



Department for
Communities and
Local Government

Local Authority Revenue Expenditure and Financing: 2013-14 Budget, England

- Revenue Expenditure is budgeted to be £102.2 billion in England in 2013-14, an increase from £98.4 billion in 2012-13.
- 22.9% of budgeted revenue expenditure in 2013-14 is estimated to be funded through council tax, 32.8% through formula grant and 43.1% through specific grants inside Aggregate External Finance and Local Services Support Grant. These percentages were 27.1%, 28.2% and 44.4% respectively in 2012-13.
- In 2013-14 local authorities are budgeting to draw down £1.2 billion from their reserves to finance their revenue expenditure, of which £0.4 billion is due to Greater London Authority. In 2012-13 local authorities were budgeted to draw down their reserves by £20.7 million.
- Local Authorities are budgeting total net current expenditure of £38.8 billion on education services in 2013-14, £21.3 billion on social care, £20.5 billion on mandatory housing benefits and £11.2 billion on police services.
- Net Current Expenditure in 2013-14 is not comparable to previous years due to the transfer of Public Health duties to local authorities in 2013-14, following the Health and Social Care Act 2012. Budgeted expenditure on Public Health Services is expected to be £2.7 billion in 2013-14.



Local Government Finance
Statistical Release

31 July 2013

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Responsible Statistician:
Mike Young

Statistical enquiries:
office hours:
0303 444 4387
lgf1.revenue@communities.gsi.gov.uk

Media Enquiries:
0303 444 1201
press@communities.gsi.gov.uk

Date of next publication:
Summer 2014

Introduction

This release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2013 to March 2014. These estimates are on a non-International Accounting Standard 19 (IAS19) and PFI “Off Balance Sheet” basis except where stated otherwise.

This information is derived from Department for Communities and Local Government / Chartered Institute of Public Finance and Accountancy (CIPFA) Revenue Account (RA) budget returns submitted by local authorities in England. This release is based on returns from all 444 local authorities in England that complete the return.

The release has been compiled by the Local Government Finance - Data Collection Analysis and Accountancy Division of Department for Communities and Local Government. For uses please see “uses made of the data” section.

Changes to the revenue data in 2013-14

There have been a number of changes to local government expenditure and financing in 2013-14 which have a significant impact on the figures in this release:

- **Public Health**; there has been a transfer of Public Health duties to local authorities in 2013-14, following the Health and Social Care Act 2012.
- **Business Rates**; From April 2013 local authorities, except police authorities, now retain a share of business rates and keep the growth on that share, thereby giving them a significant financial incentive to help deliver growth locally. This will have a significant effect on the amount of Revenue Support Grant each authority receives in 2013-14. In addition, police authorities, which are not part of the rates retention scheme, will receive all of their funding through Police Grant from 2013-14 onwards.
- **Localisation of council tax support**; prior to 2013-14, local authorities were given a grant outside AEF by the Department for Work and Pensions (DWP) to cover the cost of council tax benefit in their area. In 2013-14, local authorities and local policing bodies in England will receive £3.7 billion towards the cost of local council tax support schemes. The funding is now provided as part of the revenue support grant system and reduces the council tax requirement to local authorities.

1. Budgeted Revenue Expenditure by Service

Budgeted revenue expenditure in 2013-14 is summarised in **Table 1** and **Chart A**. **Table 1** also shows budgeted revenue expenditure in 2012-13 and the percentage change to 2013-14. 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.

Total Revenue Expenditure

- Budgeted total revenue expenditure by local authorities in England totals £102.2 billion in 2013-14, compared with £98.4 billion in 2012-13, an increase of 3.8%.
- 33.1% of budgeted total net current expenditure in 2013-14 is on education, 18.2% on social care, 17.5% on mandatory housing benefits and 9.5% on police.

Public Services - Net Current Expenditure

- The RA form for 2013-14 included local authority expenditure on Public Health, as a result of the Health and Social Care Act 2012, which transferred substantial duties to local authorities from 2013-14 to protect and improve the public's health and reduce health inequalities. Local authorities have been given a ring-fenced public health grant to improve outcomes for the health and wellbeing of their local populations through Public Health England. Budgeted expenditure on Public Health Services is expected to be £2.7 billion in 2013-14.
- There is a decrease in budgeted net current expenditure across most public services, between 2012-13 and 2013-14, although there are increases in Children and Families Social Care services, which is expected to increase from £6.5 billion to £6.6 billion, Central Services, which is expected to increase from £3.6 billion to £3.7 billion, and Environmental and Regulatory Services, which is expected to increase slightly by 0.6% to £5.3 billion.
- Budgeted Net current expenditure on education services reduced by 1.3%, from 2012-13 to 2013-14. This is affected by a number of secondary schools moving to academy status, where academies are directly funded by central government and are independent of local government control. As a result, secondary school expenditure decreased from £12.0 billion in 2012-13 to £10.9 billion in 2013-14.

Mandatory Housing Benefits

- Mandatory Housing Benefits are expected to increase from £19.6 billion in 2012-13 to £20.5 billion in 2013-14.
- Rent allowances (within mandatory housing benefits), which are paid to tenants of private landlords and registered social landlords, are expected to increase from £14.9 billion in 2012-13 to £15.6 billion in 2013-14, an increase of 4.7%.

Table 1: Budgeted revenue expenditure by service 2012-13 and 2013-14

	Net current expenditure 2012-13	Net current expenditure 2013-14	£ million % Change
Education ⁽¹⁾	39,289	38,793	-1.3
Highways & transport	5,272	5,129	-2.7
Social care	21,249	21,286	0.2
of which:			
<i>Children and Families Social Care</i>	6,513	6,636	1.9
<i>Adult Social Care</i>	14,736	14,650	-0.6
Public Health ⁽²⁾		2,699	
Housing (excluding Housing Revenue Account)	2,179	2,122	-2.6
Cultural, environment & planning	9,456	9,345	-1.2
of which:			
<i>Cultural</i>	2,913	2,789	-4.2
<i>Environmental</i>	5,259	5,291	0.6
<i>Planning and development</i>	1,284	1,265	-1.5
Police	11,604	11,166	-3.8
Fire & rescue	2,217	2,174	-1.9
Central services	3,570	3,679	3.0
Mandatory Housing Benefits	19,583	20,473	4.5
of which:			
<i>Rent Allowances</i>	14,936	15,642	4.7
<i>Rent Rebates to Non-HRA Tenants</i>	476	536	12.5
<i>Rent rebates to HRA tenants</i>	4,170	4,296	3.0
Other services	9	229	
Appropriations to(+) / from(-) accumulated absences account	-11	-6	
Total net current expenditure ^(1,2)	114,417	117,091	2.3
<u>plus non-current expenditure</u>			
Capital financing ⁽³⁾	4,344	4,441	
Capital expenditure charged to Revenue Account ⁽⁴⁾	1,741	3,316	
Council tax benefit	4,189		
Discretionary Non-Domestic Rate relief	30	39	
Bad debt provision	49	48	
Flood defence payments to Environment Agency	31	31	
Private Finance Initiative (PFI) schemes - difference from service charge	57	90	
Appropriations to(+)/ from(-) financial instruments adjustment account ⁽⁵⁾	-31	-21	
Appropriations to(+)/ from(-) unequal pay back pay account ⁽⁶⁾	8	7	
less interest receipts	400	417	
less specific grants outside AEF ⁽⁷⁾	25,826	22,229	
less Business Rates Supplement	226	250	
less Community Infrastructure Levy	0	18	
less Carbon Reduction Commitment	-36	-37	
Revenue expenditure	98,416	102,165	3.8

(1) Education expenditure for 2013-14 is not comparable to previous years due to a number of schools changing their status to become academies, which are centrally funded rather than funded by local authorities

(2) Net Current Expenditure in 2013-14 is not comparable to previous years due to a transfer of Public Health duties to local authorities in 2013-14, following the Health and Social Care Act 2012

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

(4) The increased CERA figure in 2013-14 reflects TfL grant funding included for Crossrail.

