



# Local Authority Revenue Expenditure and Financing: 2014-15 Budget, England (revised)

There have been minor revisions to the 2014-15 figures that update those published on 23rd July 2014. The only changes are to 'the total amount paid to local parishes by the billing authority with respect to their council tax support allocation' on line number 1047 on the RA form. These revisions have replaced non responses with confirmed responses.

- Revenue Expenditure is budgeted to be £98.8 billion in England in 2014-15, a decrease from £102.2 billion in 2013-14. The majority of this decrease was due to a decrease in education expenditure, from £38.8 billion in 2013-14 to £35.8 billion in 2014-15.
- Education expenditure for 2014-15 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.
- 24.3% of budgeted revenue expenditure in 2014-15 is estimated to be funded through council tax, 32.0% through formula grant and 41.3% through specific grants inside Aggregate External Finance and Local Services Support Grant. These percentages were 22.9%, 32.8% and 43.1% respectively in 2013-14.
- Local Authorities are budgeting total net current expenditure of £35.8 billion on education services in 2014-15, £22.1 billion on social care, £21.0 billion on mandatory housing benefits and £11.1 billion on police services.
- In 2014-15 local authorities are budgeting to draw down £2.1 billion from their reserves to finance their revenue expenditure, of which £0.9 billion is due to Greater London Authority. In 2013-14 local authorities were budgeted to draw down their reserves by £1.2 billion.



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# Introduction

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.

This release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2014 to March 2015. These estimates are on a non-International Accounting Standard 19 (IAS19) and PFI “Off Balance Sheet” basis except where stated otherwise.

## Changes to the revenue data in 2014-15

There have been a number of changes to local government expenditure and financing in 2014-15 which have an impact on the figures in this release:

- **Education Services;** expenditure on education services in 2014-15 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. As a result of this discontinuity, total net current expenditure is not comparable between 2013-14 and 2014-15.
- **Children’s Social Care;** local authority expenditure on ‘services to young people’ has moved from education services to children’s social care services in 2014-15, so total net current expenditure on children’s social care is not comparable between 2013-14 and 2014-15.
- **Adult Social Care;** there has been a change in the adult social care lines, based on the new Sercop definitions, although this has not affected the total net current expenditure for adult social care between 2013-14 and 2014-15.
- **Specific Grants inside AEF;** there has been a decrease in Dedicated Schools Grant, to reflect the number of schools that have converted to academies, and are now funded centrally rather than by local authorities.
- **Revenue Support Grant;** there has been a decrease in Revenue Support Grant in line with published spending plans.

# 1. Budgeted Revenue Expenditure by Service

Budgeted revenue expenditure in 2014-15 is summarised in **Table 1** and **Chart A**. **Table 1** also shows budgeted revenue expenditure in 2013-14 and the percentage change to 2014-15. 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 £98.8 billion in 2014-15, compared with £102.2 billion in 2013-14, a decrease of 3.3%.
- 31.2% of budgeted total net current expenditure in 2014-15 is on education, 19.3% on social care, 18.3% on mandatory housing benefits and 9.7% on police.

## **Public Services - Net Current Expenditure**

- Budgeted net current expenditure on education services reduced from £38.8 billion in 2013-14 to £35.8 billion in 2014-15, a decrease of 7.6%. 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.
- Total net current expenditure excluding education services increase from £78.3 billion in 2013-14 to £78.9 billion in 2014-15, and increase of 0.7%.
- There is a decrease in budgeted net current expenditure across most public services, between 2013-14 and 2014-15, although there are increases in Children and Families Social Care services, which is expected to increase from £6.6 billion to £7.7 billion, Public Health services, which is expected to increase from £2.7 billion to £2.8 billion, Planning and Development services, which is expected to increase slightly by 0.9% to £1.3 billion, and Central services, which is expected to increase slightly by 0.2% to £3.7 billion.
- The increase in children and families social care services is due to a change in the sercop definitions, with £590 million expenditure on 'services for young people' included within children's social care. This was previously included within education services, and was responsible for more than half the increase (54%) in net current expenditure for children and families social care services in 2014-15.

**Table 1: Budgeted revenue expenditure by service 2013-14 and 2014-15**

	Net current expenditure 2013-14	Net current expenditure 2014-15	£ million % Change
Education <sup>(1)</sup>	38,793	35,835	-7.6
Highways & transport	5,129	4,814	-6.2
Social care <sup>(2)</sup>	21,286	22,090	3.8
of which:			
<i>Children and Families Social Care</i> <sup>(2)</sup>	6,636	7,726	16.4
<i>Adult Social Care</i>	14,650	14,364	-2.0
Public Health	2,699	2,849	5.5
Housing (excluding Housing Revenue Account)	2,122	1,945	-8.4
Cultural, environment & planning	9,345	9,029	-3.4
of which:			
<i>Cultural</i>	2,789	2,614	-6.3
<i>Environmental</i>	5,291	5,139	-2.9
<i>Planning and development</i>	1,265	1,276	0.9
Police	11,166	11,121	-0.4
Fire & rescue	2,174	2,123	-2.4
Central services	3,679	3,686	0.2
Mandatory Housing Benefits	20,473	21,001	2.6
of which:			
<i>Rent Allowances</i>	15,642	16,069	2.7
<i>Rent Rebates to Non-HRA Tenants</i>	536	531	-0.9
<i>Rent rebates to HRA tenants</i>	4,296	4,401	2.4
Other services	229	224	-2.4
Appropriations to(+)/ from(-) accumulated absences account	-6	-4	
<b>Total net current expenditure</b> <sup>(1)</sup>	<b>117,091</b>	<b>114,711</b>	<b>-2.0</b>
<u>plus non-current expenditure</u>			
Capital financing <sup>(3)</sup>	4,441	4,482	
Capital expenditure charged to Revenue Account	3,316	3,120	
Discretionary Non-Domestic Rate relief	39		
Bad debt provision	48	61	
Flood defence payments to Environment Agency	31	31	
Private Finance Initiative (PFI) schemes - difference from service charge	90	75	
Appropriations to(+)/ from(-) financial instruments adjustment account <sup>(4)</sup>	-21	-22	
Appropriations to(+)/ from(-) unequal pay back pay account <sup>(5)</sup>	7	3	
less interest receipts	417	744	
less specific grants outside AEF <sup>(6)</sup>	22,229	22,617	
less Business Rates Supplement	250	335	
less Community Infrastructure Levy	18	40	
less Carbon Reduction Commitment	-37	-28	
<b>Revenue expenditure</b>	<b>102,165</b>	<b>98,753</b>	<b>-3.3</b>

**Table 1: Budgeted revenue expenditure by service 2013-14 and 2014-15**

- (1) Education expenditure for 2014-15 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) Local authority expenditure on 'services to young people' has moved from education services to children's social care services in 2014-15, so total net current expenditure on children's social care is not comparable between 2013-14 and 2014-15. This is due to sercop changes requested by the Department for Education to align sercop to their section 251 form.
- (3) Includes provision for repayment of principal, leasing payments, external interest payments and HRA item 8 interest payments and receipts.
- (4) Adjustments permitted by regulation to the revenue account charges for financial instruments.
- (5) 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.
- (6) Aggregate External Finance; see Background Notes for definition.

