levels and the addition of new properties increasing the council tax base.

Table 5: Financing of revenue expenditure, England, since 2013-14

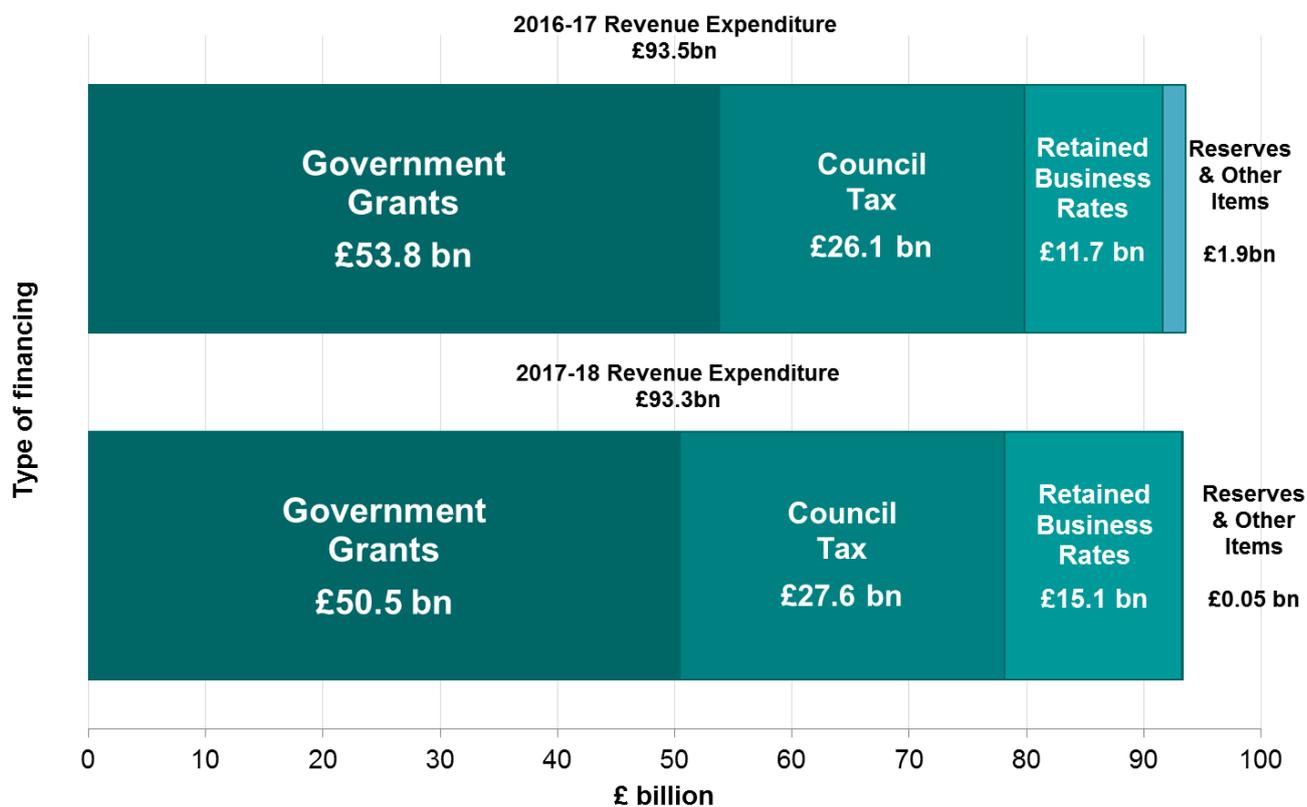
	£ million			£ million				£ million	
	Revenue Expenditure	Government Grants ^(a)	% of total	Locally retained income		Locally retained income	% of total	Use of Reserves	Council Tax Collection Fund Surplus
				Retained income from Business Rate Retention Scheme	Council Tax ^(b)				
Outturn									
2013-14	96,419	64,578	67.0	10,719	23,371 [✓]	34,090	35.4	-2,379	130
2014-15	95,943	61,312	63.9	11,331	23,964 [✓]	35,295	36.8	-946	282
2015-16	94,533	57,090	60.4	11,855	24,734	36,589	38.7	394	459
2016-17	93,567	53,812	57.5	11,735	26,083	37,817	40.4	1,521	422
2017-18	93,256	50,455	54.1	15,136 [✓]	27,648 [✓]	42,784	45.9	-446	483

(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) Since 2013-14 Council Tax has not included the 'local council tax support grant', this is now included in Government Grants

(c) 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 (-).

Chart B: Financing of revenue expenditure, England, 2016-17 and 2017-18



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

Table 5 shows funding of revenue expenditure in terms of government grants and locally retained income (retained income from rate retention scheme and council tax) since 2013-14. The table also shows whether overall local authorities have made net appropriations to or from reserves.

From 2013-14 onwards local authorities have been more reliant on locally retained income because business rates moved from being a centrally redistributed function to one where authorities retain a percentage of what they collect.

The proportion of centrally distributed income fell from 67.0% of all local authority revenue expenditure in 2013-14 to 54.1% in 2017-18. There is a corresponding increase in the income retained by local authorities from 35.4% in 2013-14 to 45.9% in 2017-18.

Revenue Account Reserves

Reserves are funds set aside to finance future revenue spend. Movement of funds to and from reserves are the 'appropriations' identified in the previous section.

Increases in reserves may be due to a delay or cancellation of a project or an authority saving for future projects. Decreases to the levels therefore indicate when authorities are using these funds set aside in previous years.