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

(6) 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.

(7) Aggregate External Finance; see Background Notes for definition

2. Budgeted Revenue Expenditure and Financing

Table 2 shows how revenue expenditure was financed in 2012-13 and 2013-14. A more detailed breakdown of this information can be found in **Annex A. Chart B** illustrates how budgeted revenue expenditure is to be financed in 2013-14.

Central Government Grants

- Specific grants inside Aggregate External Finance are estimated to increase from £43.5 billion in 2012-13 to £43.9 billion in 2013-14.
- Formula grant (Revenue Support Grant, retained income from Rate Retention Scheme and Police grant) totals £33.5 billion in 2013-14, an increase from £27.8 billion in 2012-13.
- Police Grant amounted to £7.5 billion in 2013-14, an increase from £4.2 billion in 2012-13. The increase is due to single purpose police authorities receiving all their grant income through Police Grant in 2013-14, but receiving their grant income through Police Grant and Revenue Support Grant in earlier years.
- Local Services Support Grant amounted to £66 million in 2013-14.
- The funding of central government grants amounted to £77.5 billion in 2013-14, an increase from £71.5 billion in 2012-13. This comprised of specific grants inside AEF, Local Services Support Grant and Formula Grant.
- Specific grants outside Aggregate External Finance are estimated to decrease from £25.8 billion in 2012-13 to £22.2 billion in 2013-14. Prior to 2013-14, local authorities were given a grant outside AEF by the Department for Work and Pensions (DWP) to cover the cost of council tax benefit in their area. In 2013-14, local authorities and local policing bodies in England will receive £3.7 billion towards the cost of local council tax support schemes. The funding is now provided as part of the revenue support grant system and reduces the council tax requirement to local authorities.

Reserve Levels

- In 2013-14 local authorities are budgeting to draw down £1.2 billion from their reserves to finance their revenue expenditure, of which £0.4 billion is due to Greater London Authority. In 2012-13 local authorities were budgeted to draw down their reserves by £20.7 million.
- In 2013-14 for non-ringfenced reserves (i.e. excluding school and public health reserves): 38.7% of local authorities in England are budgeting to add to their reserve levels, 52.0% to draw out from their reserves and 9.2% with no change. If comparing to 2012-13, 39.9% budgeted to add to their reserve levels, 54.5% budgeted to draw out from their reserves and 5.6% had no change.

Other Financing Items

- Capital financing costs in the 2013-14 budget amount to £4.4 billion, while £3.3 billion has been budgeted for capital expenditure charged to the revenue account (CERA), of which £2.6 billion related to Greater London Authority (GLA). In 2012-13, £1.7 billion had been budgeted for CERA, of which £1.2 billion related to GLA. Excluding GLA, CERA has increased from £583 million in 2012-13 to £680 million in 2013-14, an increase of 16.5%.
- Interest receipts were estimated to be £417 million in 2013-14, compared with £400 million in 2012-13, an increase of 3.1%.

Table 2: Budgeted revenue expenditure and financing 2012-13 and 2013-14

	£ million	
	Revenue expenditure 2012-13	Revenue expenditure 2013-14
Revenue expenditure	98,416	102,165
financed by:		
Reserves and Other		
Transfers and adjustments ⁽¹⁾	0	0
Appropriations to (+) / from (-) revenue reserves (including school reserves)	21	1,183
Other items	131	124
Total Government Funding		
Specific grants inside AEF ⁽²⁾	43,539	43,917
Local Services Support Grant (LSSG)	160	66
Formula grant ⁽³⁾	27,802	33,504
<i>of which:</i>		
Revenue Support Grant	448	15,175
Redistributed non-domestic rates	23,129	
Retained income from Rate Retention Scheme		10,763
Police Grant ⁽⁴⁾	4,224	7,565
General Greater London Authority (GLA) Grant	50	
Council tax requirement	26,715	23,371

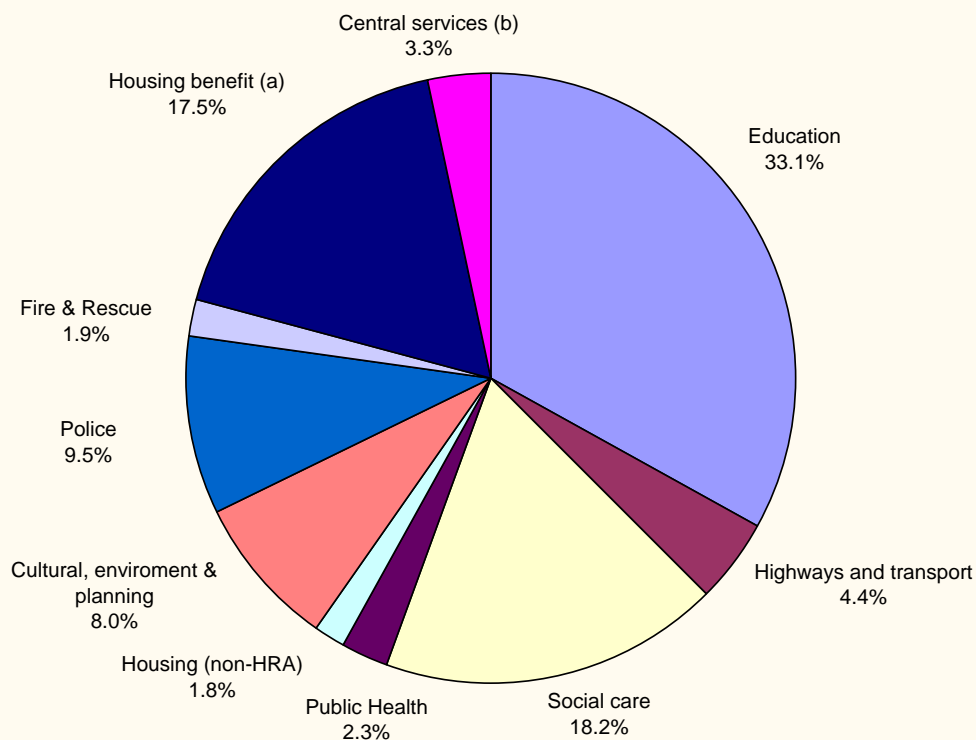
(1) Inter-authority transfers in respect of reorganisation.