### **Mandatory Housing Benefits**

- Mandatory Housing Benefits are expected to increase from £20.5 billion in 2013-14 to £21.0 billion in 2014-15.
- Rent allowances (within mandatory housing benefits), which are paid to tenants of private landlords and registered social landlords, are expected to increase from £15.6 billion in 2013-14 to £16.1 billion in 2014-15, an increase of 2.7%.

### **Other Financing Items**

- Capital financing costs in the 2014-15 budget amount to £4.5 billion.
- In 2014-15, £3.1 billion has been budgeted for capital expenditure charged to the revenue account (CERA), of which £2.3 billion related to Greater London Authority (GLA). In 2013-14, £3.3 billion had been budgeted for CERA, of which £2.6 billion related to GLA. Excluding GLA, CERA has increased from £680 million in 2013-14 to £818 million in 2014-15, an increase of 20.4%.
- Interest receipts were estimated to be £744 million in 2014-15, compared with £417 million in 2013-14, an increase of 78.6%.

## 2. Budgeted Revenue Expenditure and Financing

**Table 2** shows how revenue expenditure was financed in 2013-14 and 2014-15. 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 2014-15.

### Central Government Grants

- The funding of central government grants amounted to £72.4 billion in 2014-15, a decrease from £77.5 billion in 2013-14. This comprised of specific grants inside AEF, Local Services Support Grant and Formula Grant.
- Specific grants inside Aggregate External Finance are estimated to decrease from £43.9 billion in 2013-14 to £40.8 billion in 2014-15. The majority of this decrease is due to Dedicated Schools Grant, which decreased from £31.3 billion in 2013-14 to £29.5 billion in 2014-15.
- Formula grant (Revenue Support Grant, retained income from Rate Retention Scheme and Police grant) totals £31.6 billion in 2014-15, a decrease from £33.5 billion in 2013-14.
- Local Services Support Grant amounted to £33 million in 2014-15.

### Reserve Levels

- In 2014-15 local authorities are budgeting to draw down £2.1 billion from their reserves to finance their revenue expenditure, of which £0.9 billion is due to Greater London Authority. In 2013-14 local authorities were budgeted to draw down their reserves by £1.2 billion.
- Total local authority financial reserves are estimated to be £17.8 billion at 31<sup>st</sup> March 2015, down from £19.9 billion at 1<sup>st</sup> April 2014. In 2013-14, local authorities were budgeting their total reserves to decrease from £18.0 billion at 1<sup>st</sup> April 2013 to £16.8 billion at 31<sup>st</sup> March 2014.
- Non-ringfenced financial reserves (i.e. excluding school and public health reserves) are estimated to be £15.5 billion at 31<sup>st</sup> March 2015, down from £17.6 billion at 1<sup>st</sup> April 2014.
- In 2014-15 for non-ringfenced reserves: 32.7% of local authorities in England are budgeting to add to their reserve levels, 58.3% to draw out from their reserves and 9.0% with no change. If comparing to 2013-14, 38.7% budgeted to add to their reserve levels, 52.0% budgeted to draw out from their reserves and 9.2% had no change.

**Table 2: Budgeted revenue expenditure and financing 2013-14 and 2014-15**

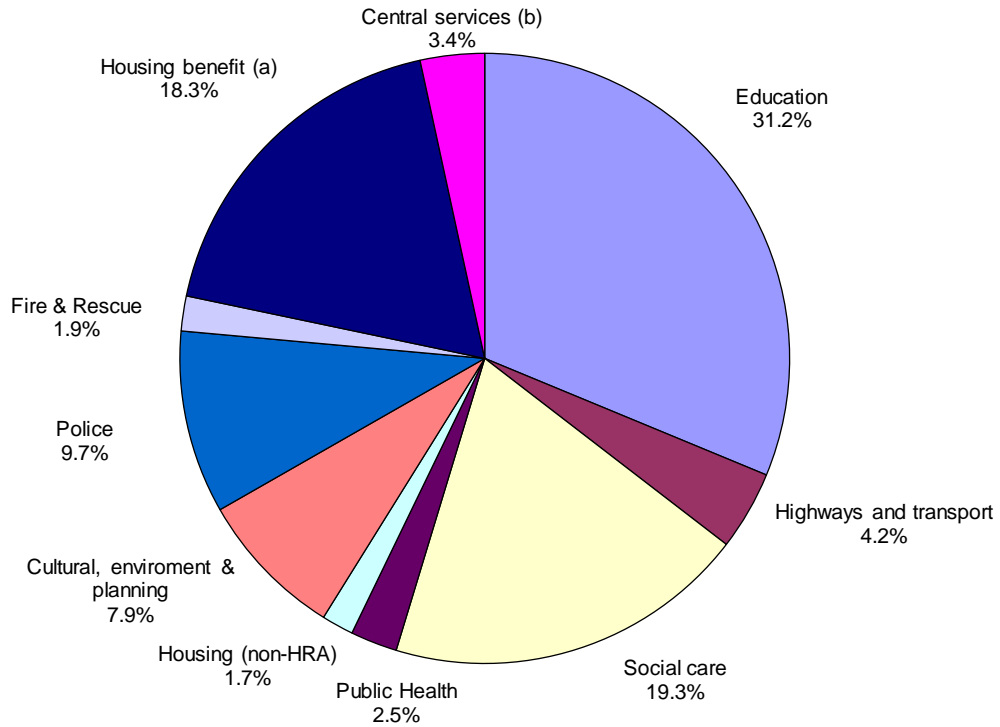
	£ million	
	Revenue expenditure 2013-14	Revenue expenditure 2014-15
<b>Revenue expenditure</b>	<b>102,165</b>	<b>98,753</b>
financed by:		
<b>Reserves and Other</b>		
Transfers and adjustments <sup>(1)</sup>	0	1
Appropriations to (+) / from (-) revenue reserves (including school reserves)	1,183	2,107
Other items	124	281
<b>Total Government Funding</b>		
Specific grants inside AEF <sup>(2,3)</sup>	43,917	40,763
Local Services Support Grant (LSSG)	66	33
Formula grant	33,504	31,603
<i>of which:</i>		
<i>Revenue Support Grant</i>	15,175	12,675
<i>Retained income from Rate Retention Scheme</i>	10,763	11,144
<i>Police Grant</i>	7,565	7,784
<b>Council tax requirement</b>	<b>23,371</b>	<b>23,965</b>

