

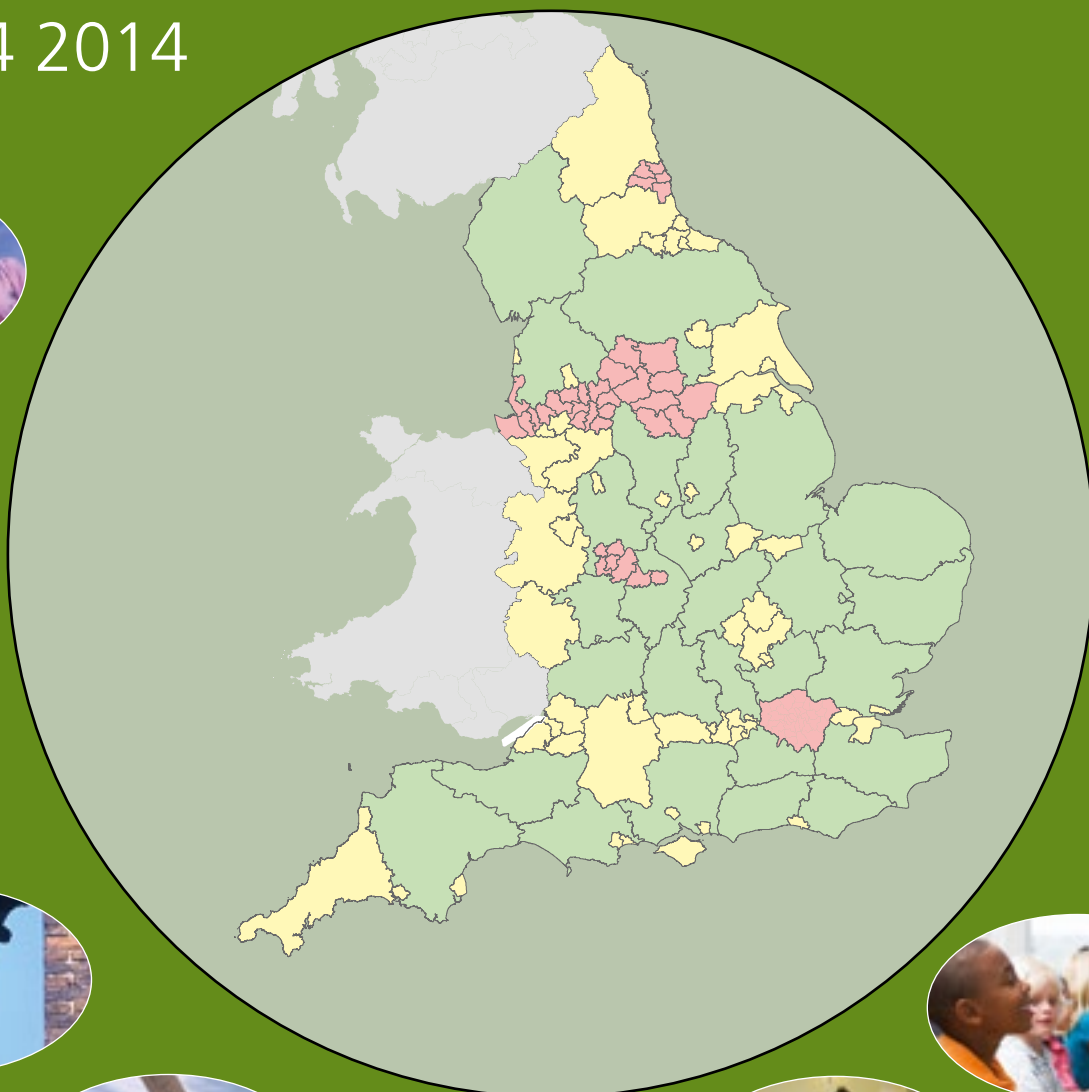


Department for
Communities and
Local Government



Local Government Financial Statistics England

No.24 2014





Department for
Communities and
Local Government



Local Government Financial Statistics England No.24 2014

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PREFACE

This is the 24th edition of *Local Government Financial Statistics England*, providing summaries of financial data from local authorities, although earlier versions of *LGFS* have been published and presented to Parliament since the 1930s. Most of the information comes from forms sent to the Department for Communities and Local Government by all local authorities in England.

Local government expenditure represents about a quarter of all public expenditure, and the data are used in the monitoring of public expenditure and the compilation of the National Accounts. Local government finance data are also used by the Government to inform the allocation of resources to local government and the development and monitoring of local government finance policy, and more widely, by local authorities, businesses and members of the public.

This volume contains detailed outturn summaries of local government expenditure and income for years up to 2012-13, the latest year for which complete information is available, and estimates for 2013-14. Before the publication of the next edition of *LGFS* in mid-2015, the latest information will be made available in releases of 2013-14 outturn summaries and 2014-15 budgets, by means of other separate releases which will be published on the Department's website.

The data within this publication are National Statistics and as such have been produced to the high professional standards set out in the National Statistics Code of Practice. Most of the information in this publication is based on data supplied by local authorities to the Department for Communities and Local Government in statutory statistical returns. Due to the statutory nature of the returns, response rates are normally 100%. Figures are subject to rigorous pre-defined validation tests both within the form itself and also within DCLG as the forms are received and stored. The publication itself, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

Local government finance statistics publications and other detailed data can be found online at:

<https://www.gov.uk/government/organisations/departments-for-communities-and-local-government/about/statistics>

This link is also home to detailed statistical releases on revenue, capital and local tax statistics.

Further information on data quality, methodology and the uses of the data can be found on these releases, as well as a more detailed look at the statistical outputs. If you cannot locate the data you require please use the contact details below or in Annex E.

The key purpose of the LGFS compendium is to present a copy to parliament every year as required by law. However, it is also used by a variety of different users and has been developed through time to be accessible to a wider audience. Users include local authorities (including fire, police, transport and waste authorities), central government colleagues, libraries, schools, contacts in government or local government organisations and the private sector.

LGFS provides users with a comprehensive and quantitative view of the financial system of local government but, they are also guided through it with detailed commentary. This ensures that LGFS is accessible both to users who already have a good understanding of the subject area and those who are new to the topics. These include revenue expenditure and financing, capital expenditure and financing, local tax, borrowing and investments, pensions and pay and workforce. In addition, information is provided to ensure that users understand the structure and responsibilities of local government and its significance in the national context. Maps and lists of all local authorities are provided for users, as well as any significant changes to the functions and structure of local government since the 1970s. This documentation is essential for work on historical data and time series analysis.

LGFS provides contact numbers for fourteen different subject areas to ensure that users are able to seek advice on any data or explanation they require.

Information on the uses of local government finance statistics are compiled by the teams that work on the main subject areas within this compendium.

Responsible Statisticians:

Mike Young and Catherine Brand

We welcome comments and suggestions for further improvement or about your experiences with this product. This may include comments on data quality, timing and the format of the statistics. In addition Local Authority Level data are available upon request. Please contact us at:
lgfstats@communities.gsi.gov.uk

Telephone number: 0303 444 2336

For specific contact telephone numbers, please refer to **Annex E** (online version).

Symbols and conventions

...	=	not available
-	=	not relevant
-	=	negative
0	=	zero or negligible
B	=	budget
E	=	estimate
F	=	forecast
P	=	provisional
R	=	revised since the last statistical release
||	=	discontinuity

Rounding

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

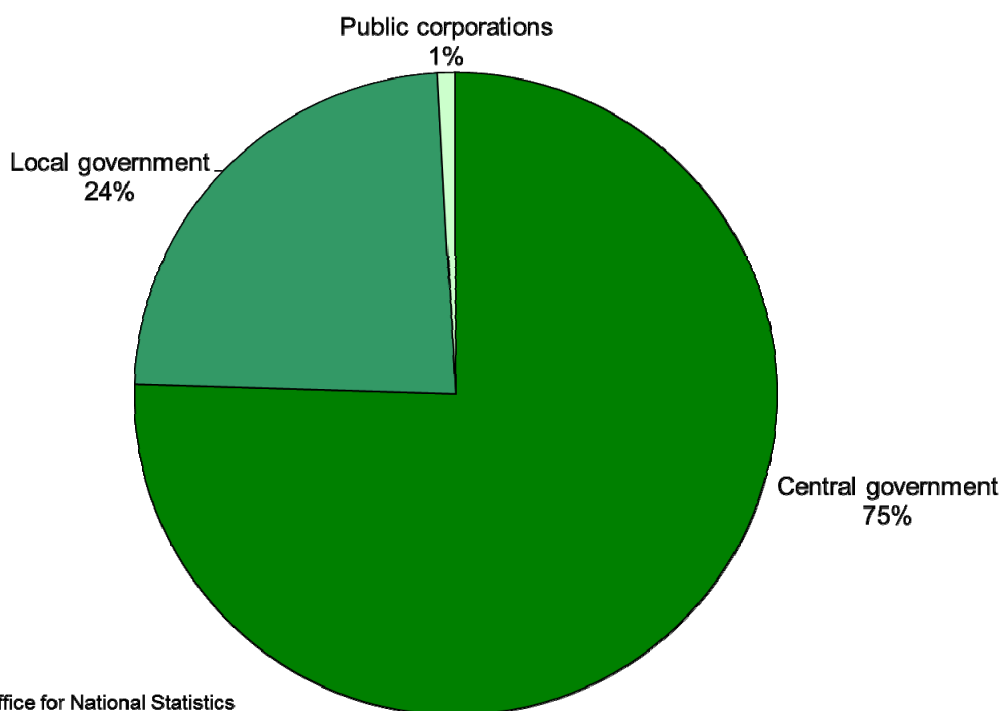
KEY TRENDS

Local government finance in England

K.1 Overview

- To set local government expenditure and income in context, local government accounts for 24% of the UK public sector's expenditure (see **section 1.5**).