(2) Aggregate External Finance; see Background Notes for definition

(3) Formula Grant in 2013-14 is not comparable to previous years due to a change in business rates, whereby authorities now retain a share of business rates and keep the growth on that share, thereby giving them a significant financial incentive to help deliver growth locally. This will have a significant effect on the amount of Revenue Support Grant each authority receives in 2013-14.

(4) Police authorities, which are not part of the rates retention scheme, will receive all of their funding through Police Grant from 2013-14 onwards.

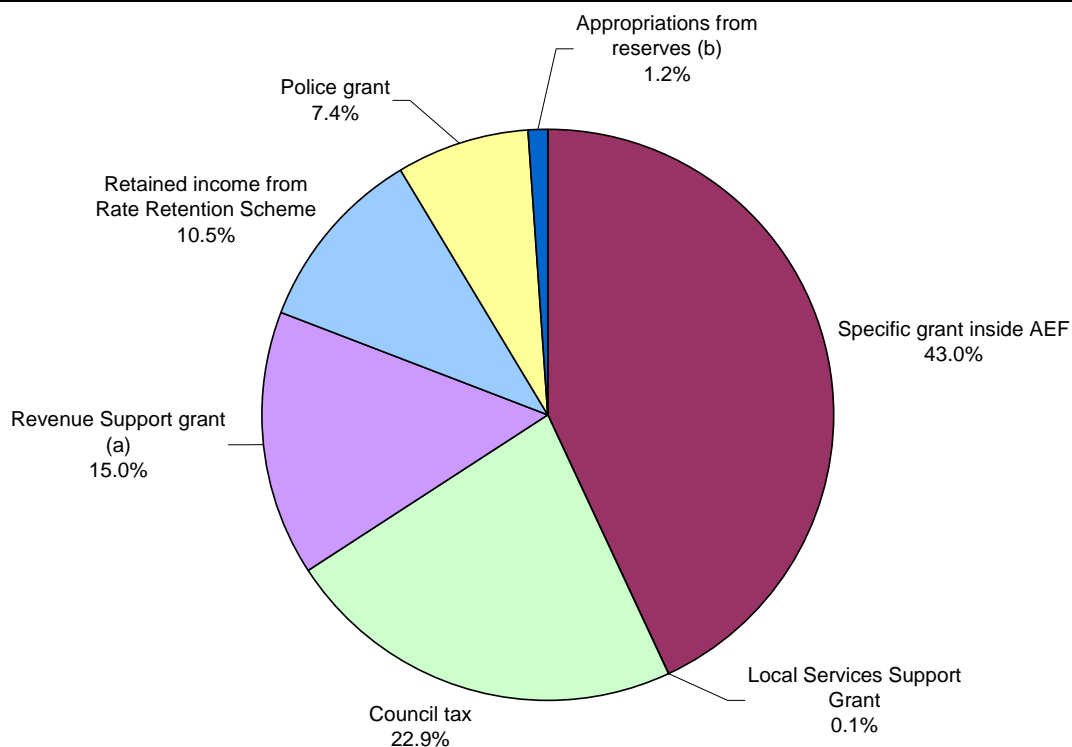
Chart A: Budgeted total net current expenditure by service 2013-14



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

(b) Central services include courts and other services relating to administration costs for council tax and non-domestic rates collection

Chart B: Budgeted financing of revenue expenditure 2013-14



(a) Revenue Support Grant includes General GLA grant and 'Other items' (relating to amounts in respect of collection fund surpluses / deficits and community charge items for 2010-11, transferable from / to collection fund in 2011-12)

(b) Appropriations from reserves includes cash drawn from school and non-school reserves and any inter-authority transfers in respect or re-organisation (e.g. transfer of funds between authorities in respect of boundary changes)

Table 3 shows the funding of budgeted revenue expenditure in terms of government grants, redistributed non-domestic rates, retained income from rate retention scheme, and council taxes from 2007-08 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 2013-14, 65.3% 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, Local Services Support Grant, and Police grant), 22.9% by council tax and 10.5% by retained income from Rate Retention Scheme.

Table 3: Financing of revenue expenditure since 2007-08 ^(a)								
	£ million							
	Revenue Expenditure (£ million)	Government grants (£ million)	% of total	Redistributed non-domestic rates (£ million)	Retained income from Rate Retention Scheme (£ million)	% of total	Council tax (£ million)	% of total
Outturn								
2007-08 ^(a)	92,384	51,656	55.9	18,506	N/A	20.0	23,608	25.6
2008-09 ^(a)	98,107	53,007	54.0	20,506	N/A	20.9	24,759	25.2
2009-10 ^(a)	103,276	57,755	55.9	19,515	N/A	18.9	25,633	24.8
2010-11 ^(b)	104,256	57,657	55.3	21,517	N/A	20.6	26,254	25.2
2011-12 ^(b)	99,278	56,237	56.6	19,017	N/A	19.2	26,451	26.6
Budget								
2012-13 ^(b)	98,416	48,421	49.2	23,129	N/A	23.5	26,715	27.1
2013-14 ^(b)	102,165	66,724	65.3	N/A	10,763	10.5	23,371	22.9

(a) All figures produced on a non-Financial Reporting 17 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

(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

Table 4 shows how revenue expenditure is financed by its various components, which include central government grants, use of reserves (school and non-school), other items and council tax requirement. Council tax requirement is further split into two groups; (1) council tax expected to be collected from domestic properties (excluding parish precepts), and (2) parish precepts.

- Greater London Authority (GLA), proportionally, requires the lowest amount of council tax to finance their revenue expenditure, at 9.6%.
- If we exclude "Other Authorities", GLA has the highest percentage of revenue expenditure which is being financed by central government grants, at 74.1%. The second highest class of authorities being Single Purpose Police Authorities, at 73.5%.

Table 4: Financing of revenue expenditure in 2013-14 by local authority classification

		£ million					
		Financing components of Revenue Expenditure ^(a)					
Local Authority Class	Revenue Expenditure	Government Grants ^(b)		Retained income from Rate Retention Scheme ^(c)		Council Tax ^(d)	
		Total	% of Revenue Expenditure	Total	% of Revenue Expenditure	Total	% of Revenue Expenditure
Greater London Authority	8,140	6,029	74.1%	944	11.6%	779	9.6%
Shire Counties	26,784	16,266	60.7%	2,290	8.6%	7,868	29.4%
Shire Districts	3,077	1,131	36.8%	491	16.0%	1,433	46.6%
Inner London Boroughs	6,244	4,391	70.3%	969	15.5%	787	12.6%
Outer London Boroughs	8,775	6,080	69.3%	930	10.6%	1,786	20.4%
Unitary Authorities ^(e)	18,886	12,160	64.4%	2,178	11.5%	4,457	23.6%
Metropolitan Districts	20,128	13,752	68.3%	2,653	13.2%	3,444	17.1%
Police Authorities	8,340	6,131	73.5%	17	0.2%	2,139	25.6%
Fire Authorities	1,539	537	34.9%	291	18.9%	679	44.1%
Other Authorities ^(f)	253	246	97.2%	0	0.0%	0	0.0%
ENGLAND	102,165	66,724	65.3%	10,763	10.5%	23,371	22.9%

(a) Other items and use of reserves have not been included, although they part finance revenue expenditure. Therefore percentages would not add to 100% because of these missing elements

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

(c) Retained income from Rate Retention Scheme; expected retained non-domestic rate income after payment of central share, major precepting shares and any tariff, top up, levy or safety net payments.