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

(2) Specific grants inside AEF are not comparable to previous years, due to a decrease in Dedicated Schools Grant

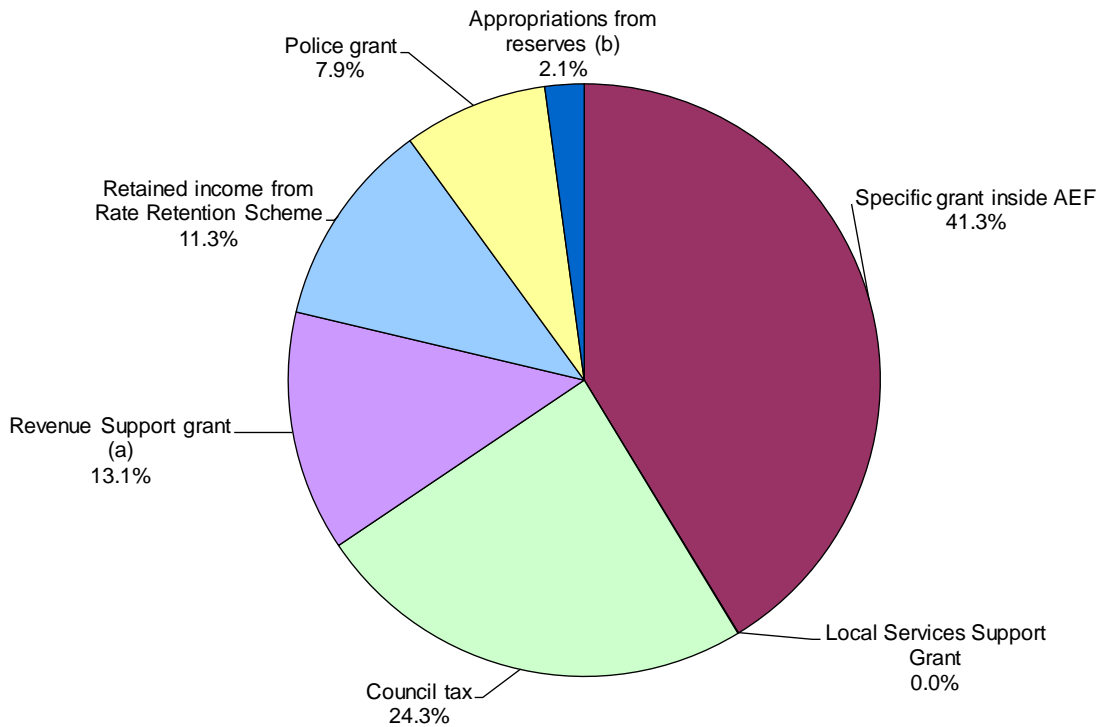
(3) Aggregate External Finance; see Background Notes for definition

**Chart A: Budgeted total net current expenditure by service 2014-15**



(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 2014-15**



(a) Revenue Support Grant includes '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, public health 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 2008-09 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 2014-15, 62.0% 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), 24.3% by council tax and 11.3% by retained income from Rate Retention Scheme.

Table 3: Financing of revenue expenditure since 2008-09 <sup>(a)</sup>								£ 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
<b>Outturn</b>								
2008-09 <sup>(a)</sup>	98,107	53,007	54.0	20,506	N/A	20.9	24,759	25.2
2009-10 <sup>(a)</sup>	103,276	57,755	55.9	19,515	N/A	18.9	25,633	24.8
2010-11 <sup>(b)</sup>	104,256	57,657	55.3	21,517	N/A	20.6	26,254	25.2
2011-12 <sup>(b)</sup>	99,278	56,237	56.6	19,017	N/A	19.2	26,451	26.6
2012-13 <sup>(b)</sup>	94,148	46,765	49.7	23,129	N/A	24.6	26,715	28.4
<b>Budget</b>								
2013-14 <sup>(b)</sup>	102,165	66,724	65.3	N/A	10,763	10.5	23,371	22.9
2014-15 <sup>(b)</sup>	98,753	61,255	62.0	N/A	11,144	11.3	23,965	24.3

(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 10.8%.
- If we exclude "Other Authorities", Police Authorities have the highest percentage of revenue expenditure which is being financed by central government grants, at 72.4%, followed by London Boroughs, at 68.1% for Inner London Boroughs and 66.1% for Outer London Boroughs.

**Table 4: Financing of revenue expenditure in 2014-15 by local authority classification**

		£ million					
		Financing components of Revenue Expenditure <sup>(a)</sup>					
Local Authority Class	Revenue Expenditure	Government Grants <sup>(b)</sup>		Retained income from Rate Retention Scheme <sup>(c)</sup>		Council Tax <sup>(d)</sup>	
		Total	% of Revenue Expenditure	Total	% of Revenue Expenditure	Total	% of Revenue Expenditure
<b>Greater London Authority</b>	7,255	4,512	62.2%	1,000	13.8%	787	10.8%
<b>Shire Counties</b>	26,009	15,229	58.6%	2,306	8.9%	8,064	31.0%
<b>Shire Districts</b>	3,050	1,002	32.9%	516	16.9%	1,469	48.2%
<b>Inner London Boroughs</b>	6,067	4,132	68.1%	997	16.4%	806	13.3%
<b>Outer London Boroughs</b>	8,539	5,649	66.1%	984	11.5%	1,825	21.4%
<b>Unitary Authorities <sup>(e)</sup></b>	18,153	11,134	61.3%	2,267	12.5%	4,576	25.2%
<b>Metropolitan Districts</b>	19,545	12,859	65.8%	2,749	14.1%	3,531	18.1%
<b>Police Authorities</b>	8,323	6,022	72.4%	0	0.0%	2,209	26.5%
<b>Fire Authorities</b>	1,519	457	30.1%	326	21.5%	698	46.0%
<b>Other Authorities <sup>(f)</sup></b>	293	260	88.7%	0	0.0%	0	0.0%
<b>ENGLAND</b>	<b>98,753</b>	<b>61,255</b>	<b>62.0%</b>	<b>11,144</b>	<b>11.3%</b>	<b>23,965</b>	<b>24.3%</b>