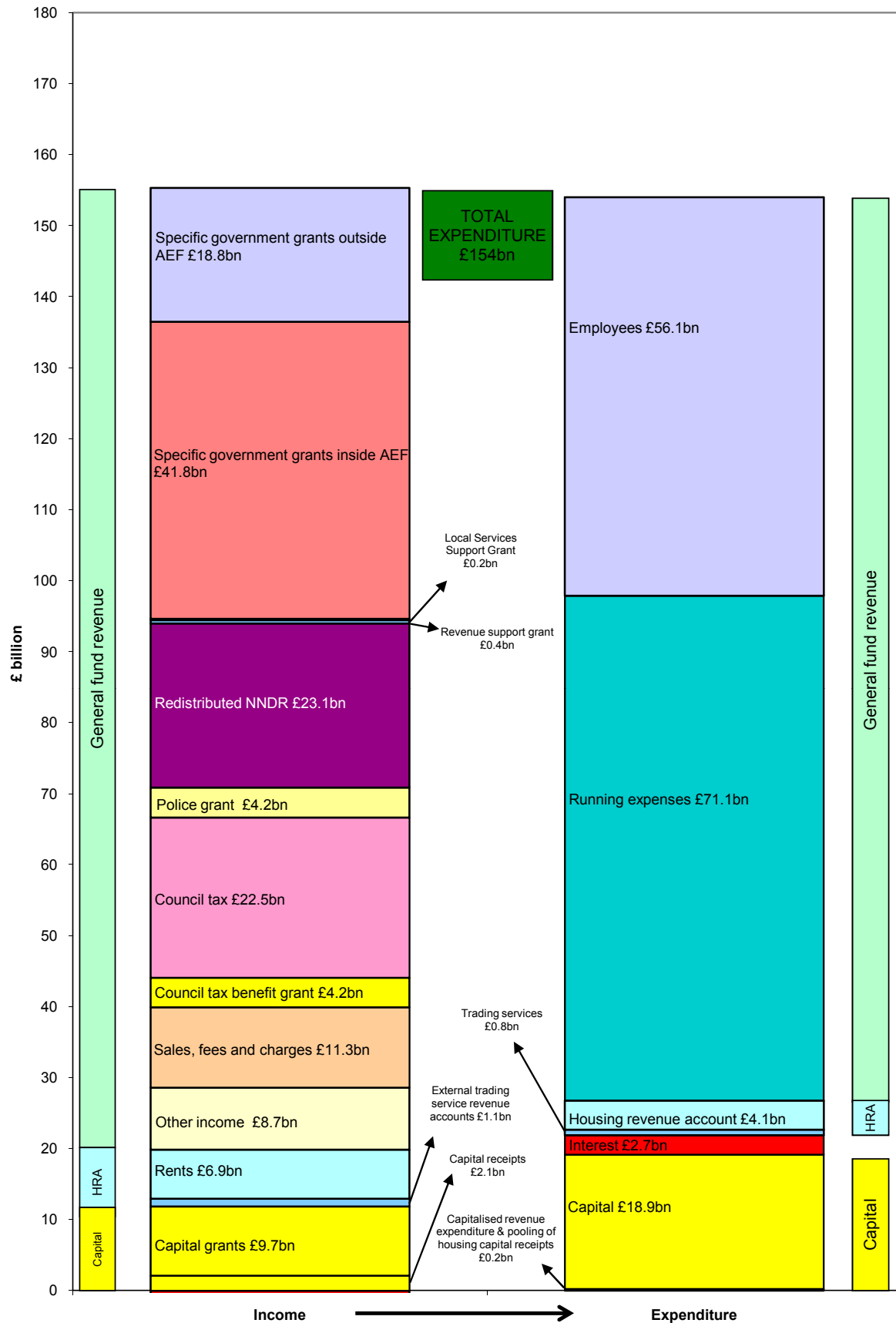
Chart K.1a: Local government expenditure in Total Managed Expenditure, UK 2012-13



Total managed expenditure has been derived using the National Accounts definition

- In England, local authorities' total expenditure was £154bn in 2012-13 compared with £162bn in 2011-12 and £172bn in 2010-11.
- After deducting non-grant income, the overall cost to the central and local taxpayer of local authority services is around £131bn, or £2,443 per head in 2012-13

Chart K.1b: Local authority gross income and expenditure 2012-13

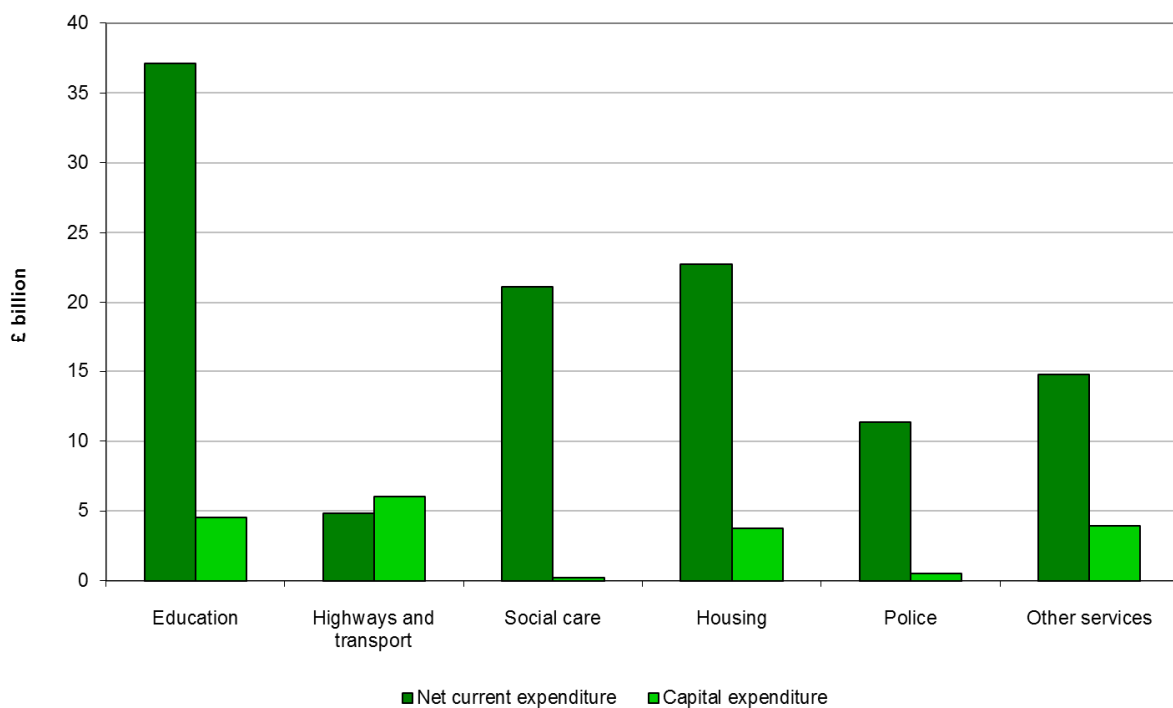


Total expenditure has been calculated as shown in table 1.6b

K.2 The pattern of spending

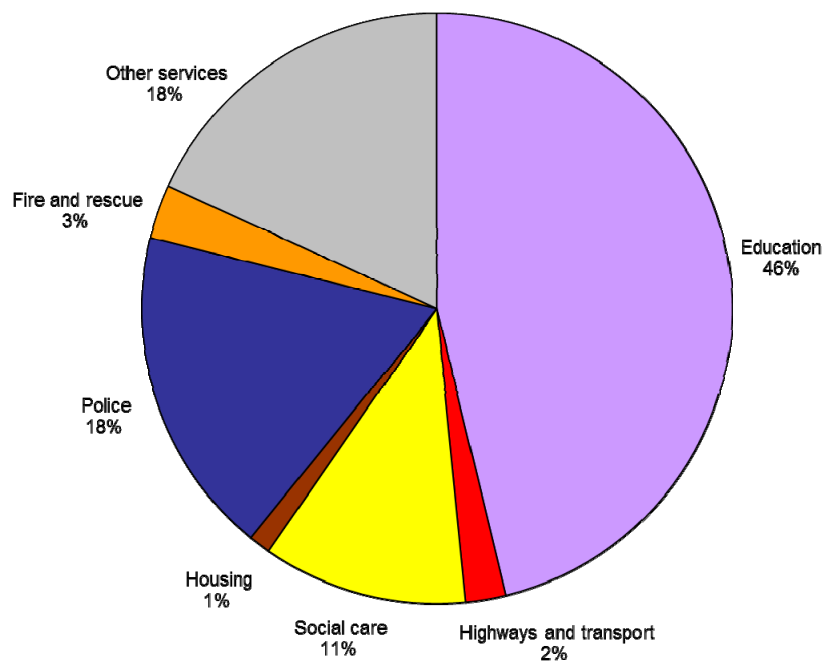
- In 2012-13, net current expenditure (see **section 3.2**) on general services was £111.9bn. Total capital expenditure was £18.9bn (see **section 4.2**).

Chart K.2a: Expenditure on services 2012-13



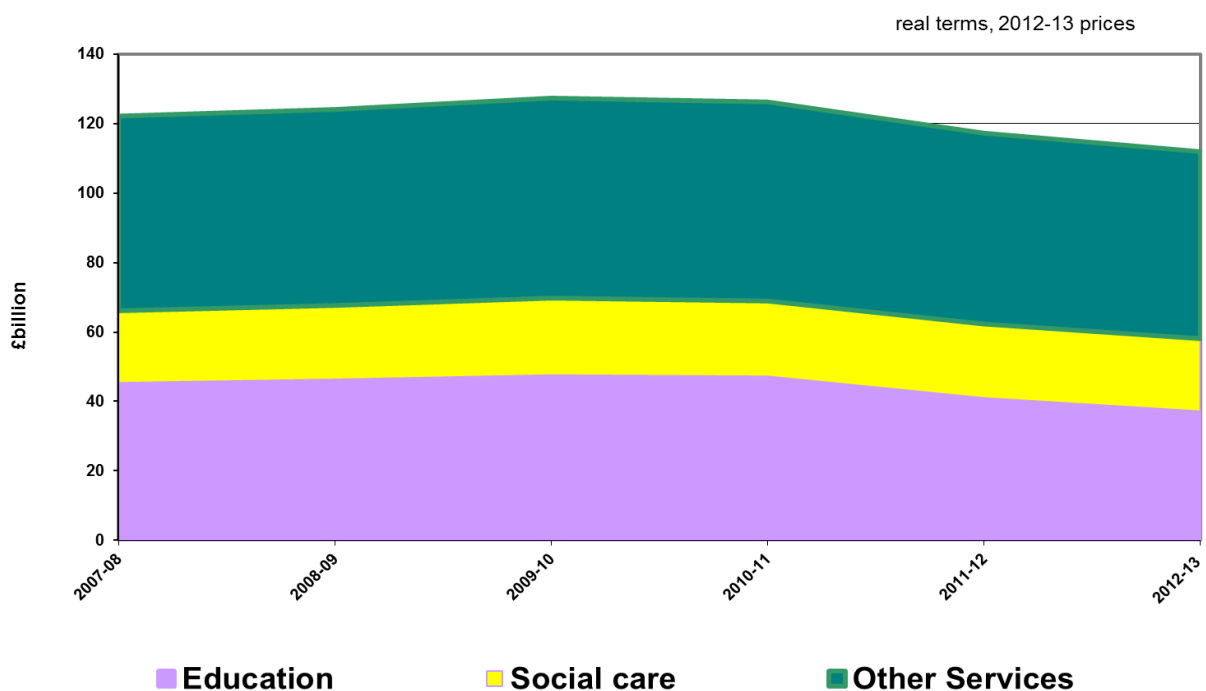
- Local government is collectively one of the largest employers in England, employing 1.56m full time equivalent staff (FTEs). The majority of these are in administration and other support services (see **section 6.3**). In 2012-13, local government employee expenditure accounted for 47% of all local government service expenditure (gross of income) (see **section 6.2**).