(d) Council Tax Requirement is the amount local authorities expect to collect from all domestic properties within their boundary, including parish and town councils.

(e) Unitary Authorities includes Isle of Scilly.

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

3. Budgeted Income from Specific Grants

Table 5 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 2013-14, Dedicated Schools Grant (DSG), which is ring-fenced, is budgeted to account for 71.3% of the income received by local authorities through specific grants inside Aggregate External Finance.
- In 2013-14, DSG is budgeted to account for 40.4% of the total income received by local authorities through central government grants (which include retained income from rate retention scheme). In 2012-13, DSG accounted for 43.9% of the income received by central government grants.

Table 5: Top five incomes from specific grants budget 2013-14		
	Line Reference	£ million
Grants inside Aggregate External Finance		
Dedicated Schools Grant (DSG)	SG line 102	31,334
Public Health Grant	SG line 313	2,662
GLA Transport Grant	SG line 221	2,209
Pupil Premium Grant	SG line 103	1,430
The Private Finance Initiative (PFI)	SG line 545	931
Grants outside Aggregate External Finance		
Mandatory Rent Allowances: subsidy	SG line 745	14,935
Rent Rebates Granted to HRA Tenants: subsidy	SG line 747	3,567
Mandatory Rent Rebates outside HRA: subsidy	SG line 746	1,412
Sixth Form Funding from Young People's Learning Agency (YPLA)	SG line 716	988
Discretionary Housing Payments (DHPs)	SG line 744	545

4. Distribution of Revenue Expenditure, by Local Authority Classification

Table 6 shows revenue expenditure for each class of authority in England, and revenue expenditure per head for England in 2012-13 and 2013-14.

- Revenue Expenditure per head is estimated to increase from £1,853 in 2012-13 to £1,924 in 2013-14.

Table 6: Revenue expenditure by class of authority 2012-13 and 2013-14			
Class of authority	2012-13	£ billion 2013-14	% change
Greater London Authority ^(a)	7.0	8.1	17%
Shire Counties	26.4	26.8	1%
Shire Districts	3.1	3.1	0%
Inner London Boroughs	5.8	6.2	7%
Outer London Boroughs	8.4	8.8	4%
Unitary Authorities	18.0	18.9	5%
Metropolitan Districts	19.4	20.1	4%
Police Authorities	8.5	8.3	-2%
Fire Authorities	1.6	1.5	-1%
Other authorities ^(b)	0.3	0.3	-28%
England	98.4	102.2	4%
Revenue expenditure per head (£) ^(c)	1,853	1,924	4%

(a) The increase in GLA includes an increase of £1.6 bn due to TfL funding from CERA.
 (b) Includes Waste Authorities, Transport Authorities and National Park Authorities
 (c) From ONS mid-year population estimates for 2011

5. Detailed Budget Information

Annex A (RA12) and **Annex B** (RASG12) show all England detailed budget information in the same way as it is returned to Department for Communities and Local Government. These annexes form the basis of the tables in this release. The notes, which accompany each form sent to local authorities, can be found at:

<https://www.gov.uk/local-government-finance-revenue-forms>

Service Net Current Expenditure

- Net current expenditure on secondary schools is expected to decrease from £12,036 million in 2012-13 to £10,904 million in 2013-14, a reduction of 9.4%. This is partly due to a number of schools changing their status to become academies, which are funded directly from the Department for Education and so their expenditure is not part of the local government data reported in this release.
- Net income on congestion charging is expected to increase from £136 million in 2012-13 to £154 million in 2013-14. This increase in net income between the two financial years is due to Greater London Authority (GLA), who are due to increase their net income from £139 million to £154 million from 2012-13 to 2013-14.
- Net income on parking services (off-street and on-street parking) is expected to rise from £601 million in 2012-13 to £635 million in 2013-14, an increase of 5.6%.
- Net current expenditure on public transport, support to operators has increased from £1,279 million in 2012-13 to £1,356 million in 2013-14, an increase of 6.0%.
- Net current expenditure on housing services decreased from £2,160 million in 2012-13 to £2,096 million in 2013-14, a decrease of 2.9%. The majority of this decrease was due to a reduction in net current expenditure on Housing Welfare: Supporting People, which decreased from £1,027 million in 2012-13 to £900 million in 2013-14.

6. Comparison with Forecast Outturn

Local Authorities in England submit budget data to the Department before the start of each financial year on the Revenue Account (RA) form, and on the Revenue Outturn (RO) form after the end of the year. From 2011-12, authorities also submitted outturn figures on a quarterly basis for the first three quarters of the financial year, on the Quarterly Revenue Outturn (QRO) form. Comparisons are made between the RA figures submitted by authorities and their QRO forecast outturn figures. Authorities also estimate their final end of year outturn figures for service expenditure and net current expenditure each quarter, and the figures in the table below include these estimates submitted from the quarter three forecasted outturn returns.

Table 7: Comparison of service expenditure and net current expenditure

	2012-13		2013-14
	Budget ^(a)	Forecasted Outturn ^(b)	Budget ^(a)
Total Service Expenditure	94,733	93,677	96,526
Net Current Expenditure	114,417	113,597	117,091

(a) Budget data from the Revenue Account Budget (RA) returns
 (b) Forecasted outturn data from the Quarterly Revenue Outturn (QRO) returns. Figures are taken from the final year estimates provided in the quarter 3 returns (based on 1 April to 31 December figures).

The figures in **Table 7** show only a small difference between the outturn figures from the QRO returns and the budget figures from RA returns for 2012-13. Both the total service expenditure and net current expenditure figures were higher in the RA returns; total service expenditure was 1.1% higher, and net current expenditure was 0.7% higher.

However, the expenditure in the final quarter of 2012-13 would need to be significantly higher than outturn figures for the first three quarters in order to meet the forecasted outturn for the year. It is also likely that the forecasts submitted by authorities have not fully taken into account the effect of in-year changes, such as the changes to academy schools. A small increase in outturn in the final quarter of 2012-13 would give final service expenditure and net current expenditure figures for 2012-13 around £2bn lower than the forecasted outturn figures in **Table 7**.

