General Fund Revenue Account
Outturn 2018-19

Guidance notes for completing form
SAR: SUBJECTIVE
ANALYSIS RETURN

These notes should be read in conjunction with RO General Guidance 2018-19 and CIPFA’s Service Reporting Code of Practice (SeRCOP) 2018-19.
GUIDANCE NOTES FOR COMPLETING FORM SAR:
SUBJECTIVE ANALYSIS RETURN FOR 2018-19

The Department’s letter of 15 January 2015 ‘Reducing Data Burdens on Local Authorities’ recommended that employees costs section (Part A) is retained as an annual form, but Running Expenses (Part B) and Income (Part C) in only required every three years.

Hence SAR Parts B and C are out of scope this year and so are shaded but for completeness they are kept in this guidance.

The methodology of this is in agreement with what was presented and shared with the Central and Local Government Information Partnership - Finance meetings (CLIP-F).

1. The Subjective Analysis Return (SAR) is an extension of the subjective analysis in the General Fund Revenue Account Outturn suite. In principle, therefore, its totals are designed to agree with the Employees, Running Expenses and Total Income on the individual RO forms, and the Total Service Expenditure line on the RSX form.

2. Please refer therefore to the RO general guidance notes, as well as the following notes. Information on the Housing Revenue Account is not required. The subjective analysis is defined, as far as is possible, in terms of CIPFA’s Recommended Standard Subjective Analysis in the Service Reporting Code of Practice (SeRCOP).

OBJECTIVE ANALYSIS

3. The SAR objective analysis should correspond to the divisions inherent in the RO 2018-19 suite of forms, as below; see the Validation Checklist, attached, for details.

GENERAL GUIDANCE

4. Price base

Actuals are to be included at Outturn 2018-19 price levels.

5. Transactions between local authorities

Expenditure incurred when acting as an agent for another local authority:

- should be analysed subjectively in Parts A and B;
- the reimbursement income should be shown at Part C, line 66.

Authorities making reimbursements to another authority acting as their agent should return a single entry at Part B, line 54:

NB wherever possible, this should agree with the related income returned by the agent authority.
6. **Joint financing with health authorities/ fishery bodies/outside bodies**

Local authorities should report the total cost of schemes jointly financed with Health Authorities, etc, on the appropriate RO forms, and consequently on this SAR form:

- direct expenditure by the authority should be recorded on the appropriate running expenses line;
- contributions received from the outside body should be recorded on line 66 ‘all other income’;
- contributions paid by the authority when another authority is incurring the direct expenditure should be recorded in line 58.

7. **Agency work on behalf of central government and regional health authorities**

Expenditure and income in respect of work carried out as agents of Regional Health Authorities and similar bodies, and on behalf of government departments, should **not** be reported on the individual RO forms or on this SAR form.

This includes:

- motorways;
- trunk roads;
- reception centres;
- youth employment;
- vehicle licence administration;
- supply of teaching staff and related services in penal establishments.

8. **Management and support services**

a. Wherever possible the employee and running costs incurred by management and support services providers should be analysed subjectively within Parts A and B of the form; this will, however, depend upon the way in which these services are structured within the authority.

b. Where management and support services are provided ‘within a service’ (e.g., where a unit providing financial support services to a department is actually based within that department), then the subjective analysis of the cost of these services should be recorded within that service column.

c. Where ‘central’ management and support services are recharged out to individual services, then the costs incurred by the recipients of these ‘central’ services should be recorded on line 62 in the appropriate column. Costs incurred by central management and support service providers should be analysed subjectively in column 9.

d. The income received by ‘central’ management and support services providers for charging their services out, should also be recorded in column 1, on line 65 ‘Recharges’.

NB This line should include any income arising from the sale of management and support services to non-General Fund areas.

9. **Specific grants**

The expenditure recorded should be gross of specific and special revenue grants.
10. **Subjective analysis and the CIPFA standard form**

In accordance with the CIPFA Recommended Standard Subjective Analysis (as found in SeRCOP), actual expenditure on employees’ pay, and related employers’ costs, should be shown in Part A, under the appropriate category of staff. The remaining expenditure should, wherever possible, be analysed in detail over the appropriate subjective heads in Part B (e.g. equipment, vehicles etc.). The costs of employing agency staff should be recorded to be consistent with Revenue Outturn and DfE Section 251 returns. Where there is some doubt as to the correct line for a particular subjective type of expenditure, the guiding principle should be to group together those items which are likely to be affected by the same inflationary trends.