Chart K.2b: Employee expenditure by service 2012-13



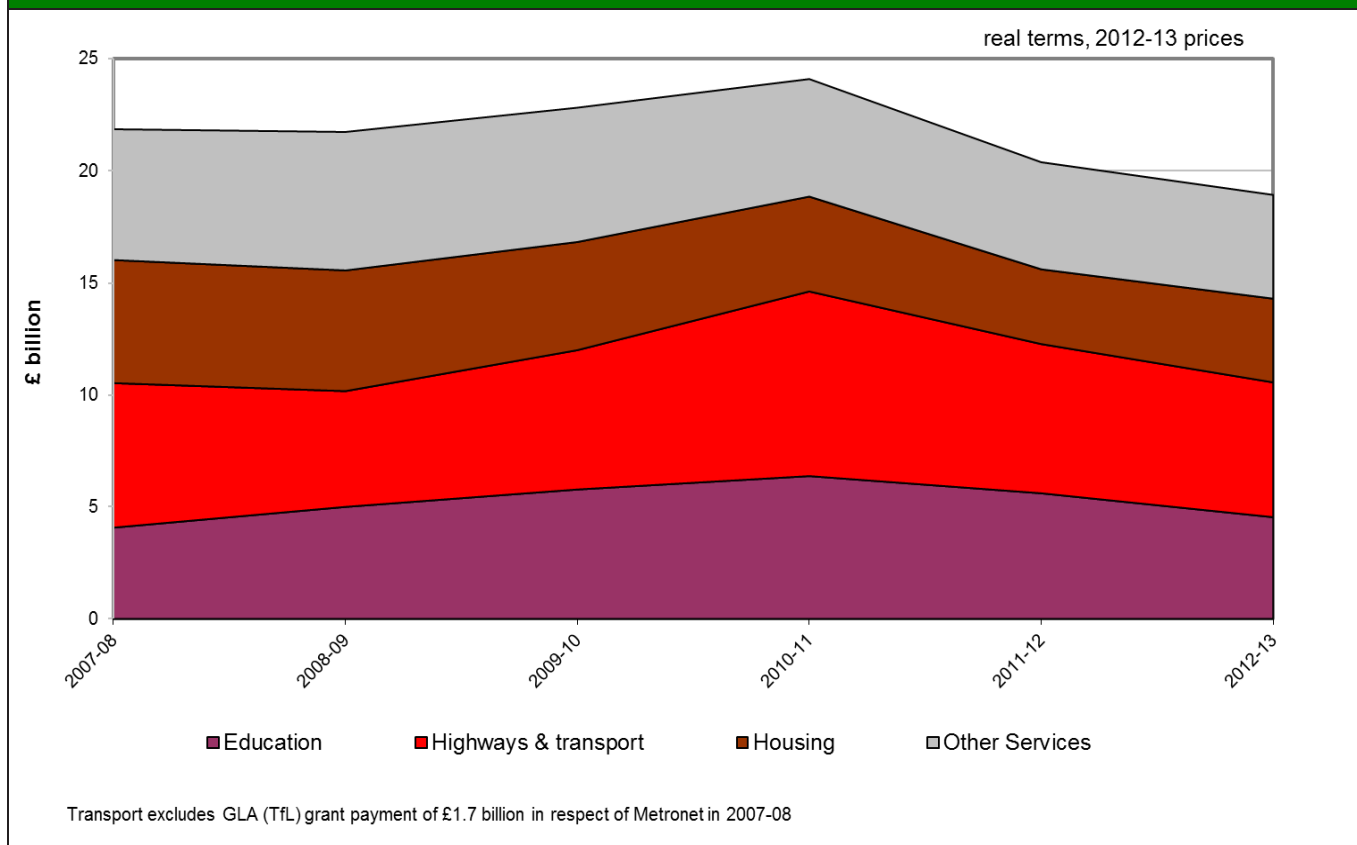
- Comparisons of service expenditure over time are affected by changes in local government responsibilities. Net current expenditure on education decreased by 18.0% in real terms between 2007-08 and 2012-13 as many schools became academies, thus leaving the local authority sector. Social care spending has risen in real terms by 0.8% over the same period (see **section 3.2**).

Chart K.2c: Annual change in net current expenditure by service 2007-08 to 2012-13



- In real terms, capital spending decreased by 13.4% between 2007-08 and 2012-13. During this period, capital expenditure on education has increased by 11.4%, while spending on housing has declined by 32.0% and other services by 20.7% (see **section 4.2**).

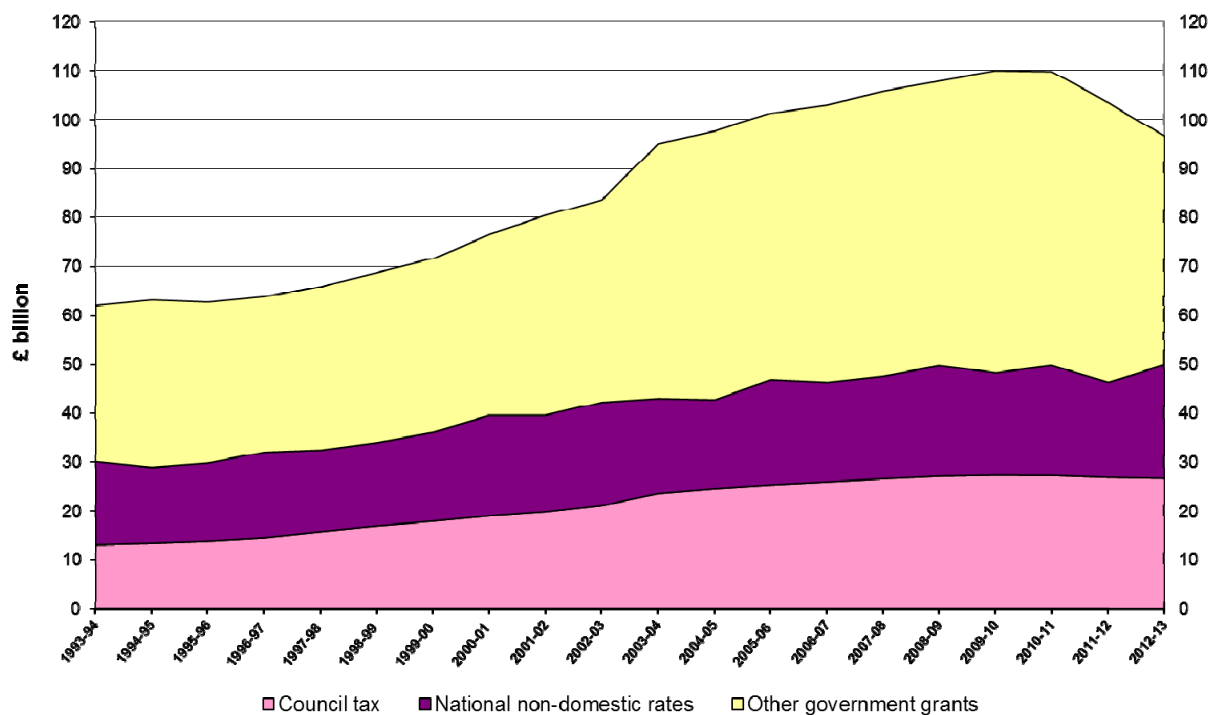
Chart K.2d: Total capital expenditure by service 2007-08 to 2012-13



K.3 Balance of funding

- About 62.9% of local authorities' total gross income in 2012-13 came from central government (including redistributed non-domestic rates, revenue and capital grants), and the remaining 37.1% from local sources, including council tax, charges, rents and capital receipts (see **section 2.1** for a full breakdown of local authority income).
- Using a narrower definition, in 2012-13 23.9% of revenue expenditure was funded from redistributed non-domestic rates, 48.4% from other government grants, and 27.7% from council tax. The percentage of income funded from locally raised council tax has remained broadly stable since 1998-99 (see **section 3.2**).

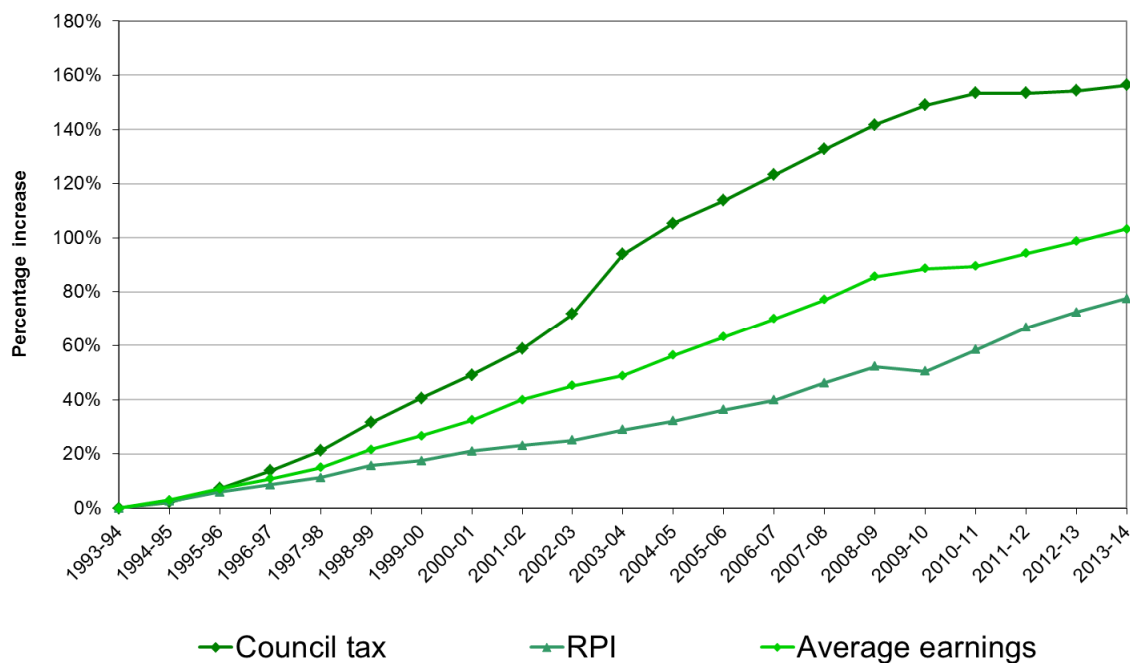
Chart K.3a: Source of local authority income (at 2012-13 prices)



K.4 Council tax

- Council tax requirement was £23.3bn in 2013-14, which is the first year since Council Tax Benefit has been replaced by Local Council Tax Support. Since the introduction of council tax in 1993-94 average Band D council tax bills have increased by 156%, two times the rate of inflation, and 1.5 times the increase in average earnings (see **section 2.2**).