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Education Services			
110 Early years	3,207,725	72,700	3,280,425
120 Primary schools	17,656,013	1,156,366	18,812,378
130 Secondary schools	10,903,598	924,617	11,828,215
140 Special schools	2,874,787	131,325	3,006,111
150 Services to young people and other community learners	1,396,619	82,000	1,478,618
160 Other strategic functions	2,754,489	134,200	2,888,690
190 TOTAL EDUCATION SERVICES (total of lines 110 to 160)	38,793,230	2,501,210	41,294,439
Highways and Transport Services			
210 Transport planning, policy and strategy	266,273	44,284	310,557
220 Capital charges relating to construction projects	n/a	1,503,528	1,503,528
230 Structural maintenance	576,738	299,176	875,915
247 Environmental, safety and routine maintenance	895,008	207,727	1,102,736
248 Winter service	144,854	5,636	150,489
249 Street lighting (including energy costs)	574,987	40,673	615,659
251 Traffic management and road safety: congestion charging	-154,271	908	-153,363
254 Traffic management and road safety: road safety education and safe routes (including school crossing patrols)	89,890	27,346	117,237
258 Traffic management and road safety: other	230,888	46,108	276,996
260 Parking services	-634,575	80,686	-553,889
271 Public transport: statutory concessionary fares	1,076,282	3,007	1,079,289
272 Public transport: discretionary concessionary fares	159,600	1,214	160,814
275 Public transport: support to operators	1,355,931	42,869	1,398,799
276 Public transport: co-ordination	551,104	434,509	985,613
280 Airports, harbours and toll facilities	-3,327	11,016	7,689
290 TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280)	5,129,384	2,748,687	7,878,071
Children's Social Care			
311 Children's social care: Service strategy	287,186	11,811	298,997
312 Children's social care: Commissioning and social work	1,419,151	8,285	1,427,435
321 Children's social care: Children looked after	2,934,374	22,619	2,956,992
322 Children's social care: Family support services	904,172	11,780	915,953
323 Children's social care: Youth justice	236,044	2,418	238,462
324 Children's social care: Children's and young people's safety	165,530	1,790	167,320
325 Children's social care: Asylum seekers	70,067	264	70,331
328 Children's social care: Other children's and families' services	619,159	16,953	636,112
330 TOTAL CHILDREN'S SOCIAL CARE (total of lines 311 to 328)	6,635,684	75,921	6,711,605
Adult Social Care			
331 Social care strategy - adults	56,588	1,720	58,308
335 Older people (aged 65 or over) including older mentally ill	6,606,481	101,264	6,707,745
341 Adults aged under 65 with physical disability or sensory impairment	1,482,747	11,939	1,494,686
342 Adults aged under 65 with learning disabilities	5,112,873	61,706	5,174,578
343 Adults aged under 65 with mental health needs	1,064,529	10,132	1,074,661
351 Other adult social care - asylum seekers - lone adults	24,438	161	24,599
352 Other adult social care - other	302,774	27,441	330,216
360 TOTAL ADULT SOCIAL CARE (total of lines 331 to 352)	14,650,428	214,364	14,864,791

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Public Health			
361 Sexual health services - STI testing and treatment (prescribed functions)	366,912	236	367,148
362 Sexual health services - Contraception (prescribed functions)	155,592	164	155,756
363 Sexual health services - Advice, prevention and promotion (non-prescribed functions)	114,109	49	114,158
365 NHS health check programme (prescribed functions)	86,219	35	86,254
366 Health protection - Local authority role in health protection (prescribed functions)	40,757	3	40,760
368 National child measurement programme (prescribed functions)	22,500	18	22,518
370 Public health advice (prescribed functions)	64,539	9	64,548
371 Obesity - adults	68,183	28	68,211
372 Obesity - children	28,461	5	28,466
373 Physical activity - adults	31,334	28	31,362
374 Physical activity - children	10,953	21	10,974
376 Substance misuse - Drug misuse - adults	568,767	371	569,138
377 Substance misuse - Alcohol misuse - adults	204,080	206	204,286
378 Substance misuse - (drugs and alcohol) - youth services	54,958	67	55,025
380 Smoking and tobacco - Stop smoking services and interventions	136,290	92	136,382
381 Smoking and tobacco - Wider tobacco control	22,084	3	22,087
383 Children 5-19 public health programmes	230,808	189	230,997
385 Miscellaneous public health services	492,679	527	493,206
390 TOTAL PUBLIC HEALTH (total of lines 361 to 385)	2,699,221	2,051	2,701,272
Housing Services (GFRA only)			
409 Housing strategy, advice, advances, enabling, renewals and licensing	282,492	156,040	438,531
440 Homelessness	331,556	464,626	796,183
456 Housing benefits: rent allowances and rent rebates - discretionary payments	63,124	79	63,203
457 Housing benefits administration	482,111	6,269	488,379
460 Other council property - travellers' sites and non-HRA housing	10,868	21,257	32,125
475 Housing welfare: Supporting People	900,449	13,152	913,601
478 Other welfare services	25,766	3,776	29,541
490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 409 to 478)	2,096,366	665,199	2,761,565
Cultural and related Services			
500 Archives	42,627	5,553	48,179
501 Culture and heritage (excluding Archives)	439,163	112,059	551,221
502 Recreation and sport	692,278	262,950	955,228
503 Open spaces	755,863	102,671	858,535
504 Tourism	83,760	8,698	92,455
505 Library service	775,522	88,726	864,247
509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 500 to 505)	2,789,209	580,657	3,369,865

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Environmental and Regulatory Services			
510 Cemetery, cremation and mortuary services	-38,954	18,996	-19,956
519 Regulatory services: Trading standards	131,115	1,212	132,327
520 Regulatory services: Water safety	3,035	23	3,058
521 Regulatory services: Food safety	101,776	653	102,428
522 Regulatory services: Environmental protection; noise and nuisance	146,511	3,263	149,775
523 Regulatory services: Housing standards	40,278	9,096	49,374
524 Regulatory services: Health and safety	44,097	321	44,418
525 Regulatory services: Port health (excluding levies)	1,461	126	1,587
526 Regulatory services: Port health levies	2,883	54	2,937
527 Regulatory services: Pest control	30,520	1,740	32,260
528 Regulatory services: Public conveniences	68,325	11,940	80,265
529 Regulatory services: Animal and public health; infectious disease	72,839	2,310	75,149
530 Regulatory services: Licensing - Alcohol and entertainment licensing; taxi licensing	7,105	2,141	9,247
531 Community safety (Crime reduction)	177,658	4,309	181,967
532 Community safety (Safety services)	110,441	2,334	112,775
533 Community safety (CCTV)	60,202	11,068	71,270
541 Defences against flooding	27,065	5,975	33,040
543 Land drainage and related work (excluding levy / Special levies)	17,009	1,312	18,321
544 Land drainage and related work - Levy / Special levies	25,289	6	25,295
547 Coast protection	14,098	21,532	35,630
550 Agriculture and fisheries services	-2,720	6,128	3,408
570 Street cleansing (not chargeable to Highways)	707,679	20,361	728,040
581 Waste collection	871,680	64,737	936,418
582 Waste disposal	2,061,108	68,063	2,129,171
583 Trade waste	-28,761	1,984	-26,777
584 Recycling	605,152	37,510	642,660
585 Waste minimisation	17,363	3,337	20,700
586 Climate change costs	16,312	1,216	17,528
590 TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (total of lines 510 to 586)	5,290,571	301,747	5,592,319
Planning and development Services			
591 Building control	56,153	8,509	64,663
592 Development control	251,391	8,553	259,942
593 Planning policy	255,768	11,197	266,965
594 Environmental initiatives	61,114	16,256	77,370
595 Economic development	349,985	222,628	572,614
596 Community development	277,422	13,225	290,646
597 Economic research	6,293	4,229	10,522
598 Business Support	6,938	15,024	21,962
599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 598)	1,265,062	299,624	1,564,684
601 TOTAL POLICE SERVICES	11,166,073	461,536	11,627,609
602 TOTAL FIRE AND RESCUE SERVICES	2,174,364	116,251	2,290,614