Table 6 shows the level of local authority revenue reserves at the beginning of each of the last five financial years and the end position for 2017-18.

The Housing Revenue Account (HRA) also has reserves figures although these are not included in this table because these are separate from the General Fund Revenue Account (GFRA).

Table 6: Level of revenue reserves, England, since 2011-12

						£ million
	Schools reserves	Public Health reserves	Non-ringfenced reserves			Total Reserves
			Other earmarked	Unallocated	Non-ringfenced Total	
At 1 April						
2011	2,047	-	10,451	3,862	14,313	16,360
2012	2,413	-	12,534	4,255	16,790	19,203
2013	2,354	7	14,930	4,297	19,227	21,588
2014	2,419	207	17,200	4,454	21,653	24,279
2015	2,436	315	17,862	4,491	22,353	25,104
2016	2,344	260	17,626	4,390	22,016	24,620
2017	1,844	241	16,657	4,202	20,859	22,944
At 31 March						
2018	1,664	235	17,208	4,281	21,489	23,387
Changes in 2017-18						
Movements to (+) and from (-) reserves	-180	-6	550	79	630	444
as a percentage of 1 April 2017	-9.8%	-2.3%	3.3%	1.9%	3.0%	1.9%

The total of all local authorities' general fund (revenue account) reserves increased from £22.9 billion at 1 April 2017 to £23.4 billion at 31 March 2018. This is £446 billion higher than the total amount of held at 1 April 2017. The aggregate change within non-ringfenced reserves was an increase of £630m.

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. 28 2018. This is available at: <https://www.gov.uk/government/statistics/local-government-financial-statistics-england-2018>.

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.

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

Community Infrastructure Levy

a levy available to registered local authorities allowing them to choose to charge on new developments in their area to pay for new infrastructure developments

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

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 Local Government Settlement

the main channel of government funding. This includes **Retained Income from the Rate Retention Scheme**, **Revenue Support Grant**, and Police grant which take in to account of authorities' relative ability to raise council tax. Generally, 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

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

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

Mandatory Housing Benefit

financial help given to local authority or private tenants whose income falls below 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**

Other items

are Council Tax and Business Rates collection fund surpluses / deficits from previous financial years

Public Health Grant

is a ringfenced grant for providing public health services. The grant is provided to give local authorities the funding needed to carry out their public health responsibilities.

The conditions of the grant are funds are only spent on activities whose main or primary purpose is to improve the public health of local populations.

Reserves

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. Local authorities are required by statute to have regard to the level of reserves needed for meeting estimated future expenditure as part of their financial risk management

Retained income from the 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. In 2017-18 and 2018-19 some authorities have piloted 100% business rates retention.

Revenue expenditure

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.

Ringfenced Grant

these grants have specific conditions on how they are spent. Financing received from the grant must only be spent on the services it is provided for.

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 revenue expenditure and financing figures for 2017-18 for all local authorities are available to download alongside this release.

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

<https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2017-to-2018-individual-local-authority-data-outturn>

Information for the Subjective Analysis Return (SAR) which is completed by a sample of authorities in England, is not currently presented as a dropdown table as this information is grossed to the England level, this information is available in Annex A.

Description	Form
Revenue Outturn Summary	RS
Service Expenditure Summary	RSX
Specific and Special Revenue Grants	RG

Technical notes

Data collection

Survey design for collecting Revenue Outturn data in 2017-18

From May until July 2018 all 443 local authorities in England were requested to complete the Revenue Outturn (RO) suite of forms to show all transactions for the 2017-18 financial year related to the general fund revenue account. This includes 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 figures requested cover local authority revenue expenditure and financing for the financial year 1 April 2017 to 31 March 2018. 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 Statistics. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.

The information for 2017-18 in this release is derived from Ministry of Housing, Communities and Local Government (MHCLG) Revenue Account (RO) forms and is based on returns from 438 of the 443¹ local authorities in England.

Copeland, North Yorkshire, Reading, Warwick, and The West Yorkshire Combined Authority were unable to submit in time for release and we are currently working with these authorities to return this.

When authorities are unable to submit information is grossed using a combination of information available for the current year budget data.

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 as the data are received and stored.

Revisions policy

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

¹ The Greater Manchester Combined Authority chose to submit a separate return for its Police function and we are awaiting a return from the Greater Manchester Combined Authority for the Greater Manchester Waste function. Thus there are 445 rows in the local authority level tables.

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

The statistics in this release and accompanying data tables are based on provisional returns from local authorities. Final data for 2017-18 is due for publication in November.

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

We are currently running a survey to understand more about how local government finance statistics and data are used. Please see the link to the short survey below:
<https://www.surveymonkey.co.uk/r/LGFuserengagement>

Notes

Timings of future releases are regularly placed on the Department's website:
<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics>
and on the National Statistics website: <https://www.gov.uk/government/statistics/announcements>

The Chartered Institute of Public Finances and Accounting (CIPFA) produce the 'Finance and General Statistics' publication which 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. Please visit the website for details of likely changes for future Revenue/Capital statistical releases.
<https://knowledgehub.local.gov.uk/web/clip>

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.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance>

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

**Northern
Ireland** <https://www.communities-ni.gov.uk/articles/funding>

Enquiries

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Email: lcf1.revenue@communities.gsi.gov.uk

Information on Official Statistics is available via the UK Statistics Authority website:
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:
<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics>

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This document/publication is also available on our website at www.gov.uk/mhclg

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

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For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

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