Chart K.4a: Cumulative increase in council tax, retail prices and average earnings since 1993-94



CHAPTER 1

Local government

1.0.1 This chapter provides an overview of the functions, structure and financial context of local government in England. It is divided into the following sections:

- | | |
|--|-------------|
| • What is local government? | section 1.1 |
| • What local government does | section 1.2 |
| • How local government is structured | section 1.3 |
| • How big is local government? | section 1.4 |
| • Local government in the national context | section 1.5 |
| • How local government works financially | section 1.6 |
| • Local government accounting practice | section 1.7 |

1.1 What is local government?

- 1.1.1 Local government is one way in which the country's governance and administration is carried out, and its public services delivered. Two features distinguish local government from other local service providers – most local authorities are elected and most have the ability to raise taxes locally.
- 1.1.2 Local authorities are statutory bodies created by Acts of Parliament. They are not accountable to Parliament as they are directly elected by their local communities. Local government is a devolved responsibility in Scotland, Wales and Northern Ireland. Local authorities, their members and the administrative units supporting them have a number of objectives, amongst which are delivering national objectives locally using national and local resources to meet the diverse requirements of different neighbourhoods and communities.
- 1.1.3 The style and constitutional arrangements under which local government operates have changed and are still changing. Traditionally local government was about the delivery of a range of services. Over time, more and more of these services have been delivered by outside agencies and the role of local government has changed as a result.

1.2 What local government does

- 1.2.1 Local government delivers a wide range of services either directly through its employees, indirectly by employing others or by facilitating delivery by other bodies.

Table 1.2a: Services delivered by local government - England

Major service	Examples of what is delivered
Education	Maintained Schools – nursery; primary; secondary and special and services for them such as school meals; education welfare and support for those with special educational needs. Youth; adult; family and community education
Highways, Roads and Transport	Highways – construction and maintenance of non-trunk roads and bridges Street lighting Traffic management and road safety; new line parking services Public transport – concessionary fares; support to operators; co-ordination Airports; harbours and toll facilities
Social Care for Children and Adults	Children’s and families’ services – support; welfare; fostering; adoption Youth justice – secure accommodation; youth offender teams Services for older people – nursing; home; residential and day care; meals Services for people with a physical disability; sensory impairment; learning disabilities or mental health needs Asylum seekers Supported employment
Housing	Council housing (Housing Revenue Account) Housing strategy and advice; housing renewal. Housing benefits and welfare Homelessness
Cultural services	Culture and heritage – archives; museums and galleries; public entertainment Recreation and sport – sports development; indoor and outdoor sports and recreation facilities Open spaces – national and community parks; countryside; allotments Tourism – marketing and development; visitor information Libraries and information services
Environmental services	Cemetery; cremation and mortuary services Community safety; consumer protection; coast protection; trading standards Environmental health – food safety; pollution & pest control; housing standards; public conveniences; licensing Agricultural and fisheries services Waste collection and disposal; street cleansing
Planning and development	Building and development control Planning policy – including conservation and listed buildings Environmental initiatives Economic and community development
Protective services	Community Safety Services. Fire and rescue services Court services – coroners etc
Central and other services	Local tax collection Registration of births; deaths and marriages Elections – including registration of electors Emergency planning Local land charges Democratic representation Corporate management

1.3 How local government is structured

- 1.3.1 This document covers local government in England in 2012-13. The structure of local government varies across the country and is mapped in **Annex A1**. **Map A1a** shows the shire counties, metropolitan districts and unitary authorities. The shire counties (upper tier authorities) are broken down into shire districts (lower tier authorities) shown on **Maps A1b to A1e**.
- 1.3.2 In London (**Map A1f**), most functions are delivered by the London boroughs and the City of London, which are all lower-tier authorities. The upper tier consists of the **Greater London Authority (GLA)** and its four functional bodies. The GLA itself comprises a directly elected Mayor and a separately elected Assembly. The GLA group consists of the following four organisations:
- Metropolitan Police Authority (MPA). Replaced by Mayor's Office for Policing and Crime in January 2012.
 - London Fire and Emergency Planning Authority (LFEPA)
 - Transport for London (TfL)
 - London Development Agency (LDA).
- 1.3.3 In the six metropolitan areas (Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire), most services are run by metropolitan districts. However, fire and rescue, police, passenger transport, and in some cases waste disposal, are the responsibility of single-purpose authorities as shown in **Maps A1g to A1i**.
- 1.3.4 In most of the rest of England, called the shire areas, there are two main tiers of local authorities: shire counties and shire districts. These have different responsibilities. However, in some parts of the country, shire county and shire district responsibilities are carried out by a single unitary authority. There were 46 of these authorities created between 1 April 1995 and 1 April 1998 and a further 9 were created on 1 April 2009, with the unitary authority in each case taking over both shire district and shire county functions for their area. Most unitary authorities did not take over responsibility for the fire and rescue service, so shire counties that were affected by the creation of unitary authorities also have a combined fire authority to administer these services in the old county area – see **Map A1g**. There is also a Police and Crime Commissioner for each constabulary which cover each metropolitan area and shire county (sometimes combinations of these) – see **Map A1h**.
- 1.3.5 The classification of inner and outer London Boroughs used by the Department for Communities and Local Government is that as defined in law by the London Government Act 1963, and the definition is used for purposes such as the local government finance system. The inner London boroughs correspond to the former London County Council area. The outer London boroughs correspond to areas transferred in 1965 for administrative purposes from the counties of Essex, Hertfordshire, Kent, Middlesex and Surrey.

- 1.3.6 The local government finance statistical data collected by the Department for Communities and Local Government are used to provide ministers with the most up-to-date information on local government finance and inform policy decisions. As the definition of inner and outer London boroughs used within the local government finance system is that as defined in law, it is both appropriate and consistent for our statistical data to follow the legal definition to correctly inform policy decisions, rather than follow the definition used by the Office for National Statistics (ONS).
- 1.3.7 Most information in this publication is supplied by the principal authorities mentioned above, plus the park authorities and waste authorities in **Map A1i**.
- 1.3.8 Information is not collected from the third tier of local government, the 9,920 parish councils or the 1,000 parish meetings where there is no parish council. Further details on parish and town councils are given in **Annex A3**.
- 1.3.9 **Table 1.3a** shows local authority responsibilities for major services in and **Annex A4** gives details of the main changes to local authority structure in recent years.

Table 1.3a: Local authority responsibility for major services in England										
	Metropolitan areas		Shire areas				London area			
	District councils	Single purpose authorities	Unitaries	County councils	District councils	Single purpose authorities	City of London	London boroughs	GLA	Single purpose authorities
Number of authorities	36	20	56	27	201	55	1	32	1	4
Education	√		√	√			√	√		
Highways ^(a)	√		√	√			√	√	√	
Transport planning	√		√	√			√	√	√	
Passenger transport		√	√	√					√	
Social care	√		√	√			√	√		
Housing	√		√		√		√	√		
Libraries	√		√	√			√	√		
Leisure and recreation	√		√		√		√	√		
Environmental health	√		√		√		√	√		
Waste collection	√		√		√		√	√		
Waste disposal ^(b)	√	√	√	√			√	√		√
Planning applications	√		√		√		√	√		
Strategic planning	√		√	√			√	√	√	
Police		√				√	√		√	
Fire and rescue ^(c)		√		√		√			√	
Local taxation	√		√		√		√	√		

(a) Transport for London (TfL), a body of the Greater London Authority (GLA), is the highways authority for about 5% of London roads.

(b) Waste disposal for some areas of London is carried out by separate waste disposal authorities. The GLA has strategic, but not operational, responsibility for municipal waste.

(c) Combined fire authorities are responsible for fire and rescue services in the shire areas affected by reorganisation from April 1996. Cornwall UA, Isle of Wight, Northumberland and Isles of Scilly are the Unitary Authorities with responsibility for fire and rescue services.

The table excludes 11 park authorities in England – for the nine National Parks, The Broads and the Lee Valley Regional Park. These authorities have various powers and aims that straddle some of the normal functions of local government. In particular, park authorities have responsibility for planning and leisure functions.

1.4 How big is local government?

- 1.4.1 Local authorities in England spend around £134.9bn (revenue expenditure) a year and employ nearly 1.6m full time equivalent (FTE) staff.
- 1.4.2 Of all local authority employees almost 321,000 FTEs work in education as teachers, almost 247,000 FTEs are employed on protection, law and order: police, fire, traffic wardens and police civilians, and more than 994,000 FTEs work in administration and other support services.
- 1.4.3 There are 18,431 elected councillors serving on 354 local authorities in 2011-12. A further 90 single purpose authorities did not have directly elected councillors.