(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 2014-15, Dedicated Schools Grant (DSG), which is ring-fenced, is budgeted to account for 72.3% of the income received by local authorities through specific grants inside Aggregate External Finance.
- In 2014-15, DSG is budgeted to account for 40.7% of the total income received by local authorities through central government grants (which include retained income from rate retention scheme). In 2013-14, DSG accounted for 40.4% of the income received by central government grants.

<b>Table 5: Top five incomes from specific grants budget 2014-15</b>		
		<b>£ million</b>
<b>Grants inside Aggregate External Finance</b>		
Dedicated Schools Grant (DSG)	SG line 102	29,470
Public Health Grant	SG line 313	2,795
GLA Transport Grant	SG line 221	1,919
Pupil Premium Grant	SG line 103	1,677
The Private Finance Initiative (PFI)	SG line 545	1,033
<b>Grants outside Aggregate External Finance</b>		
Mandatory Rent Allowances: subsidy	SG line 745	16,055
Rent Rebates Granted to HRA Tenants: subsidy	SG line 747	4,406
Sixth Form Funding from the Education Funding Agency (EFA)	SG line 716	764
Mandatory Rent Rebates outside HRA: subsidy	SG line 746	518
Adult and Community Learning from Skills Funding Agency	SG line 715	224

## 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 2013-14 and 2014-15.

- Revenue Expenditure per head is estimated to increase from £1,910 in 2013-14 to £1,846 in 2014-15.

<b>Table 6: Revenue expenditure by class of authority 2013-14 and 2014-15</b>			
<b>Class of authority</b>	<b>2013-14</b>	<b>£ billion 2014-15</b>	<b>% change</b>
Greater London Authority	8.1	7.3	-11%
Shire Counties	26.8	26.0	-3%
Shire Districts	3.1	3.0	-1%
Inner London Boroughs	6.2	6.1	-3%
Outer London Boroughs	8.8	8.5	-3%
Unitary Authorities	18.9	18.2	-4%
Metropolitan Districts	20.1	19.5	-3%
Police Authorities	8.3	8.3	0%
Fire Authorities	1.5	1.5	-1%
Other authorities <sup>(a)</sup>	0.3	0.3	16%
<b>England</b>	<b>102.2</b>	<b>98.8</b>	<b>-3%</b>
Revenue expenditure per head (£) <sup>(b)</sup>	1,910	1,846	-3%

(a) Includes Waste Authorities, Transport Authorities and National Park Authorities  
 (b) From ONS mid-year population estimates for 2012

## 5. Detailed Budget Information

**Annex A** (RA14) and **Annex B** (RASG14) 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 £10,904 million in 2013-14 to £8,940 million in 2014-15, a reduction of 18%. 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 £154 million in 2013-14 to £192 million in 2014-15. 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 £154 million to £194 million from 2013-14 to 2014-15.
- Net income on parking services (off-street and on-street parking) is expected to rise from £635 million in 2013-14 to £648 million in 2014-15, an increase of 2%.
- Net current expenditure on public transport, support to operators has increased from £1,356 million in 2013-14 to £1,482 million in 2014-15, an increase of 9%.
- Net current expenditure on children's social care has increased by 16%, from £6,636 million in 2013-14 to £7,726 million in 2014-15, although this was partly due to £590 million expenditure on 'services for young people' which transferred from education services to children's social care services in 2014-15.
- Within housing services, housing welfare: supporting people decreased by 18%, from £900 million in 2013-14 to £738 million in 2014-15.
- Within central services, non-distributed costs – retirement benefits increased by 22%, from £632 million in 2013-14 to £772 million in 2014-15.

## 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**

	2013-14		2014-15
	Budget <sup>(a)</sup>	Forecasted Outturn <sup>(b)</sup>	Budget <sup>(a)</sup>
Total Service Expenditure	96,526	94,598	93,534
Net Current Expenditure	117,091	115,215	114,711

(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 2013-14. Both the total service expenditure and net current expenditure figures were higher in the RA returns; total service expenditure was 2.0% higher, and net current expenditure was 1.6% higher.

However, the expenditure in the final quarter of 2013-14 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 2013-14 would give final service expenditure and net current expenditure figures for 2013-14 around £2 billion lower than the forecasted outturn figures in **Table 7**.