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Central Services			
604 Coroners' court services	73,379	1,722	75,101
605 Other court services	2,305	1,789	4,094
610 Corporate and democratic core	1,540,123	76,090	1,616,215
623 Local tax collection: council tax discounts - locally funded	13,401	14	13,415
625 Local tax collection: council tax support administration	273,829	2,425	276,254
628 Local tax collection: other	276,077	5,284	281,361
650 Emergency planning	51,773	539	52,311
675 Central services to the public: other	399,708	44,580	444,289
681 Non-distributed costs - retirement benefits	631,805	10,122	641,927
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	18,638	21,137	39,775
683 Non-distributed costs - depreciation / impairment of surplus costs etc	n/a	36,843	36,843
684 Non-distributed costs - revenue expenditure on surplus assets	5,001	4,732	9,733
690 TOTAL CENTRAL SERVICES (total of lines 604 to 684)	3,286,038	205,278	3,491,316
698 TOTAL OTHER SERVICES (exclude Public Health)	550,459	210,657	761,116
799 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 330, 360, 390, 490, 509, 590, 599, 601, 602, 690 and 698)	96,526,087	8,383,178	104,909,267

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand
	Net current expenditure
811 Housing benefits: rent allowances - mandatory payments	15,641,557
812 Housing benefits: non-HRA rent rebates - mandatory payments	535,563
813 Housing benefits: rent rebates to HRA tenants - mandatory payments	4,296,058
814 Housing benefits: subsidy limitation transfers from HRA	11,406
818 Contribution to the HRA re items shared by the whole community	14,727
Precepts and levies	
821 Parish Precepts	367,084
822 Integrated Transport Authority levy	0
824 Waste Disposal Authority levy	0
827 London Pensions Fund Authority levy	25,489
828 Other levies	27,261
831 External Trading Accounts net surplus(-)/ deficit(+)	-225,625
832 Internal Trading Accounts net surplus(-)/ deficit(+)	-50,224
841 Capital charges accounted for in External Trading Accounts	-62,107
842 Capital charges accounted for in Internal Trading Accounts	-75,528
847 Appropriations to(+) / from(-) Accumulated Absences Account	-5,693
848 Adjustments to net current expenditure	64,773
849 NET CURRENT EXPENDITURE (total of lines 799 to 848)	117,090,827

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand
	Net current expenditure
857 Local tax collection: Non-domestic rate relief - discretionary payments	38,849
859 Levy: Environment Agency flood defence	31,429
865 Capital expenditure charged to the GF Revenue Account (CERA) (exclude Public Health)	3,315,348
866 Capital expenditure charged to the GF Revenue Account (CERA) - Public Health	334
871 Provision for bad debts (+/-)	47,659
873 Provision for repayment of principal	2,050,638
876 Leasing payments	8,051
881 Interest: external payments	2,927,715
883 Interest: HRA item 8 payments and receipts	-545,381
885 SUB-TOTAL (total of lines 849 to 883)	124,965,469
888 Private Finance Initiative (PFI) schemes - difference from service charge	89,924
889 Appropriations to(+)/ from(-) financial instruments adjustment account	-21,281
890 Appropriations to(+)/ from(-) unequal pay back pay account	6,683
891 Specific and special grants outside AEF [SG line 799 as income]	-22,228,582
893 Business Rates Supplement	-249,700
894 Community Infrastructure levy	-18,112
895 Carbon Reduction Commitment (CRC) transactions (expenditure) (+)	41,762
896 Carbon Reduction Commitment (CRC) transactions (income) (-)	-4,337
900 REVENUE EXPENDITURE (total of lines 885 to 896)	102,165,205
903 Local Services Support Grant (LSSG)	-66,110
904 Specific and special grants inside AEF [SG line 699 as income]	-43,917,340
905 NET REVENUE EXPENDITURE (total of lines 900 to 904)	58,181,756
906 Inter-authority transfers in respect of reorganisation	0
911 Appropriations to(+)/ from(-) schools' reserves	-43,076
914 Appropriations to(+)/ from(-) public health financial reserves	10,147
915 Appropriations to(+)/ from(-) other earmarked financial reserves	-1,013,241
916 Appropriations to(+)/ from(-) unallocated financial reserves	-137,234
951 Revenue Support Grant	-15,175,409
956 Police grant	-7,565,329
970 Retained income from Rate Retention Scheme	-10,762,828
980 Other items	-123,867
990 COUNCIL TAX REQUIREMENT (total of lines 905 to 980)	23,370,918

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand	
	At 1st April 2013	At 31 March 2014
Financial reserves		
1011 Estimated schools reserves level	2,177,607	2,134,531
1014 Estimated public health financial reserves level	0	10,147
1015 Estimated other earmarked financial reserves level	11,918,570	10,905,329
1016 Estimated unallocated financial reserves level	3,854,521	3,717,287
1020 Prior Year Adjustments	1,218	
Capital Charges	2013-14	
1031 Depreciation	5,294,253	
1033 Loss on impairment of assets	626,383	
1034 Revaluations taken to surplus or deficit on the provision of services	206,317	
1035 Credit for capital grants	-310,488	
1036 Revenue Expenditure funded from Capital by Statute (RECS)	2,566,712	
1039 Total capital charges (total of lines 1031 to 1036)	8,383,178	
Public transport: support to operators (GLA only)	2013-14	
1051 Payment to operators in respect of depreciation which is included in line 275	70,277	
1079 Total service expenditure on non-IAS19 and PFI "On Balance Sheet" basis	88,659,491	

Annex A: RA13 General Fund Revenue Accounts Budget Estimate 2013-14 (continued)

	£ thousand	
	Net total cost	
Housing Revenue Account		
Income		
4001 Dwelling rents (gross)	7,029,562	
4002 Non-dwelling rents (gross)	171,097	
4003 Tenants' leaseholders' and other charges for services and facilities	618,324	
4004 Contributions towards expenditure (other than government grants and assistance)	126,003	
4005 Government grants and assistance (including downward adjustments)	168,599	
4006 Interest on investments credited direct to the HRA	16,540	
4007 Transfers from GF or MRR and other transfers permitted or required by legislation	100,927	
4008 HRA - Appropriation to/from Accumulated Absences Account	-123	
4015 TOTAL HOUSING REVENUE ACCOUNT (HRA) INCOME (total of lines 4001 to 4008)	8,230,926	
Expenditure		
4021 Repairs and maintenance	1,763,210	
4022 Supervision and management (including CDC)	1,856,783	
4023 Special services	547,749	
4024 Rents, rates, taxes and other charges	124,928	
4025 Interest payable and similar charges including amortisation of premiums and discounts, where charged direct to the HRA	1,091,539	
4026 Charges to the HRA for debt repayment or non-interest charges in respect of credit arrangements (including on balance sheet PFI schemes)	1,035,585	
4027 HRA - Capital expenditure charged to the GF Revenue Account (CERA)	912,052	
4028 Debt management costs	69,066	
4029 Transfers to GF or MRR and other transfers permitted or required by legislation	713,613	
4030 HRA - Provision for bad debts (+/-)	118,320	
4035 TOTAL HOUSING REVENUE ACCOUNT (HRA) EXPENDITURE (total of lines 4021 to 4030)	8,232,846	
4040 SURPLUS OR DEFICIT FOR THE YEAR ON HRA SERVICES (line 4015 minus 4035)	-1,917	
	At 1st April 2013	At 31 March 2014
4046 Housing Revenue Account (HRA) Reserves	1,502,361	1,500,444