Table 1.4a: Size of local government at 1 April 2013 - England

	Land area in hectares		Population mid-2012		Number of elected authorities	Number of councillors as at 1 April 2012		Number of single purpose authorities	All authorities	
	million	%	million	%		number	%		number	%
Shire areas	12.2	93	33.6	63	284	13,994	76	65	349	79
Metropolitan areas	0.7	5	11.6	22	36	2,445	13	20	56	13
London	0.2	2	8.3	16	34	1,992	11	5	39	9
England	13.1	100	53.5	100	354	18,431	100	90	444	100

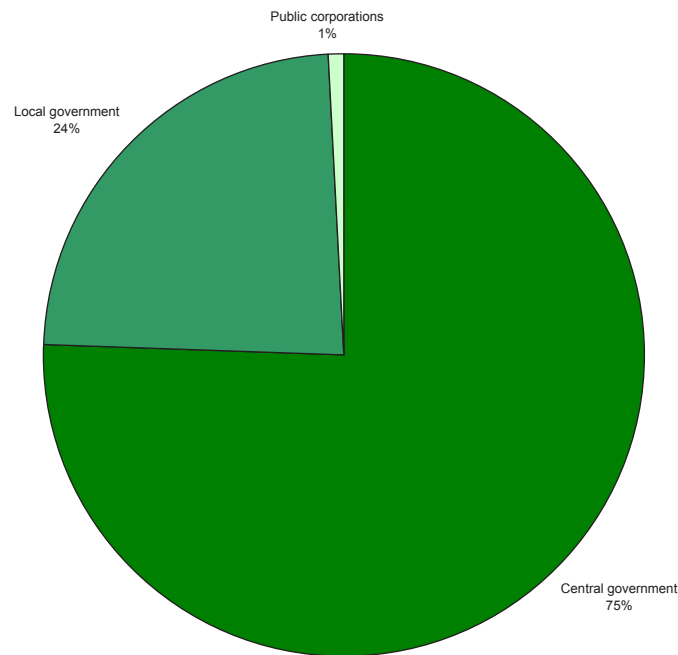
Source: ONS Release on Population Estimates for England and Wales, Mid-2012, Municipal Year Book 2012 (Volume 2, page III)

- 1.4.4 In addition there are around 11,000 parish and town councils or parish meetings in England, which deal with very local issues close to their communities. This publication is not directly concerned with this tier of local government, but some further details are provided in **Annex A3**.

1.5 Local government in the national context

1.5.0 This section sets out local government's expenditure and income in the context of the public sector as a whole, local government's part in meeting HM Treasury's fiscal policy objectives, and the size of the local government sector in the UK economy as a whole.

Chart 1.5a: Local Government expenditure in Total Managed Expenditure, UK 2012-13



Source: Office for National Statistics

Total managed expenditure has been derived using the National Accounts definition

LOCAL GOVERNMENT IN THE PUBLIC SECTOR

- HM Treasury measures public expenditure using the aggregate *Total Managed Expenditure*. Local government expenditure is about a quarter of UK Total Managed Expenditure, and this proportion has changed little for many years.

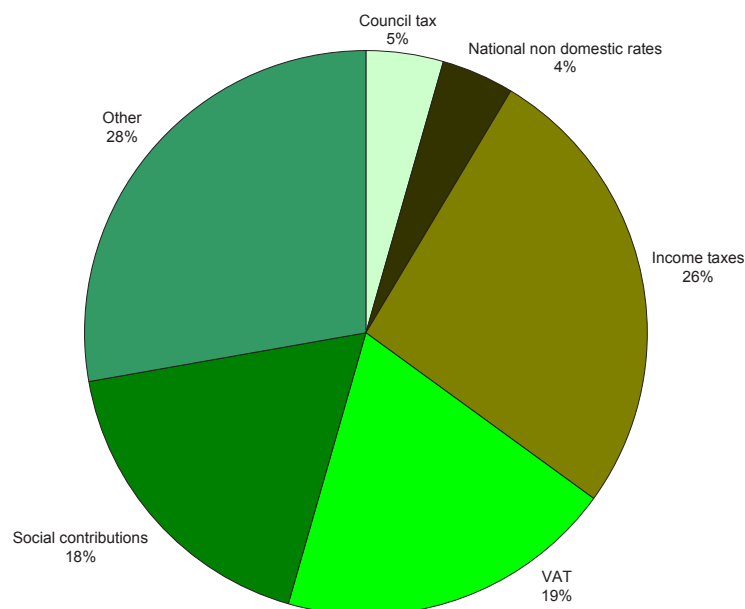
1.5.1 Local government is a part of the public sector, and local authorities' expenditure is part of public expenditure that pays for the delivery of public services. The main services funded by central government are the National Health Service, social benefits and pensions, defence, and higher and further education. The main services delivered by local government are primary and secondary education and social services.

1.5.2 Government needs to raise revenue to pay for its expenditure. Some of the main sources of UK government income are:

- income taxes, including income tax, corporation tax and capital gains tax
- Value Added Tax (VAT)
- social contributions (mainly National Insurance).

- Council tax is about 5% of UK government revenue.
- National non-domestic rates are about 4% of UK government revenue. In consequence, local government also needs funds from taxes raised centrally, provided in the form of grants, to pay for its expenditure.

Chart 1.5b: Council tax and national non-domestic rates in government receipts, UK 2012-13



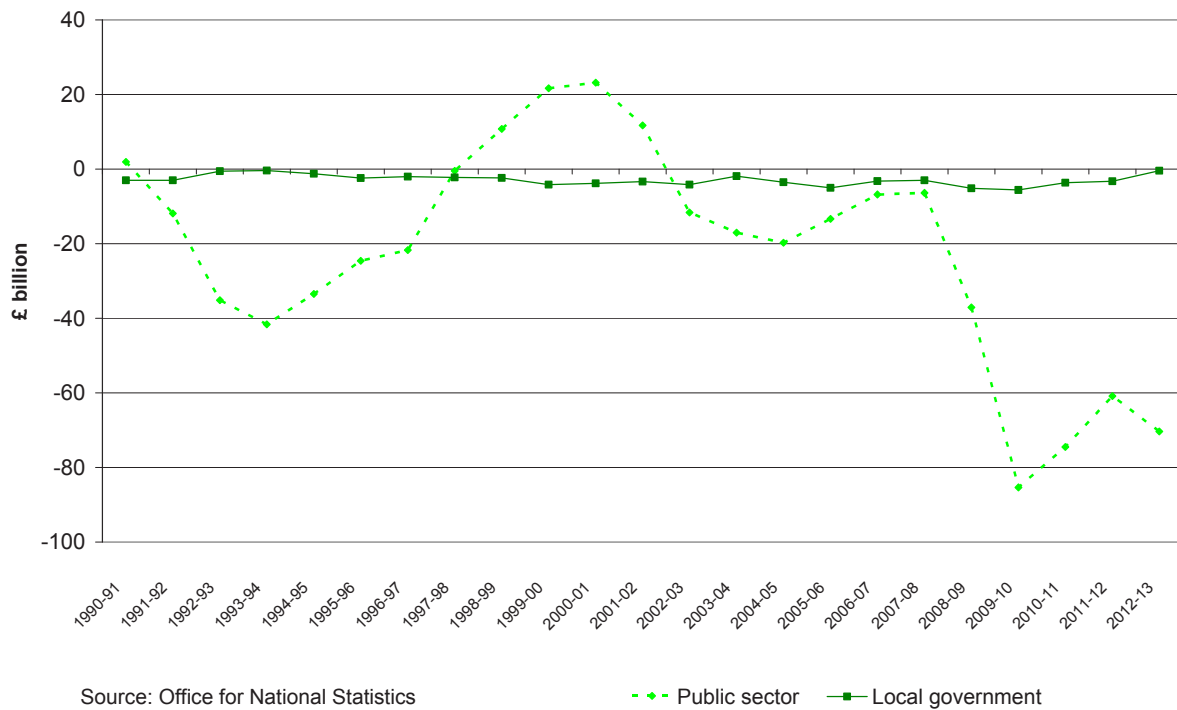
Source: Office for National Statistics

LOCAL GOVERNMENT IN THE FISCAL POLICY FRAMEWORK

- 1.5.3 In November 2010 HM Treasury published a draft Charter for Budget Responsibility setting out the new government's fiscal policy framework. This stated that;
- The Treasury's objectives for fiscal policy are to ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider Government policy; and support and improve the effectiveness of monetary policy in stabilising economic fluctuations.
 - The Treasury's mandate for fiscal policy for this Parliament, announced in the Budget on 22 June 2010, was a forward-looking target to achieve cyclically-adjusted current balance by the end of the rolling, five-year forecast period. The Treasury's mandate for fiscal policy is supplemented by a target for public sector net debt as a percentage of GDP to be falling by 2016-17, ensuring the public finances are restored to a sustainable path. Initially targeted for 2015-16, this was pushed back by a year in the face of continued global economic difficulties.
- 1.5.4 The achievement of the fiscal mandate requires fiscal consolidation to reduce the scale of public sector borrowing. The greatest contribution to this consolidation is planned to come from public spending reductions, rather than tax increases. The October 2010 Spending Review settlement means that on average, central government funding to local authorities decreases by around 26 per cent over the following four years. Over this period local authorities' budgets are expected to decrease by around 14 per cent once the Office for Budget Responsibility's projections for council tax are taken into account.
- 1.5.5 The Local Government Finance Settlement, detailing grant allocations to individual authorities for 2012-13, was announced in December 2010. The average reduction in overall spending power for local authorities (excluding police authorities outside London) was 3.3% in 2012-13. A transitional grant was introduced to ensure that no authority faces more than an 8.8% reduction in spending power.