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15**

	£ thousand		
	Net current expenditure	Capital items	Net total cost excluding specific grants
<b>Education Services</b>			
110 Early years	2,868,975	39,759	2,908,734
120 Primary schools	17,108,809	943,207	18,052,016
130 Secondary schools	8,939,959	518,662	9,458,620
140 Special schools and alternative provision	3,097,879	125,545	3,223,426
145 Post-16 provision	569,480	4,481	573,960
165 Other education and community budget	3,250,124	259,274	3,509,399
<b>190 TOTAL EDUCATION SERVICES (total of lines 110 to 165)</b>	<b>35,835,225</b>	<b>1,890,927</b>	<b>37,726,151</b>
<b>Highways and Transport Services</b>			
210 Transport planning, policy and strategy	253,457	77,402	330,858
220 Capital items relating to construction projects	n/a	1,139,516	1,139,516
230 Structural maintenance	569,916	314,691	884,608
247 Environmental, safety and routine maintenance	854,148	210,162	1,064,310
248 Winter service	147,251	7,099	154,351
249 Street lighting (including energy costs)	565,587	47,432	613,018
251 Traffic management and road safety: congestion charging	-192,437	561	-191,876
254 Traffic management and road safety: road safety education and safe routes (including school crossing patrols)	81,919	28,685	110,605
258 Traffic management and road safety: other	234,848	44,845	279,693
260 Parking services	-648,192	76,759	-571,433
271 Public transport: statutory concessionary fares	1,080,927	6,124	1,087,051
272 Public transport: discretionary concessionary fares	102,975	612	103,587
275 Public transport: support to operators	1,482,233	44,594	1,526,827
276 Public transport: co-ordination	286,226	447,319	733,546
280 Airports, harbours and toll facilities	-5,282	11,491	6,209
<b>290 TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280)</b>	<b>4,813,584</b>	<b>2,457,291</b>	<b>7,270,876</b>
<b>Children's Social Care</b>			
310 Children's social care: Sure start children's centres/flying start and early years	651,094	23,726	674,819
313 Children's social care: Children looked after	3,289,174	34,871	3,324,045
315 Children's social care: Other children and family services	347,158	4,699	351,856
322 Children's social care: Family support services	973,045	9,621	982,666
323 Children's social care: Youth justice	220,870	3,478	224,350
325 Children's social care: Safeguarding children and young people's services	1,589,562	11,839	1,601,401
326 Children's social care: Asylum seekers	64,336	396	64,732
327 Children's social care: Services for young people	590,377	16,192	606,568
<b>330 TOTAL CHILDREN'S SOCIAL CARE (total of lines 310 to 327)</b>	<b>7,725,615</b>	<b>104,822</b>	<b>7,830,439</b>
<b>Adult Social Care</b>			
332 Physical support - adults (18-64)	1,066,012	8,859	1,074,874
333 Physical support - older people (65+)	3,327,651	41,427	3,369,077
334 Sensory support - adults (18-64)	66,557	309	66,867
335 Sensory support - older people (65+)	172,455	1,245	173,700
336 Support with memory and cognition - adults (18-64)	41,625	1,277	42,902
337 Support with memory and cognition - older people (65+)	884,275	8,389	892,664
340 Learning disability support - adults (18-64)	4,189,250	33,922	4,223,172
341 Learning disability support - older people (65+)	443,174	3,311	446,484
344 Mental health support - adults (18-64)	630,104	3,869	633,972
345 Mental health support - older people (65+)	424,409	6,550	430,960
348 Social support: Substance misuse support	41,778	304	42,082
349 Social support: Asylum seeker support	21,343	112	21,454
350 Social support: Support for carer	139,630	1,993	141,624
353 Assistive equipment and technology	166,944	5,594	172,539
354 Social care activities	1,568,619	9,752	1,578,371
355 Information and early intervention	225,776	1,024	226,801
356 Commissioning and service delivery	954,694	35,752	990,446
<b>360 TOTAL ADULT SOCIAL CARE (total of lines 332 to 356)</b>	<b>14,364,294</b>	<b>163,691</b>	<b>14,527,985</b>

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued)**

£ thousand

	Net current expenditure	Capital items	Net total cost excluding specific grants
<b>Public Health</b>			
361 Sexual health services - STI testing and treatment (prescribed functions)	383,482	120	383,603
362 Sexual health services - Contraception (prescribed functions)	184,089	17	184,105
363 Sexual health services - Advice, prevention and promotion (non-prescribed)	103,763	14	103,776
365 NHS health check programme (prescribed functions)	85,320	22	85,342
366 Health protection - Local authority role in health protection (prescribed fun	37,480	31	37,511
368 National child measurement programme (prescribed functions)	19,078	5	19,083
370 Public health advice (prescribed functions)	68,539	55	68,594
371 Obesity - adults	72,485	12	72,498
372 Obesity - children	35,749	3	35,752
373 Physical activity - adults	58,863	23	58,886
374 Physical activity - children	16,916	3	16,919
376 Substance misuse - Drug misuse - adults	562,700	173	562,873
377 Substance misuse - Alcohol misuse - adults	200,228	42	200,270
378 Substance misuse - (drugs and alcohol) - youth services	69,546	5	69,551
380 Smoking and tobacco - Stop smoking services and interventions	140,548	44	140,593
381 Smoking and tobacco - Wider tobacco control	19,174	16	19,190
383 Children 5-19 public health programmes	259,513	74	259,586
385 Miscellaneous public health services	531,183	554	531,737
<b>390 TOTAL PUBLIC HEALTH (total of lines 361 to 385)</b>	<b>2,848,658</b>	<b>1,212</b>	<b>2,849,869</b>
<b>Housing Services (GFRA only)</b>			
409 Housing strategy, advice, advances, enabling, renewals and licensing	282,441	169,943	452,384
440 Homelessness	330,806	629,593	960,400
456 Housing benefits: rent allowances and rent rebates - discretionary payments	74,594	465	75,059
457 Housing benefits administration	450,863	5,740	456,603
460 Other council property - travellers' sites and non-HRA council property	32,372	15,679	48,052
475 Housing welfare: Supporting People	737,508	16,283	753,791
478 Other welfare services	24,880	6,217	31,098
<b>490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 409 to 478)</b>	<b>1,933,463</b>	<b>843,922</b>	<b>2,777,385</b>
<b>Cultural and related Services</b>			
500 Archives	41,218	3,696	44,914
501 Culture and heritage (excluding Archives)	439,874	102,645	542,519
502 Recreation and sport	617,311	287,863	905,174
503 Open spaces	697,767	99,976	797,743
504 Tourism	81,337	3,587	84,922
505 Library service	736,022	94,385	830,408
<b>509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 500 to 505)</b>	<b>2,613,523</b>	<b>592,151</b>	<b>3,205,675</b>