Annex B: RA(SG13) Income from specific grants budget 2013-14

	£ thousand
Grants inside Aggregate External Finance	
102 Dedicated Schools Grant (DSG)	31,333,943
103 Pupil Premium Grant	1,430,119
106 Education Services Grant	774,753
158 Early Intervention Grant	56,644
221 GLA Transport Grant	2,209,453
231 Metropolitan Railway Passenger Services (include NEXUS Tyne and Wear Metro)	82,508
232 Mersey Travel	93,280
235 Local Sustainable Transport Fund	37,914
313 Public Health Grant	2,661,797
314 Local Reform and Community Voices	31,596
406 Housing Benefit Subsidy Admin Grant	390,028
407 Housing Benefit Reform Transitional Funding	7,781
408 Social Fund administrative funding	44,805
484 Right to Control Trailblazers	1,455
520 Neighbourhood Planning Front Runners	50
524 Greater London Authority Settlement	0
525 Preventing Repossessions Fund	198
526 Court Desk Revenue Grant	672
534 Troubled Families grants	71,949
536 Coastal Communities Fund	260
539 New Homes Bonus Topslice: Returned Funding	48,661
540 New Homes Bonus	608,286
543 Fire Revenue Grant	54,531
545 The Private Finance Initiative (PFI)	931,250
549 Council Tax Support New Burdens Funding	109,559
550 Council Tax Freeze Grant (2013-14 only - see guidance)	199,806
552 Weekly Collection Support Scheme	39,529
573 Commons Pioneer Authorities	9
581 National Parks & Broads	50,701
611 Asylum Seekers	76,663
631 Counter Terrorism	443,934
645 Royal Parks Policing Grant	7,000
698 Other grants within AEF (enter in memorandum box A below)	2,118,201
699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)	43,917,340
Grants outside Aggregate External Finance	
708 Further Education funding from Skills Funding Agency - other 19+ funding	95,230
713 Higher Education Funding Council for England (HEFCE) Payments	17,217
715 Adult and Community Learning from Skills Funding Agency	213,473
716 Sixth Form Funding from Young People's Learning Agency (YPLA)	988,098
744 Discretionary Housing Payments (DHPs)	545,148
745 Mandatory Rent Allowances: subsidy	14,934,919
746 Mandatory Rent Rebates outside HRA: subsidy	1,411,523
747 Rent Rebates Granted to HRA Tenants: subsidy	3,567,151
748 Local Welfare Provision Grant	167,553
752 Housing Acts/ Urban Developments - contributions towards cost of loan charges	691
775 Areas of Outstanding Natural Beauty (AONB)	2,663
791 European Community grants	38,222
798 Other grants outside AEF (enter in memorandum box B below)	246,692
799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 708 to 798)	22,228,582
800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)	66,145,919

Annex C1: Derivation of service lines used in Table 1

	Line reference	Additional levies/transfers
Education	RA line 190	
Highways and transport	RA line 290 RA line 822	Integrated transport authority levy
Social care	RA line 330 RA line 360	
Public Health	RA line 390	
Housing (excluding Housing Revenue Account)	RA line 490 RA line 814 RA line 818	Subsidy limitation transfers from HRA Contribution to HRA re items shared by whole community
Cultural	RA line 509	
Environment	RA line 590 RA line 824	Waste disposal authority levy
Planning	RA line 599	
Police	RA line 601	
Fire & rescue	RA line 602	
Central services	RA line 690 RA line 821 RA line 827	Parish precepts London Pensions Fund Authority levy
Mandatory rent allowances	RA line 811	
Mandatory rent rebates	RA line 812	
Rent rebates granted to HRA tenants	RA line 813	
Other	RA line 698 RA line 828 RA line 831 RA line 832 RA line 841 RA line 842 RA line 848	Other levies External Trading Accounts net surplus/deficit Internal Trading Accounts net surplus/deficit Capital Charges accounted for in External Trading Services Capital Charges accounted for in Internal Trading Services Adjustments
Appropriations to(+)/ from(-) accumulated absences account	RA line 847	
Total net current expenditure	RA line 849	

Annex C1: Derivation of service lines used in Table 1 (continued)

	Line reference	Additional levies/transfers
Capital Financing	RA line 873	Provision for repayment of principle
	RA line 876	Leasing payments
	RA line 881	Interest payments: external payments
	RA line 883	Interest: HRA item 8 payments and receipts
Capital Expenditure charges to the Revenue Account	RA Line 865	
	RA Line 866	
Discretionary Non-Domestic Rate relief	RA Line 857	Local Tax Collection, non-domestic rate relief - discretionary payments
Bad debt provision	RA Line 871	
Flood defence payments to Environment Agency	RA Line 859	Levy from Environment Agency for Flood Defence
Private Finance Initiative (PFI) schemes - difference from service charge	RA Line 888	
Appropriations to(+)/ from(-) financial instruments adjustment account	RA Line 889	
Appropriations to(+)/ from(-) unequal pay back pay account	RA Line 890	
Interest receipts	RA Line 886	Interest and investments income - external receipts and dividends
Specific grants outside AEF	RA Line 891	
Business Rates Supplement	RA Line 893	
Community Infrastructure Levy	RA Line 894	
Carbon Reduction Commitment	RA Line 895	
	RA Line 896	
Revenue Expenditure	RA Line 900	

Annex C2: Derivation of service lines used in Table 2

	Line reference	Additional Information
Revenue Expenditure	RA Line 900	
Transfers and Adjustments	RA Line 906	Inter-authority transfers in respect of reorganisation
Appropriations from other revenue reserves	RA Line 911 RA Line 914 RA Line 915 RA Line 916	School Reserves Public Health financial reserves Other earmarked financial reserves Unallocated financial reserves
Other items	RA Line 980	
Specific grants inside AEF	RA Line 904	
Local Services Support Grant (LSSG)	RA Line 903	
Revenue Support Grant	RA Line 951	
Retained income from Rate Retention Scheme	RA Line 970	
Police grant	RA Line 956	
Council tax requirement	RA Line 990	

7. Definitions

A list of terms relating to local government finance is given in the glossary at Annex G of *Local Government Finance Statistics England* No. 23 2013. This is accessible at.

<https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013> 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.

Business Rates Supplement is income which relates to specific projects expected to promote economic development. This includes income from levying a local supplement on the business rate and using the proceeds for investment in the local area.

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 849). 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.

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.

Appropriations to/from financial instruments adjustment account (line 889)

Appropriations to/from unequal pay back pay account (line 890)

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 DCLG 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 Service Reporting Code of Practice (SERCOP).

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.

Local Services Support Grant is an unringfenced grant paid under section 31 of the Local Government Act 2003 to support local government functions.

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.

Formula Grant – the main channel of government funding. This includes **Redistributed non-domestic rates** (upto 2012-13), **Retained Income from the Rate Retention Scheme** (from 2013-14), **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**.

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.