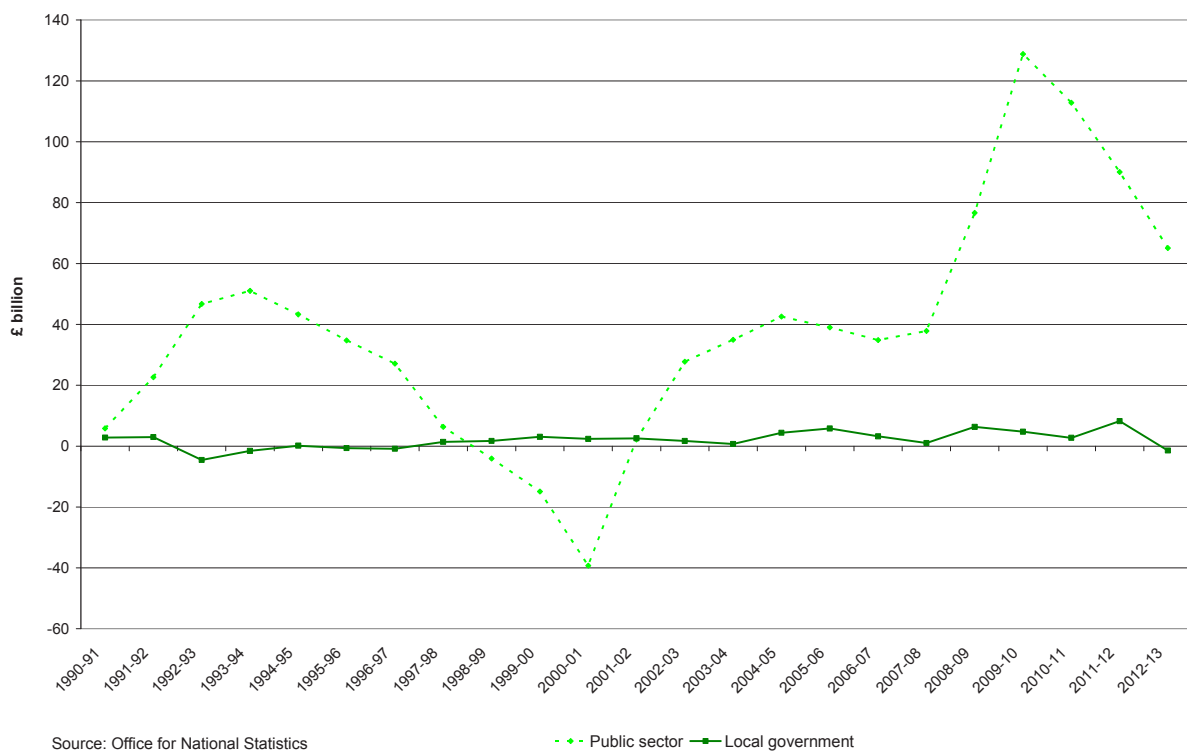
- From 1990-91 to 2012-13 the Local Government Current Budget has stayed close to balance. This is a consequence of the local government revenue finance system, which requires revenue expenditure and movements in reserves to be financed from council tax, redistributed national non-domestic rates, and government grants.

Chart 1.5c: Current Budget, UK



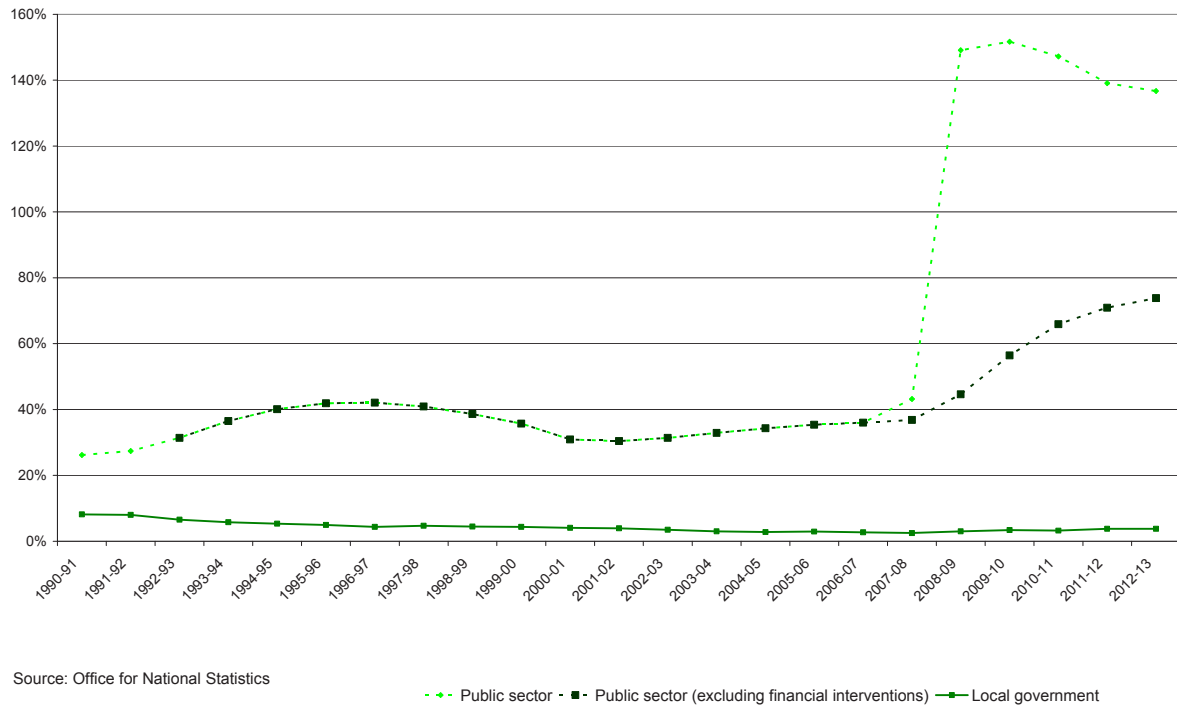
1.5.6 Public sector net borrowing is also used to show the overall financial position of the public sector: this measure includes revenue expenditure and capital expenditure. Local Government Net Borrowing is a subset of total Public Sector Net Borrowing.

Chart 1.5d: Net Borrowing, UK



- Local Government Net Debt has fallen from 8.2% of GDP at 31 March 1991 to 3.8% of GDP at 31 March 2012. This partly reflects increased financial investments of capital receipts by local authorities, which reduce net debt.

Chart 1.5e: Net debt as percentage of GDP, UK

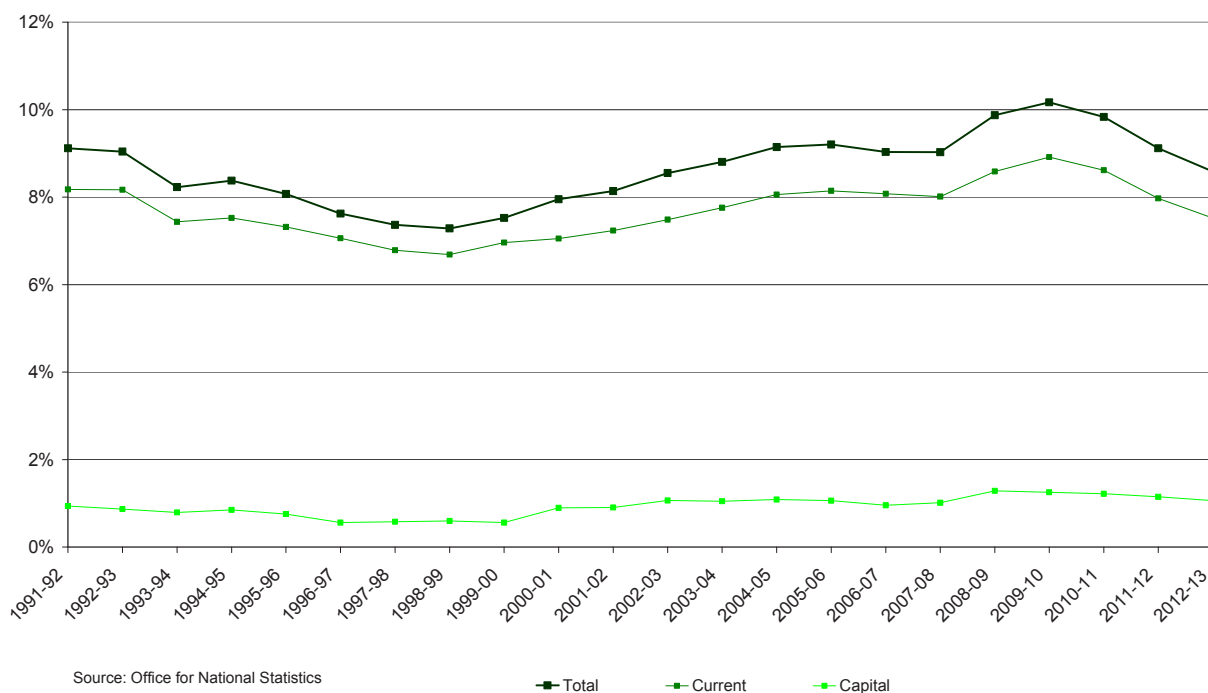


LOCAL GOVERNMENT IN THE UK ECONOMY

1.5.7 Local government expenditure can also be compared to total domestic expenditure in the UK economy, as defined in the National Accounts. This also includes central government expenditure, final expenditure by households, and capital expenditure by all sectors of the economy.

- In 2012-13, local government's share of all domestic expenditure was 8.6%; a decrease compared to 9.1% in 2011-12.
- The share was at its lowest in 1998-99, at 7.3%.

Chart 1.5f: Local government expenditure as a percentage of domestic expenditure, England



1.6 How local government works financially

1.6.1 Local authority spending can be divided into **revenue expenditure** and **capital expenditure**. On the whole, revenue expenditure is financed through a balance of central government grant including redistributed **non-domestic rates** and the locally raised **council tax** (see **Chapter 2**). Capital expenditure is principally financed through central government grants, borrowing and capital receipts (see **Chapter 4**).

1.6.2 Local authorities are required by law:

- to secure the necessary funds to finance their operations
- to provide an accurate account of where the money goes
- to provide accounts which balance

1.6.3 Only some of the local authorities counted in **Table 1.4a** may collect money directly through council tax. Those which can are called billing authorities. Others receive funds indirectly, either by precepting on a **billing authority** or by other channels.

- Of the 444 local authorities in England, 326 are billing authorities, who raise money via council tax, and 95 are major precepting authorities.

Table 1.6a: Billing, major precepting and other authorities, England as at 1 April 2013				
	Billing authorities	Major precepting authorities ^(a)	Other authorities ^(b)	All authorities
Shire areas	257	82	10	349
Metropolitan areas	36	12	8	56
London	33	1	5	39
England	326	95	23	444
(a) The count of precepting authorities excludes parish councils.				
(b) Other authorities are parks, waste and passenger transport authorities				

1.6.4 **Table 1.6b** shows the revenue and capital accounts in order to calculate a figure for local government expenditure and income. Transfers between the accounts are eliminated to avoid any double counting of expenditure or income.