**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued)**

	£ thousand		
	Net current expenditure	Capital items	Net total cost excluding specific grants
<b>Environmental and Regulatory Services</b>			
510 Cemetery, cremation and mortuary services	-51,085	18,937	-32,147
519 Regulatory services: Trading standards	123,523	1,211	124,733
520 Regulatory services: Water safety	2,161	17	2,178
521 Regulatory services: Food safety	96,064	637	96,701
522 Regulatory services: Environmental protection; noise and nuisance	140,516	3,041	143,556
523 Regulatory services: Housing standards	40,358	11,284	51,642
524 Regulatory services: Health and safety	38,981	291	39,273
525 Regulatory services: Port health (excluding levies)	2,480	129	2,609
526 Regulatory services: Port health levies	2,203	12	2,215
527 Regulatory services: Pest control	24,487	876	25,363
528 Regulatory services: Public conveniences	61,305	10,884	72,188
529 Regulatory services: Animal and public health; infectious disease	73,282	2,016	75,298
530 Regulatory services: Licensing - Alcohol and entertainment licensing; taxi licensing	3,809	808	4,619
531 Community safety (Crime reduction)	170,996	1,712	172,708
532 Community safety (Safety services)	93,971	2,034	96,006
533 Community safety (CCTV)	56,081	10,143	66,225
541 Defences against flooding	26,093	6,003	32,096
543 Land drainage and related work (excluding levy / Special levies)	17,729	1,877	19,607
544 Land drainage and related work - Levy / Special levies	24,868	4	24,872
547 Coast protection	13,915	5,866	19,781
550 Agriculture and fisheries services	-8,163	493	-7,670
570 Street cleansing (not chargeable to Highways)	704,562	23,057	727,620
581 Waste collection	852,221	60,843	913,063
582 Waste disposal	2,026,287	82,185	2,108,472
583 Trade waste	-35,823	2,071	-33,752
584 Recycling	603,620	37,566	641,188
585 Waste minimisation	18,792	894	19,686
586 Climate change costs	15,703	1,794	17,496
<b>590 TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (total of lines 510 to 586)</b>	<b>5,138,937</b>	<b>286,688</b>	<b>5,425,623</b>
<b>Planning and development Services</b>			
591 Building control	54,573	3,944	58,517
592 Development control	243,640	7,222	250,860
593 Planning policy	237,179	7,082	244,260
594 Environmental initiatives	58,924	15,098	74,022
595 Economic development	376,896	122,179	499,076
596 Community development	249,397	23,494	272,892
597 Economic research	9,333	315	9,648
598 Business Support	46,380	15,168	61,548
<b>599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 598)</b>	<b>1,276,320</b>	<b>194,502</b>	<b>1,470,820</b>
<b>601 TOTAL POLICE SERVICES</b>	<b>11,121,171</b>	<b>227,672</b>	<b>11,348,843</b>
<b>602 TOTAL FIRE AND RESCUE SERVICES</b>	<b>2,122,700</b>	<b>122,687</b>	<b>2,245,387</b>

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued)**

	£ thousand		
	Net current expenditure	Capital items	Net total cost excluding specific grants
<b>Central Services</b>			
604 Coroners' court services	76,640	2,166	78,806
605 Other court services	2,657	1,794	4,451
610 Corporate and democratic core	1,469,940	76,939	1,546,881
623 Local tax collection: council tax discounts - locally funded	13,124	103	13,227
625 Local tax collection: council tax support administration	237,847	2,863	240,710
628 Local tax collection: other	253,019	3,718	256,736
650 Emergency planning	43,995	565	44,562
675 Central services to the public: other	375,350	45,557	420,904
681 Non-distributed costs - retirement benefits	771,791	2,409	774,201
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	15,627	7,904	23,531
683 Non-distributed costs - depreciation / impairment of surplus costs etc	n/a	202,334	202,334
684 Non-distributed costs - revenue expenditure on surplus assets	10,513	9,116	19,629
<b>690 TOTAL CENTRAL SERVICES (total of lines 604 to 684)</b>	<b>3,270,503</b>	<b>355,468</b>	<b>3,625,970</b>
<b>698 TOTAL OTHER SERVICES</b>	<b>469,640</b>	<b>234,542</b>	<b>704,183</b>
<b>799 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 330, 360, 390, 490, 509, 590, 599, 601, 602, 690 and 698)</b>	<b>93,533,631</b>	<b>7,475,574</b>	<b>101,009,205</b>

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued)**

	£ thousand
	Net current expenditure
811 Housing benefits: rent allowances - mandatory payments	16,069,024
812 Housing benefits: non-HRA rent rebates - mandatory payments	530,688
813 Housing benefits: rent rebates to HRA tenants - mandatory payments	4,401,229
814 Housing benefits: subsidy limitation transfers from HRA	18
818 Contribution to the HRA re items shared by the whole community	11,069
<b>Precepts and levies</b>	
821 Parish Precepts	388,815
822 Integrated Transport Authority levy	0
824 Waste Disposal Authority levy	0
827 London Pensions Fund Authority levy	26,289
828 Other levies	30,216
831 External Trading Accounts net surplus(-)/ deficit(+)	-215,058
832 Internal Trading Accounts net surplus(-)/ deficit(+)	8,731
841 Capital items accounted for in External Trading Accounts	-86,086
842 Capital items accounted for in Internal Trading Accounts	-75,963
847 Appropriations to(+) / from(-) Accumulated Absences Account	-3,534
848 Adjustments to net current expenditure	92,083
<b>849 NET CURRENT EXPENDITURE (total of lines 799 to 848)</b>	<b>114,711,153</b>

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued)**

	£ thousand
	<b>Net current expenditure</b>
859 Levy: Environment Agency flood defence	31,454
865 Capital expenditure charged to the GF Revenue Account (CERA) (exclude Public Health)	3,118,948
866 Capital expenditure charged to the GF Revenue Account (CERA) - Public Health	1,385
871 Provision for bad debts (+/-)	61,271
873 Provision for repayment of principal	2,078,366
876 Leasing payments	10,291
881 Interest: external payments	2,857,110
883 Interest: HRA item 8 payments and receipts	-464,179
<b>885 SUB-TOTAL (total of lines 849 to 883)</b>	<b>122,405,797</b>
886 Interest and investment income (-): external receipts and dividends	-744,138
888 Private Finance Initiative (PFI) schemes - difference from service charge	74,597
889 Appropriations to(+)/ from(-) financial instruments adjustment account	-21,625
890 Appropriations to(+)/ from(-) unequal pay back pay account	2,744
891 Specific and special grants outside AEF [SG line 799 as income]	-22,616,692
893 Business Rates Supplement	-335,070
894 Community Infrastructure levy	-39,860
895 Carbon Reduction Commitment (CRC) transactions (expenditure) (+)	30,368
896 Carbon Reduction Commitment (CRC) transactions (income) (-)	-2,655
<b>900 REVENUE EXPENDITURE (total of lines 885 to 896)</b>	<b>98,753,465</b>
903 Local Services Support Grant (LSSG)	-33,050
904 Specific and special grants inside AEF [SG line 699 as income]	-40,763,081
<b>905 NET REVENUE EXPENDITURE (total of lines 900 to 904)</b>	<b>57,957,337</b>
906 Inter-authority transfers in respect of reorganisation	-1,161
911 Appropriations to(+)/ from(-) schools' reserves	-76,995
914 Appropriations to(+)/ from(-) public health financial reserves	-6,359
915 Appropriations to(+)/ from(-) other earmarked financial reserves	-1,893,061
916 Appropriations to(+)/ from(-) unallocated financial reserves	-130,671
951 Revenue Support Grant	-12,674,739
956 Police grant	-7,784,316
970 Retained income from Rate Retention Scheme	-11,144,161
980 Other items	-281,201
<b>990 COUNCIL TAX REQUIREMENT (total of lines 905 to 980)</b>	<b>23,964,675</b>