11. **General**

Where actuals are not prepared in the detail required by this return, apportionments should be made on the best possible information. Credit entries should be preceded by a negative (-) sign.

**SPECIFIC NOTES**

**PART A: PAY ESTIMATES – Direct employee expenses**

12. This corresponds to **Group 1** of the SeRCOP Standard Subjective Analysis and includes:
   - Total salaries
   - Employer’s National Insurance contributions,
   - Employer’s retirement benefit costs and
   - Location allowances

They are to be shown separately for each group of staff detailed in section 13 below.

**Important Note:** Agency staff should **NOT** be included in Part A. They should be included in Part B: running expenses (Line 57). (Refer to the RO general guidance notes).

a. **Lines 1, 6 and 11: Total salaries** – These lines should include basic pay, overtime payments, pay related bonuses, back pay, all allowances such as service allowances, special allowances, shift allowances, **excluding** location allowances (these should be included in lines 4,9, and 14).

b. **Lines 2, 7 and 12: Employer’s National Insurance contributions** – These lines should be the Employer’s contribution only.

c. **Lines 3, 8 and 13: Employer’s Retirement Benefit Cost** – These lines should cover the employers’ contributions for all schemes, and any payments carried directly by the GFRA. In the case of the police and firefighters’ schemes show only transfers to the relevant pension fund net of (in the case of the police scheme) any top up grant taken to GFRA.

Transactions within the police and firefighters’ pension funds, including transfers, employee contributions and (in the case of the firefighters’ scheme) top up grants from central government, should not be shown in these lines.
d. **Lines 4, 9 and 14: Location allowances** – London weighting, London allowances and any other regional allowances paid for location should all be included here.

13. The subjective analysis by type of employee is intended to reflect the broad pay negotiating groups. The service to which the employee expenditure in the RO has been allocated should be reflected in the SAR service breakdown. Where there appears to be conflict between a functional classification and the appropriate negotiating group, the latter should prevail e.g. if National Joint Council for Local Government Services (NJCLGS) staff were working in Fire Control Rooms, they should be recorded in Part A, **lines 11-15 (All Other Staff)**, not lines 6-9 (Fire).

If you are unsure as to where an employee should be included, please email lgf1.revenue@communities.gsi.gov.uk or phone 0303 44 42123 or 0303 44 44568 for assistance.

a. **Lines 1 to 5: Teachers Group**

Include the following groups not covered under NJCLGS:

- All school teachers in maintained primary, secondary and special schools, as specified in the DfE School Workforce Census return;
- Further Education staff employed by LEAs in adult education (mainly part time);
- Teachers in Residential Establishments.

**Important Note:** Any non-teaching staff in education other than those listed above, should be included in All Other Staff Group.

b. **Lines 6 to 10: Police & Fire Group**

Include the following groups not covered under NJCLGS:

- Police Service: ACPO Ranks; Chief Superintendents; Superintendents; Chief Inspectors; Inspectors; Sergeants and Constables and any other uniformed Police Staff (*excluding Police Community Support Officers, Traffic Wardens and Designated Officers*)

**Important Note:** Any non-uniformed Police Staff other than those listed above, should be included in All Other Staff Group.

- Fire & Rescue Service: Full Time Officers & Fire-fighters;
  Retained Fire-fighters;
  Chief Fire Officers;
  Fire Control Room Staff (excluding those under NJCLGS).
c. **Lines 11 to 15: All Other Staff Group**

This is anyone who is not covered by the Teachers and Fire and Police negotiating groups and includes:

- All non teaching education support staff under NJCLGS;
- Soulbury Committee;
- Youth & Community Workers;
- NJCLGS Fire Support Staff;
- Any Fire Control Room staff under NJCLGS;
- Police Community Support Officers, Traffic Wardens and Designated Officers
- Any other non-uniformed Police Staff
- Chief Officers and Chief Executives (except Chief Police and Fire Officers);
- Workshops for the Blind Staff;
- Craftworkers within scope of the Joint Negotiating Committee for Local Authority Craft and Associated Employees;
- Any other staff not listed here, but covered under NJCLGS.