Revenue expenditure (line 900) - is equal to total net current expenditure (line 849), plus capital financing costs and a few minor adjustments, but excludes expenditure financed by grants outside **Aggregate External Finance**. Revenue expenditure is financed by grants inside **Aggregate External Finance**, council tax and authorities' reserves.

Revenue Support Grant – a general grant which replaced rate support grant in 1990-91. Now it is distributed as part of **Formula Grant**.

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

Specific Grants outside AEF - These are revenue grants, which are paid to local authorities by individual government departments. However, the local authority usually only acts as the 'middle person', as the grants are passed over to a third party which 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.

8. Technical Notes

Survey design for collecting Revenue Accounts (RA) Budget Estimates in 2013-14

During March and April 2013, all 444 local authorities in England were requested to complete the Revenue Accounts (RA) Budget form to show all net current expenditure, capital charges and net total cost transactions relating to their public service expenditure from their general fund revenue account. This also included financing elements of net current expenditure through levy payments, interest receipts, central government grants, use of reserves, council tax requirement and other non-current expenditure items such as; capital financing, capital expenditure charged to the revenue account and other forms of discretionary payments and provisions. **Annex D** shows the distribution of local authorities responsible for completing the RA Budget forms by classification.

Annex D: Distribution of Local Authorities by Classification	
Local Authority Classification	
Greater London Authority	1
Shire Counties	27
Shire Districts	201
Inner London Boroughs ^(a)	13
Outer London Boroughs	20
Unitary Authorities ^(b)	56
Metropolitan Districts	36
Police Authorities	37
Fire Authorities	30
Other Authorities ^(c)	23
All	444
(a) Inner London Boroughs include City of London	
(b) Unitary Authorities include Isles of Scilly	
(c) Other Authorities include National Park Authorities, Waste Disposal Authorities and Integrated Transport Authorities	

Data quality

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.

The information for 2013-14 in this release is derived from Department for Communities and Local Government (DCLG) / CIPFA Revenue Account (RA) budget forms and is based on valid returns from all 444 local authorities in England.

Only data for authorities that have completed a valid form are used in the computation of national figures for the statistical release. If we do not hold a complete set of revenue data for authorities in England, we use the grossing methodology to compute the national figures. This method does not calculate figures for missing or invalid authorities; it only derives an England national figure based on the following properties;

- i. data currently held from validated authorities
- ii. number of missing or invalid authorities and what type of classification group they fit in (e.g. Single Purpose Authorities, Shire Districts, Shire Counties, Unitary Authorities, Metropolitan Districts, London Boroughs etc.)

As we received valid data from all authorities in England there has not been a need to use this grossing methodology

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 Department for Communities and Local Government and CIPFA as the data are received and stored. These include:

i) **In form validation:** This refers to warnings that are built into the excel forms that are sent to authorities. Forms have been pre-programmed with sense checks to highlight figures outside a set range. If an authority inputs figures that are likely to be incorrect, the form flags up to the officer inputting the data that this value could be incorrect. In some fields the figure can still be accepted if a reason is given whereas some cells will definitely be rejected as it is deemed impossible. In the majority of cases this means that the forms are returned completed and without any validation queries.

ii) **CLASS (Computerised Local Authority Statistics System) validation:** Once the figures have been received by DCLG, they get inputted onto the CLASS database, which has built in checks that return errors and warnings for unexpected figures. CLASS can then be asked to output a list of warnings and errors which a team member can look through and contact an authority about if necessary.

iii) **Manual (or analytical) validation:** These are extra checks done manually by the teams to double check the figures they receive. During this process the teams also liaise with relevant policy sections and the Group Accountant to clarify and rectify any anomalies. Furthermore the data received from LAs are compared with other data sources (both internal and external).

iv) **Post validation:** Figures get checked and double-checked on the statistical releases. Particular attention is paid to making sure the values have been entered correctly and the figures on the graphs and tables correlate with each other.

Service Reporting Code of Practice (SERCOP) is a set of general guidance notes which are provided to local authorities, providing them with instructions on how to account on various elements of public service expenditure. The services are primarily broken down into a few main groups (e.g.

Children and Family Services, Housing Services, Central services). Within each group, detailed guidance is provided on all possible elements of spending, which a LA could have responsibility over. The SERCOP is used by all LA's as a foundation for constructing their accounts in the financial year. Therefore the categorisation defined by SERCOP is used as a basis for our form design and guidance, enabling LA to report their financial data under the correct headings – improving quality of the outputs. In-depth discussions take place with several authorities, prior to them being put forward to Central and Local Government Information Partnership/Finance (CLIP/F) for agreement, as part of our ongoing review of enhanced data collection. CLIP/F is also kept informed of the full planned developments to meet the HM Treasury and ONS requirements.

For a summary of SERCOP please see the following web link including information on legislative requirements:

<http://www.cipfastats.net/sercop/>

Uses made of the data

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.

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, other government departments, members of the business community and the general public.

Various Government Departments also utilize these data, some examples include:

1. Food Standards Agency uses the national level data to get a view of expenditure on food safety for all LA's across England. They also make use of the local level data to match expenditure on Food Safety and Trading Standards to their own data on number and type of businesses in each local authority, numbers of interventions and enforcement actions undertaken by each LA and the average compliance rates to food hygiene law. This enables them to develop a set of performance indicators for each local authority so that they could measure variations between authorities, good practice and how different levels of expenditure impact on enforcement activity and compliance.
2. The Efficiency Programme Team within Department for Health uses the data to look at the operational breakdown costs for Adult Social Services in order to derive average staff costs. This allows them to develop various efficiency indicators for Adult Social Services.
3. The parking services data are used by the Department for Transport to monitor LA's that have taken on civil parking enforcement powers and also to brief the ministers.

Further uses of this data are made internally by DCLG users, such as the Value for Money (VfM) analysis – where unitised expenditure figures for each service area (e.g. education) are derived to make comparisons against local authority's performance.

The Audit Commission supports auditors by supplying them with a variety of data and indicators. Auditors use this information to inform their Value for Money conclusions. The conclusions are mainly based on outturn expenditure data however the Revenue Account budget data are used by auditors to help plan their Value for Money work for the following year.

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

Symbols and conventions

...	= 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.

Revisions policy

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

There are two types of revisions that the policy covers:

Non-Scheduled Revisions

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

Scheduled Revisions

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

Background notes

This Statistical Release can be found at the following web address:

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-revenue-expenditure-and-financing>

Timings of future releases are regularly placed on the Department's website, <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics#forthcoming-publications> and on the National Statistics website, <http://www.statistics.gov.uk/releasecalendar/currentreleases.asp>

For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Finance Statistics England* No. 23 2013, 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: <https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013>

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

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>

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:

<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

9. Enquiries

Media enquiries:

office hours: 0303 444 1157

0303 444 1159

out of hours: 0303 444 1201

Email: press.office@communities.gsi.gov.uk

Public enquiries and Responsible Statistician:

Allan Cox

0303 444 1333

Email: lqf1.revenue@communities.gsi.gov.uk

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

www.statistics.gov.uk/hub/browse-by-theme/index.html

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

www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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

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

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000
Month 2013

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

ISBN: 978-1-4098-3987-3