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued) (Revised)**

	£ thousand	
	At 1st April 2014	At 31 March 2015
<b>Financial reserves</b>		
1011 Estimated schools reserves level	2,256,532	2,179,537
1014 Estimated public health financial reserves level	85,230	78,871
1015 Estimated other earmarked financial reserves level	13,810,299	11,917,239
1016 Estimated unallocated financial reserves level	3,741,633	3,610,960
1020 Prior Year Adjustments	47,778	
<b>Capital Items</b>	<b>2014-15</b>	
1031 Depreciation	5,259,650	
1033 Loss on impairment of assets	221,728	
1034 Revaluations taken to surplus or deficit on the provision of services	131,714	
1035 Credit for capital grants	-490,571	
1036 Revenue Expenditure funded from Capital by Statute (RECS)	2,353,056	
<b>1039 Total capital items (total of lines 1031 to 1036)</b>	<b>7,475,574</b>	
	<b>Experimental Statistics</b>	
<b>Local Council Tax Support Scheme</b>	<b>Number</b>	
1041 Number of pensioners in receipt of a reduced council tax bill	1,978,896	
1042 Number of working age people in receipt of a reduced council tax bill	2,664,967	
1043 Total number of pensioners and working age people in receipt of a reduced council tax bill	4,643,863	
	<b>£ 000</b>	
1044 Total council tax revenue foregone - pensioners	1,758,248	
1045 Total council tax revenue foregone - working age people	1,977,176	
1046 Total amount of council tax revenue foregone	3,735,425	
1047 The total amount paid to local parishes [by the billing authority] with respect to their council tax support allocation	31,054	<b>(Revised)</b>
<b>Public transport: support to operators (GLA only)</b>	<b>2014-15</b>	
1051 Payment to operators in respect of depreciation which is included in line 275	96,563	
1079 Total service expenditure on non-IAS19 and PFI "On Balance Sheet" basis	89,471,681	

**Annex A: RA14 General Fund Revenue Accounts Budget Estimate 2014-15 (continued)**

	£ thousand	
	<b>Net total cost</b>	
<b>Housing Revenue Account</b>		
<b>Income</b>		
4001 Dwelling rents (gross)	7,282,068	
4002 Non-dwelling rents (gross)	170,680	
4003 Tenants' leaseholders' and other charges for services and facilities	646,620	
4004 Contributions towards expenditure (other than government grants and assistance)	121,669	
4005 Government grants and assistance (including downward adjustments)	193,325	
4006 Interest on investments credited direct to the HRA	12,099	
4007 Transfers from GF	10,022	
4008 Transfers from MRR	96,896	
4011 Appropriation to/from Accumulated Absences Account	0	
<b>4015 TOTAL HOUSING REVENUE ACCOUNT (HRA) INCOME (total of lines 4001 to 4011)</b>	<b>8,533,378</b>	
<b>Expenditure</b>		
4021 Repairs and maintenance	1,824,650	
4022 Supervision and management (including CDC)	1,898,036	
4023 Special services	555,784	
4024 Rents, rates, taxes and other charges	141,470	
4025 Direct charges to the HRA - Interest payable and similar charges including amortisation of premiums and discounts	721,932	
4026 Charges to the HRA for debt repayment or non-interest charges in respect of credit arrangements (including on balance sheet PFI schemes)	1,120,978	
4027 Capital expenditure charged to the Housing Revenue Account (CERA)	1,116,486	
4028 Debt management costs	57,983	
4029 Transfers to GF	424,106	
4030 Transfers to MRR	551,368	
4033 Provision for bad debts (+/-)	119,165	
<b>4035 TOTAL HOUSING REVENUE ACCOUNT (HRA) EXPENDITURE (total of lines 4021 to 4033)</b>	<b>8,531,955</b>	
<b>4040 SURPLUS OR DEFICIT FOR THE YEAR ON HRA SERVICES (line 4015 minus 4035)</b>	<b>1,422</b>	
	<b>At 1st April 2014</b>	<b>At 31 March 2015</b>
4046 Housing Revenue Account (HRA) Reserves	1,602,098	1,603,520

**Annex B: RA(SG14) Income from specific grants budget 2014-15**

	<b>£ thousand</b>
<b>Grants inside Aggregate External Finance</b>	
102 Dedicated Schools Grant (DSG)	29,469,697
103 Pupil Premium Grant	1,677,366
104 Primary School PE and Sport Funding	36,120
106 Education Services Grant	710,933
108 Special Educational Needs (SEN) Reform Grant	39,910
109 Adoption Reform Grant	40,607
110 Promote Innovation in the Delivery of Children's Services	0
190 London Excellence fund (GLA only)	12,944
221 GLA Transport Grant	1,919,032
231 Metropolitan Railway Passenger Services (include NEXUS Tyne and Wear Metro)	88,829
232 Mersey Travel	102,061
235 Local Sustainable Transport Fund	39,710
313 Public Health Grant	2,794,704
314 Local Reform and Community Voices	36,394
406 Housing Benefit Subsidy Admin Grant	342,075
407 Housing Benefit Reform Transitional Funding	4,220
408 Social Fund administrative funding	37,591
484 Right to Control Trailblazers	178
520 Neighbourhood Planning Front Runners	327
524 Greater London Authority Settlement	0
525 Preventing Repossessions Fund	155
526 Court Desk Revenue Grant	0
530 Transition to capped costs	1,301
531 Deferred Payments	15
533 Additional Rural Funding	411
534 Troubled Families grants	73,034
536 Coastal Communities Fund	87
539 New Homes Bonus: Returned Funding	28,635
540 New Homes Bonus	851,020
543 Fire Revenue Grant	37,178
545 The Private Finance Initiative (PFI)	1,033,317
549 Council Tax Support New Burdens Funding	52,622
550 Council Tax Freeze Grant (2014-15 only - see guidance)	154,233
552 Weekly Collection Support Scheme	40,214
573 Commons Pioneer Authorities	5
581 National Parks & Broads	45,521
611 Asylum Seekers	77,097
631 Counter Terrorism	497,393
641 Police Innovation Fund	2,384
645 Royal Parks Policing Grant	9,296
698 Other grants within AEF <sup>(a)</sup>	506,465
<b>699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)</b>	<b>40,763,081</b>