d. **Miscellaneous Categories of Staff** - Miscellaneous categories of staff not listed under any of the main negotiating groups above (including staff on locally agreed scales) should be included within the estimates of pay for those categories of staff to which their scales are linked or related.

e. **Line 16: Other Pay Related Costs – Indirect employee expenses**

Include:

- training, relocation & interview expenses; staff advertising; employee related insurance;
- the cost of any gratuities and severance payments (includes redundancy payments) charged direct to the General Fund;
- Employee related schemes;
PART B and C are not required to be completed for 2018-19

PART B: RUNNING EXPENSES

The subjective analysis should follow the CIPFA Service Reporting Code of Practice (SeRCOP) Recommended Standard Subjective Analysis.

Lines 18 to 29 Premises related expenditure

This includes all running costs expenditure on goods, services and contractors, directly related to premises and land. It corresponds to Group 2 of the Standard Subjective Analysis.

Include:
- the cost of materials;
- charges from eg architects, engineers and surveyors;
- expenditure on energy conservation, and health & safety.

Expenditure on, for example, contracted out services relating to repairs, alterations and maintenance of buildings go in line 18, not in other premises related expenditure (line 28).

Lines 30 to 37 Transport related expenditure

This includes all costs connected with the provision hire or use of transport for employees and clients. Include pooled transport costs, travelling allowances, home to school/college transport, and transport for social care clients. It corresponds to Group 3 of the Standard Subjective Analysis. The costs of paying private contractors to support public transport services and for concessionary fares schemes should be recorded in line 58.

Lines 38 to 53 Supplies and services

This includes all direct supplies and services expenditure incurred by the authority. It corresponds to Group 4 of the Standard Subjective Analysis.

Line 39 Catering

Include food and drink, and expenditure on contract catering.

Line 41 Printing, stationery and general office expenses

Include schools’ administrative supplies expenditure.

Line 42 Communications and computing - Postage, Telephone, Computer Costs and Other

Include postage, telephone, radio and computer costs. Include operating leases, charges for central computing facilities, and non-capitalised IT support.

Line 48 Insurance

All insurance not recorded in lines 16, 27 and 35.
Line 52 Other Supplies and Services

Include services to pupils, clients and others not recorded elsewhere. Private Finance Initiative and Public-Private Partnership expenditure that has not been recorded elsewhere should also be included here.

Lines 54 to 60 Third party payments

This includes payments to third party providers of Local Authority Services, as defined in Section 4 of the CIPFA Service Reporting Code of Practice (SeRCOP). It corresponds to Group 5 of the Standard Subjective Analysis. Where the service being contracted relates to categories of expenditure in groups 2-4 of the Standard Subjective Analysis, then the expenditure is included in lines 18-53 as appropriate.

Include in private contractors and other agencies:

- government departments;
- voluntary associations where they are providing a contracted service;
- private contractors;
- other (non-local authority) agency and contracted services.

Line 55 Payments to voluntary bodies

Include here payments to eg clubs and societies. London Boroughs should include their contributions to the London Boroughs Grants Committee of the Association of London Government.

Voluntary bodies are non-governmental organisations that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.

Line 56 Professional services

Include legal, accountancy, audit, management consultancy etc

Line 57 Agency staff

HM Treasury guidance, which has been followed by DfE in the S251 data collection from schools, is for expenditure on agency staff to be counted as running expenses. However, the CIPFA SeRCOP includes agency staff in employee costs. The suggested solution is for Local Authorities to be consistent with what they do on the S251 and RO forms.

Line 58 Private contractors and other agencies: other

Examples to be included here:

Education: bought in professional services related to the curriculum;
Social care: purchased care for clients;
Local transport: support for public transport services, concessionary fares;
Waste: refuse collection and disposal;
Recreation: sports and leisure facilities.
Line 59  Internal Trading Organisations

These will typically be organisations funded mainly through contracts with local authority departments, with the authority funding any loss, or receiving any surplus at the end of each year. It is possible, however, that some - but not more than 50% - of their funding might come from contracts with other local authorities or the private sector. Most will be Direct Labour/Service Organisations, but services which were not subject to CCT may be provided on a similar basis, and should be included in this category.