1.6.5 The revenue accounts included are:

- **General Fund Revenue Account (GFRA)**
- **Housing Revenue Account (HRA)**
- external **Trading Services Revenue Account (TSR)**

- 1.6.6 Pension funds in the Local Government Pension Scheme are excluded: the actuarial reserves of the pension funds are owned by the fund members and these are part of the financial corporations sector in the National Accounts, not part of the local government sector. This information is given separately in **Table 7.2a** and **Table 7.2d**. Companies owned by local authorities are also excluded.
- 1.6.7 Where possible, the tables in this chapter eliminate double counting of flows of money. There are three types of such flows:
- (i) *Between services within the same account.* The most significant flow or recharge of this kind is from general administration to other services and also recharges within general administration.
 - (ii) *Between accounts of the same authority.* For example, contributions by the General Fund Revenue Account to the Housing Revenue Account
 - (iii) *Between authorities.* This occurs when an authority pays another authority for goods and services it provides (for example, payments to other local education authorities in respect of pupils educated outside their area of residence - education recoupment).

The most significant of these flows can be identified and eliminated but some cannot, such as recharges made by services other than general administration and some payments and receipts between authorities.

- 1.6.8 There are several different measures of expenditure. The measures used here exclude payments of rent rebates to tenants and payments of council tax benefit. These payments have been excluded because their purpose is to *finance* local authority expenditure rather than to increase it.

Table 1.6b: Summary of expenditure and income (excluding double counting of flows), England 2010-11 to 2012-13

EXPENDITURE	2010-11	2011-12	2012-13	£ million Table refs
- Revenue account				
General fund revenue account				
Employees	65,534	60,195	56,136	3.4a
Running expenses	80,330	77,636	78,198	3.2c
less expenditure at (1) below	-7,635 (R)	-7,082 (R)	-7,088	
Housing revenue account				
Supervision, management, repairs and other expenditure	4,278	4,535	4,089	3.8a
External trading services revenue account				
Employees	152	137	122	C1g
Running expenses	686	678	669	C1g
External interest payments (all accounts)	3,060	3,408	2,736	C2a
Total all revenue account expenditure ^(a)	146,405 (R)	139,507 (R)	134,862	
- Capital account ^(b)				
Total capital expenditure	23,146	20,032	18,931	4.2a
- Other expenditure				
Expenditure by virtue of a section 16(2)(b) direction ^(c)	239	263	111	4.2a
Notional capital receipts set aside and LSVT levy	0	16	0	4.2a
Pooling of housing capital receipts ^(d)	154	125	112	4.5e
TOTAL EXPENDITURE	169,944 (R)	159,942 (R)	154,016	
Double accounting adjustments (1)				
EXPENDITURE				
Net contribution to Housing Revenue Account (HRA)	9	8	9	C2a
Net contribution to Trading Services Revenue (TSR) accounts	-40	-147	-180	C2a
Recharges to other accounts	931	821	713	C1f
Rent rebates to HRA tenants	3,953	4,105	4,288	C2a
Payments to other local authorities ^(e)	2,783 (R)	2,295 (R)	2,257	C1h
(a) Excluding double counting of flows between revenue accounts and capital financing except external interest payments.				
(b) Payments of fixed assets, payments on grants and advances, acquisition of share or loan capital, credit cover required for leases and credit cover required for other credit arrangements.				
(c) Expenditure which does not fall within the definition of expenditure for capital purposes, but is treated as capital expenditure by a direction under section 16(2)(b) of the Local Government Act 2003.				
(d) Payments to the Secretary of State under regulations 12 and 13 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.				
(e) Includes income/expenditure in respect of students educated by another local education authority (inter-authority education recoupment).				

Table 1.6b: Summary of expenditure and income (excluding double counting of flows), England 2010-11 to 2012-13

INCOME	2010-11	2011-12	2012-13	£ million Table refs
- Revenue account				
General fund revenue account				
Specific government grants outside AEF ^(f)	19,069	18,614	18,850	C2b
Specific government grants inside AEF	45,750	45,502	41,820	C2b
Area Based Grant	4,363	...	...	C2a
Local Services Support Grant	...	253	223	C2a
Revenue Support Grant	3,122	5,873	448	C2a
Redistributed NNDR	21,517	19,017	23,129	C2a
Police Grant	4,374	4,546	4,224	C2a
General GLA grant	48	63	50	C2a
Council tax ^(g)	22,070	22,190	22,548	C2a/C2b
Council tax benefit grant	4,184	4,261	4,167	C2b
Sales, fees and charges	11,694	11,074	11,316	3.2c
Other income	12,652	11,321	10,830	3.2c
less income at (2) below	-3,714 (R)	-3,116 (R)	-2,971	
Housing revenue account				
Rents	6,317	6,583	6,916	3.8a
Government subsidies	-494	-704	-791	3.8a
Other income	1,368	1,578	776	3.8a
External trading service revenue accounts				
Sales, fees and charges	902	918	885	C1g
Other income	228	213	207	C1g
External interest receipts (all accounts)	663	860	815	C2a
Total all revenue account income	154,114 (R)	149,045 (R)	143,442	
- Capital account				
Capital account				
Government grants ^(h)	8,063	7,170	8,481	4.4a
Other grants and contributions	1,529	1,466	1,257	4.4a
Capital receipts ⁽ⁱ⁾	1,498	2,013	2,124	4.5a
Total capital income	11,090	10,650	11,863	
TOTAL INCOME	165,204 (R)	159,695 (R)	155,306	
LESS TOTAL EXPENDITURE	-169,944 (R)	-159,942 (R)	-154,016	
AMOUNT TO BE MET FROM FINANCING MOVEMENTS	-4,740	-248	1,290	
Financing Movements				
Overhanging debt on housing sold, repaid by DCLG	843	153	56	
Increase in borrowing	1,982	10,854	1,922	5.3a
less increase in investments ^(j)	-660 (R)	-1,278 (R)	-3,606	5.3a
Implied accruals and timing adjustments ^(k)	2,575	-9,480	337	
Total Financing Movements	4,740	248	-1,290	
Double accounting adjustments (2)				
INCOME				
Recharges to other accounts	931	821	713	C1f
Receipts from other local authorities ^(e)	2,783 (R)	2,295 (R)	2,257	C1h
<p>(f) Excludes council tax benefit grant and rent rebates granted to HRA tenants.</p> <p>(g) Council tax due to be paid into the collection fund net of council tax benefit.</p> <p>(h) There is a discontinuity from 2010-11 owing to a change in the treatment of expenditure by GLA. Previously this was recorded as 'Central government grant' but for 2011-12 it has been recorded as CERA to align with figures received on the Revenue Outturn</p> <p>(i) Capital receipts comprise disposal of tangible fixed assets, intangible assets, leasing disposals, repayments of grants, loans and advances, disposal of share and loan capital and disposal of other investments.</p> <p>(j) Increase in local authority investments excluding inter-authority investments.</p> <p>(k) The balancing item is the difference between the expenditure and income account and includes, amongst other items, unresolved inconsistencies between data sources, movements in cash balances and timing adjustments.</p>				

1.7 Local government accounting practice

1.7.1 The principal statements of the accounting practices applicable to local authority accounts are:

- ***The Code of Practice on Local Authority Accounting in the United Kingdom*** This is a comprehensive statement of the structure of local authority statements of accounts, and the accounting concepts, accounting policies and estimation techniques to be applied in preparing them
- ***Service Reporting Code of Practice – SERCOP*** This sets out a mandatory service expenditure analysis for local authorities and a definition of Total Cost to be used in reporting service expenditure, together with a recommended standard subjective analysis.

1.7.2 Both documents are published by the Chartered Institute of Public Finance and Accountancy (**CIPFA**), and are available for sale on the CIPFA website at www.cipfa.org.uk. New editions are issued regularly, usually annually.

1.7.3 Both Codes are given statutory backing as “proper practices” by regulations under section 21 of the Local Government Act 2003. Various other statutory provisions also affect the preparation of local authority accounts. The form and content of some important accounts, such as the **Housing Revenue Account** and the **Collection Fund**, are closely regulated by legislation. Section 21 of the 2003 Act states that where there is any conflict between provisions in legislation and the requirements of the two Codes, then the legislation prevails. In practice conflict is avoided by drafting the Codes to conform to legislation.

1.7.4 With effect from the 2010-11 financial year the Code of Practice on Local Authority Accounting (“the Accounting Code”) is based primarily on International Financial Reporting Standards (IFRS) as adopted by the European Union, though account can also be taken of International Public Sector Accounting Standards and standards issued by the UK Accounting Standards Board. The standards can be adapted as necessary for the public sector context. Until 2001 the international standards were issued as International Accounting Standards (IAS); since then they have been issued as International Financial Reporting Standards (IFRS)

1.7.5 The Accounting Code is prepared by the CIPFA/LASAAC Local Authority Accounting Code Board, a standing committee of CIPFA and the Local Authority (Scotland) Accounts Advisory Committee. Before finalisation the Code is reviewed by the Financial Reporting Advisory Board (FRAB), a body that reports to Parliament and also reviews the accounting codes for central government, the devolved administrations and other bodies including the National Health Service. Based on its review the FRAB issues a statement stating its conclusion on whether the Code is consistent with International Financial Reporting Standards as applied by the central government Financial Reporting Manual.

- 1.7.6 For years up to and including 2009-10 the Accounting Code was based on UK financial reporting standards and had the status of a “Statement of Recommended Practice” in the UK Accounting Standard Board’s hierarchy of standards and statements. The subsequent move to international standards was in line with changes being made in the rest of the UK public sector.

CHAPTER 2

How is the money found?

2.0.1 This chapter describes the main sources of income for local government in England. It is divided into the following sections:

- **Summary of sources of local government income** **section 2.1**
- **Council tax** **section 2.2**
- **Non-domestic rates** **section 2.3**
- **Revenue grants** **section 2.4**
- **Sales, fees and charges** **section 2.5**

2.1 Summary of sources of local government income

2.1.1 The main sources of income for local government in England are:

- council tax
- retained and redistributed non-domestic rates
- other government grants (including specific government grants)
- borrowing and investments
- interest receipts
- capital receipts
- sales, fees and charges; and
- council rents

- Total local government income decreased from £159.7bn in 2011-12 to £155.3bn in 2012-13.
- 63% of the total local government income received in 2012-13 was in the form of government grants.
- Council tax made up 17% of total local government income received in 2012-13.