**Annex B: RA(SG14) Income from specific grants budget 2014-15 (continued)**

	<b>£ thousand</b>
<b>Grants outside Aggregate External Finance</b>	
708 Further Education funding from Skills Funding Agency - other 19+ funding	88,318
713 Higher Education Funding Council for England (HEFCE) Payments	16,033
715 Adult and Community Learning from Skills Funding Agency	223,507
716 Sixth Form Funding from the Education Funding Agency (EFA)	764,226
717 The 16 to 19 Bursary Fund	3,743
744 Discretionary Housing Payments (DHPs)	71,852
745 Mandatory Rent Allowances: subsidy	16,054,533
746 Mandatory Rent Rebates outside HRA: subsidy	518,010
747 Rent Rebates Granted to HRA Tenants: subsidy	4,405,778
748 Local Welfare Provision Grant	95,031
752 Housing Acts/ Urban Developments - contributions towards cost of loan charges	698
775 Areas of Outstanding Natural Beauty (AONB)	2,589
791 European Community grants	32,433
798 Other grants outside AEF <sup>(a)</sup>	339,945
<b>799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 708 to 798)</b>	<b>22,616,692</b>
<b>800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)</b>	<b>63,379,773</b>

(a) This category may include amounts which should have been allocated to one of the main grants in the preceding rows

## Annex C1: Derivation of service lines used in Table 1

	Line reference	Additional levies/transfers
<b>Education</b>	RA line 190	
<b>Highways and transport</b>	RA line 290 RA line 822	Integrated transport authority levy
<b>Social care</b>	RA line 330 RA line 360	
<b>Public Health</b>	RA line 390	
<b>Housing (excluding Housing Revenue Account)</b>	RA line 490 RA line 814 RA line 818	Subsidy limitation transfers from HRA Contribution to HRA re items shared by whole community
<b>Cultural</b>	RA line 509	
<b>Environment</b>	RA line 590 RA line 824	Waste disposal authority levy
<b>Planning</b>	RA line 599	
<b>Police</b>	RA line 601	
<b>Fire &amp; rescue</b>	RA line 602	
<b>Central services</b>	RA line 690 RA line 821 RA line 827	Parish precepts London Pensions Fund Authority levy
<b>Mandatory rent allowances</b>	RA line 811	
<b>Mandatory rent rebates</b>	RA line 812	
<b>Rent rebates granted to HRA tenants</b>	RA line 813	
<b>Other</b>	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
<b>Appropriations to(+)/ from(-) accumulated absences account</b>	RA line 847	
<b>Total net current expenditure</b>	RA line 849	



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

	Line reference	Additional levies/transfers
<b>Capital Financing</b>	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
<b>Capital Expenditure charges to the Revenue Account</b>	RA Line 865	
	RA Line 866	
<b>Bad debt provision</b>	RA Line 871	
<b>Flood defence payments to Environment Agency</b>	RA Line 859	Levy from Environment Agency for Flood Defence
<b>Private Finance Initiative (PFI) schemes - difference from service charge</b>	RA Line 888	
<b>Appropriations to(+)/ from(-) financial instruments adjustment account</b>	RA Line 889	
<b>Appropriations to(+)/ from(-) unequal pay back pay account</b>	RA Line 890	
<b>Interest receipts</b>	RA Line 886	Interest and investments income - external receipts and dividends
<b>Specific grants outside AEF</b>	RA Line 891	
<b>Business Rates Supplement</b>	RA Line 893	
<b>Community Infrastructure Levy</b>	RA Line 894	
<b>Carbon Reduction Commitment</b>	RA Line 895	
	RA Line 896	
<b>Revenue Expenditure</b>	RA Line 900	

**Annex C2: Derivation of service lines used in Table 2**

	<b>Line reference</b>	<b>Additional Information</b>
<b>Revenue Expenditure</b>	RA Line 900	
<b>Transfers and Adjustments</b>	RA Line 906	Inter-authority transfers in respect of reorganisation
<b>Appropriations from other revenue reserves</b>	RA Line 911	School Reserves
	RA Line 914	Public Health financial reserves
	RA Line 915	Other earmarked financial reserves
	RA Line 916	Unallocated financial reserves
<b>Other items</b>	RA Line 980	
<b>Specific grants inside AEF</b>	RA Line 904	
<b>Local Services Support Grant (LSSG)</b>	RA Line 903	
<b>Revenue Support Grant</b>	RA Line 951	
<b>Retained income from Rate Retention Scheme</b>	RA Line 970	
<b>Police grant</b>	RA Line 956	
<b>Council tax requirement</b>	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. 24 2014. This is accessible at.

<https://www.gov.uk/government/publications/local-government-financial-statistics-england-2014> 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 **Retained Income from the Rate Retention Scheme, Revenue Support Grant**, and Police grant. The distribution is determined by the Formula spending shares formulae, also taking account of authorities' relative ability to raise council tax and the floor damping mechanism. There are no restrictions on what local government can spend it on.

**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 2014-15

During March and April 2014, 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.

<b>Annex D: Distribution of Local Authorities by Classification</b>	
<b>Local Authority Classification</b>	
Greater London Authority	1
Shire Counties	27
Shire Districts	201
Inner London Boroughs <sup>(a)</sup>	13
Outer London Boroughs	20
Unitary Authorities <sup>(b)</sup>	56
Metropolitan Districts	36
Police Authorities	37
Fire Authorities	30
Other Authorities <sup>(c)</sup>	23
<b>All</b>	<b>444</b>
(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 2014-15 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](mailto: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 is a revised version of the original statistical release on 'Revenue Expenditure and Financing in England 2014-15 Budget' which was published on 23 July 2014. Revisions have arisen to 'the total amount paid to local parishes by the billing authority with respect to their council tax support allocation' on line number 1047 on the RA form. These revisions have replaced non responses with confirmed responses.

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. 24 2014, which is available in hard copy from Communities and Local Government Publications, Cambertown House at [prod-uct@communities.gsi.gov.uk](mailto:prod-uct@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-2014>

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

## 9. Enquiries

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

[www.statistics.gov.uk/hub/browse-by-theme/index.html](http://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](http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics)

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