Line 61  Total Transfer Payments (Discretionary)

This will generally comprise three elements:

- rent allowances and rebates in excess of statutory schemes (RO4 lines 51, 52 and 53);
- non mandatory education awards, including those paid to school pupils and students in further education (part of RO1 line 52);
- payments to social care clients.

See also the validation checklist attached.

Line 62  Expenditure on Management and Support Services

Where 'central' management and support services are recharged out to individual services, then the costs incurred by the recipients of these 'central' services should be recorded here, in the appropriate column. Costs incurred by central management and support service providers should be analysed subjectively in column 4.

PART C: INCOME

Income should be shown separately in Part C (lines 64 to 67). It corresponds to Group 9 of the Standard Subjective Analysis.

Line 65  Recharges

Wherever possible and appropriate, management and support services expenditure should be recharged to specific services, and shown in the appropriate service column within Part B, Running Expenses; the corresponding recharged income to management and support services should be entered here.
Validation Checks

ANNEX A

SAR 2018-19

A. **Arithmetic Checks** (for Lines 1 to 63)

| Column 1, Total All Services | = the total of columns 2 to 9 for lines 1 to 17. |
| Column 1, Total All Services | = the total of columns 2 to 4 for lines 18 to 63. |

B. **Arithmetic Checks** (for all Columns)

| Line 5, Total Teachers Group | = the total of lines 1 to 4. |
| Line 10, Total Police & Fire Group | = the total of lines 6 to 9. |
| Line 15, Total All Other Staff Group | = the total of lines 11 to 14. |
| Line 17, Total Part A | = the total of lines 5 + 10 + 15 + 16. |
| Line 29, Total Premises Expenses | = the total of lines 18 to 28. |
| Line 37, Total Transport Expenses | = the total of lines 30 to 36. |
| Line 53, Total Supplies/Services | = the total of lines 38 to 52. |
| Line 60, Total Third Party Payments | = the total of lines 54 to 59. |
| Line 63, Total Part B | = the total of lines 29 + 37 + 53 + 60 + 61 + 62. |
| Line 67, Total Part C | = the total of lines 64 to 66. |

C. **Cross Checks**

a) **Line 17, Total Part A - Pay Estimates**

| Column 1 (Total All Services) | = RSX, column 1, line 699 |
| Column 2 (Education) | = RO1, column 1, line 90 |
| Column 3 (Highways and Transport Services) | = RO2, column 1, line 90 |
| Column 4 (Social Care and Public Health) | = RO3, column 1, line 30 + 60 + 90 |
| Column 5 (Housing Services) | = RO4, column 1, line 90 |
| Column 6 (Cultural, Environmental and Planning) | = RO5, column 1, line 400 |
| Column 7 (Police) | = RO6, column 1, line 100 |
| Column 8 (Fire & Rescue Services) | = RO6, column 1, line 290 |
| Column 9 (Central and Other Services) | = RO6, column 1, line 490 + 500 |

b) **Line 62, Expenditure on Management and Support Services**

| Column 1 (Total All Services) | = RO6, column 5, lines 491 + 492 |
c) **Line 63, Total Part B - Running Expenses**

<table>
<thead>
<tr>
<th>Column 1 (Total All Services)</th>
<th>= RSX, column 2, line 699</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column 2 (Social Care)</td>
<td>= RO3, column 2, line 30 + 60</td>
</tr>
<tr>
<td>Column 3 (Police)</td>
<td>= RO6, column 2, line 100</td>
</tr>
</tbody>
</table>
| Column 4 (All Other Services) | = Sum of: RO1, column 2, line 90+  
|                               |                          | RO2, column 2, line 90+  
|                               |                          | RO4, column 2, line 90+  
|                               |                          | RO6, column 2, line 400+  
|                               |                          | RO6, column 2, line 290+  
|                               |                          | RO6, column 2, line 490+  
|                               |                          | RO6, column 2, line 500  |

e) **Line 67, Total Part C - Income**

<table>
<thead>
<tr>
<th>Column 1 (Total All Services)</th>
<th>= RSX, column 6, line 699</th>
</tr>
</thead>
</table>