Table 2.1a: Summary of local authority income 2008 09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ million 2012-13
Grant income:					
Revenue Support Grant ^(a)	2,854	4,501	3,122	5,873	448
Redistributed non-domestic rates	20,506	19,515	21,517	19,017	23,129
Police Grant	4,136	4,253	4,374	4,546	4,224
Specific and special grants inside Aggregate External Finance (AEF)	42,920	45,639 II	45,750	45,502	41,820
Area Based Grant	3,050	3,314 II	4,363	-	-
Local Services Support Grant (LSSG) ^(b)	-	-	-	253	223
General GLA Grant	48	48	48	63	50
Grants outside AEF ^(c)	14,991	17,064	19,069	18,614	18,850
Housing subsidy	-235	-134	-494	-704	-791
Grants towards capital expenditure	7,711	8,760 (R)	9,592 II	8,637	9,739
Total grant income	95,980	102,961 (R)	107,341	101,800	97,692
Locally-funded income:					
Council tax ^(d)	24,759	25,633	26,254	26,451	26,715
External interest receipts	1,926	778	663	860	815
Capital receipts	1,353	1,427	1,498	2,013	2,124
Sales, fees and charges	12,573	12,859 (R)	12,597	11,991	12,201
Council rents	6,219	6,326	6,317	6,583	6,916
Total locally-funded income	46,830	47,024	47,328	47,899	48,771
Other income and adjustments ^(e)	11,010 (R)	12,272	10,535 (R)	9,995 (R)	8,842
Total income	153,820 (R)	162,257 (R)	165,204 (R)	159,694 (R)	155,306
Grants as a percentage of total income	62%	63%	65%	64%	63%

Sources: Tables 1.6b, 2.4a, 2.5a, 3.2a, 3.8a, 4.4a, 4.5a

(a) Comparisons across years may not be valid owing to changing local authority responsibilities and methods of funding.

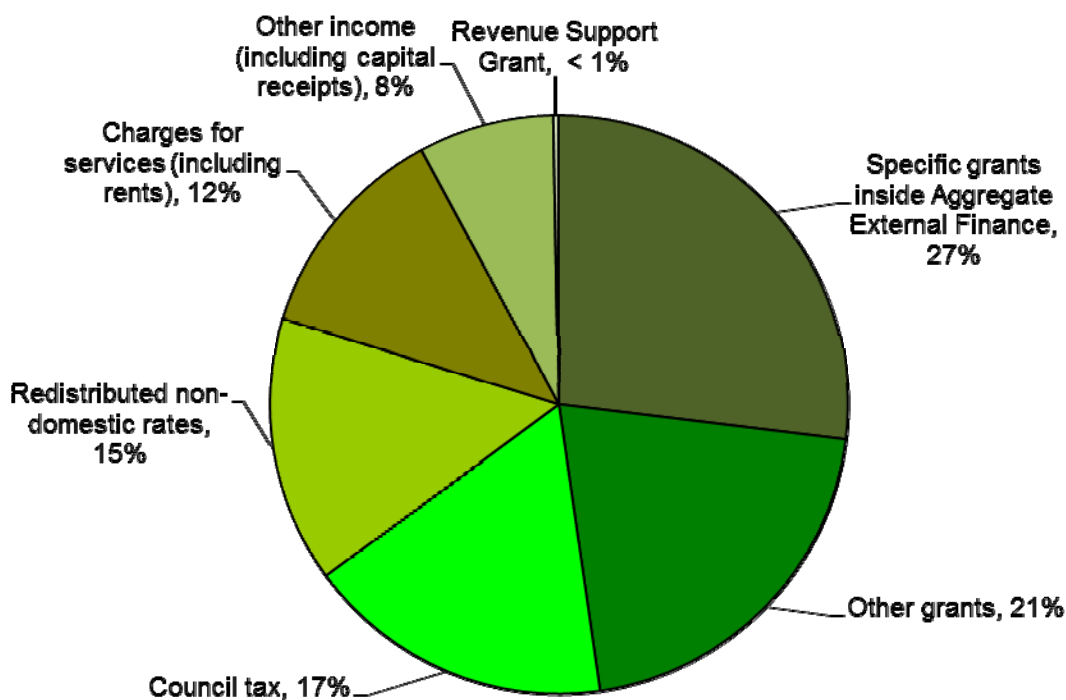
(b) From 2011-12, Local Services Support Grant (LSSG) is a new unringfenced grant paid under section 31 of the Local Government Act 2003 to support local government functions.

(c) Excludes council tax benefit subsidy and rent rebates granted to HRA tenants.

(d) Includes council taxes financed from Council Tax Benefit Grant but excludes council taxes financed from local authority contributions to council tax benefit.

(e) Does not include levies & transfers or recharges.

Chart 2.1b: Local authority income by source 2012-13



2.1.2 The remainder of this chapter provides more information on council tax, non-domestic rates, grants and sales, fees and charges. Further information on other sources of income can be found in the following chapters:

- **Council rents and other Housing Revenue Account income** - Chapter 3
- **Capital grants and capital receipts** - Chapter 4
- **Borrowing and investments** - Chapter 5

2.1.3 In addition, local authority pension funds had a total income of approximately £11.5bn in 2012-13. However, this falls outside the usual definition of local authority income. Further information is provided in **Chapter 7**.

2.2 Council tax

- 2.2.1 Council tax was introduced on 1 April 1993. It replaced the **community charge** (poll tax) which, in turn, replaced domestic rates on 1 April 1990.
- 2.2.2 Council tax is the main source of locally-raised income for many local authorities. It is, therefore, an important source of funding used for meeting the difference between the amount a local authority wishes to spend and the amount it receives from other sources, such as government grants.
- 2.2.3 The impact on council tax of increasing budgeted revenue expenditure varies widely between local authorities. This effect, known as **gearing**, can be thought of as a balance of funding between that part of revenue expenditure to be met through council tax and the part met through other sources. As such it is also often used to measure the ratio of the percentage by which an authority would need to raise its council tax requirement to finance a given percentage change in revenue spending and the percentage change in revenue spending that it is financing. However, this is an imprecise measure because council tax is not the only local source for additional financing of revenue spending. It can also be open to an authority to draw on its available revenue reserves or to extend its use of charging.
- 2.2.4 One way of calculating a gearing ratio is to compare revenue expenditure with council tax requirement. **Table 2.2a** shows the gearing ratios calculated in this way for each class of authority from 2008-09 through to 2013-14. For years up to 2012-13, the council tax figures used are inclusive of council tax benefit. From 2013-14 onwards, localised council tax support has replaced council tax benefit (see para 2.2.6), and the council tax figures used in the calculations below are net of the support given to taxpayers. This has the effect of increasing the gearing figures from 2013-14 onwards.

Table 2.2a: Ratio of revenue expenditure and council tax by class

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (B)
Inner London boroughs ^(a)	6.4	6.7	6.6	6.1	5.9	7.9
Outer London boroughs	4.2	4.2	4.3	4.0	3.8	4.9
Greater London Authority ^(b)	6.8	8.0	7.9	8.1	5.6	10.5
Metropolitan districts	5.0	5.0	5.0	4.7	4.5	5.8
Metropolitan police authorities	6.7	6.6	6.4	6.1	5.8	6.8
Metropolitan fire and rescue authorities	2.9	2.8	2.7	2.5	2.5	3.0
Shire unitary authorities	4.2	3.9	3.9	3.6	3.4	4.2
Shire counties	3.3	3.3	3.2	3.1	2.9	3.4
Shire districts	2.4	2.3	2.2	1.9	1.9	2.1
Shire police authorities	3.3	3.3	3.2	3.1	3.0	3.3
Shire fire and rescue authorities	1.9	1.9	1.8	1.8	1.8	2.0
England	4.0	4.0	4.0	3.8	3.5	4.4

Source: RO returns for 2008-09 to 2012-13 and RA returns for 2013-14

All Figures are on a non International Accounting Standard 19 (non-IAS19)/non Financial Reporting Standard 17 (non-FRS17) basis.

(a) Includes City of London.

(b) The large increase from 2008-09 to 2009-10 was due to an increased transport grant (Capital Expenditure charged to the Revenue Account; CERA)

2.2.5 **Table 2.2b** shows the distribution of the ratio of revenue expenditure and council tax by class of authority in 2011-12.

- For a majority of London boroughs and metropolitan districts, their revenue expenditure is three or more times greater than their council tax requirement; for most shire districts (over 97%) their revenue expenditure is less than 3 times their council tax requirement.

Table 2.2b: Ratio of revenue expenditure and council tax by class of authority 2012-13

Band	Number of Authorities						England
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	
less than 2	0	0	0	0	123	19	142
2 up to 2.5	3	0	3	1	56	13	76
2.5 up to 3	1	1	13	16	17	15	63
3 up to 4	9	11	23	10	5	12	70
4 up to 5	8	18	13	0	0	3	42
5 and above	12	6	4	0	0	6	28
Total	33	36	56	27	201	68	421

Source: RO returns

2.2.6 **Table 2.2c** gives national totals for the council tax requirement budgeted for each year since 2008-09. It shows how the amounts were derived when setting budgets, and how they changed during the course of each year, for example by council tax becoming due from new properties that had not been included in the budget calculations. The table also includes figures for **Council Tax Benefit**, a means-assessed social security benefit, for the years 2008-09 until 2012-13. This has now been replaced by **localised council tax support** schemes which mean that help for residents with their council tax bills has become the responsibility of the local authority. Local councils are free to design almost any scheme they wish, at least for working age people, to provide help with council tax although there is no local discretion in relation to people over pension age. In addition local authorities are required to ensure that vulnerable groups should be protected as far as possible, depending on local circumstances.

Table 2.2c: Council tax budgets and outturn

	2008-09 ^(a)	2009-10 ^(a)	2010-11 ^(a)	2011-12	2012-13	£ million 2013-14 ^(b)
As budgeted:						(B)
Council tax requirement	24,759	25,633	26,254	26,451	26,715	23,372
Council tax benefit	3,658	4,039	4,441	4,342	4,258	-
Net council tax income	21,101	21,594	21,813	22,109	22,457	23,372
Outturn figures:						
Gross council tax due	25,230	26,166	26,825	26,964	27,240	-
Council tax benefit	3,672	4,095	4,299	4,276	4,258	-
Net collectable debit	21,558	22,071	22,526	22,688	22,982	-
Gross council tax due as a % of budgeted gross income	101.9	102.1	102.2	101.9	102.0	-
Net collectable debit as a % of budgeted net income	102.2	102.2	103.3	102.6	102.3	-

Source: BR1, BR2, BR3 forms (from 2008-09 to 2011-12) CTR1, CTR2 and CTR3 forms (2012-13 & 2013-14) and RA & QRC4 returns and DWP (all years)

(a) Amounts shown are after the designation of authorities requiring them to recalculate their budget requirement and council tax.

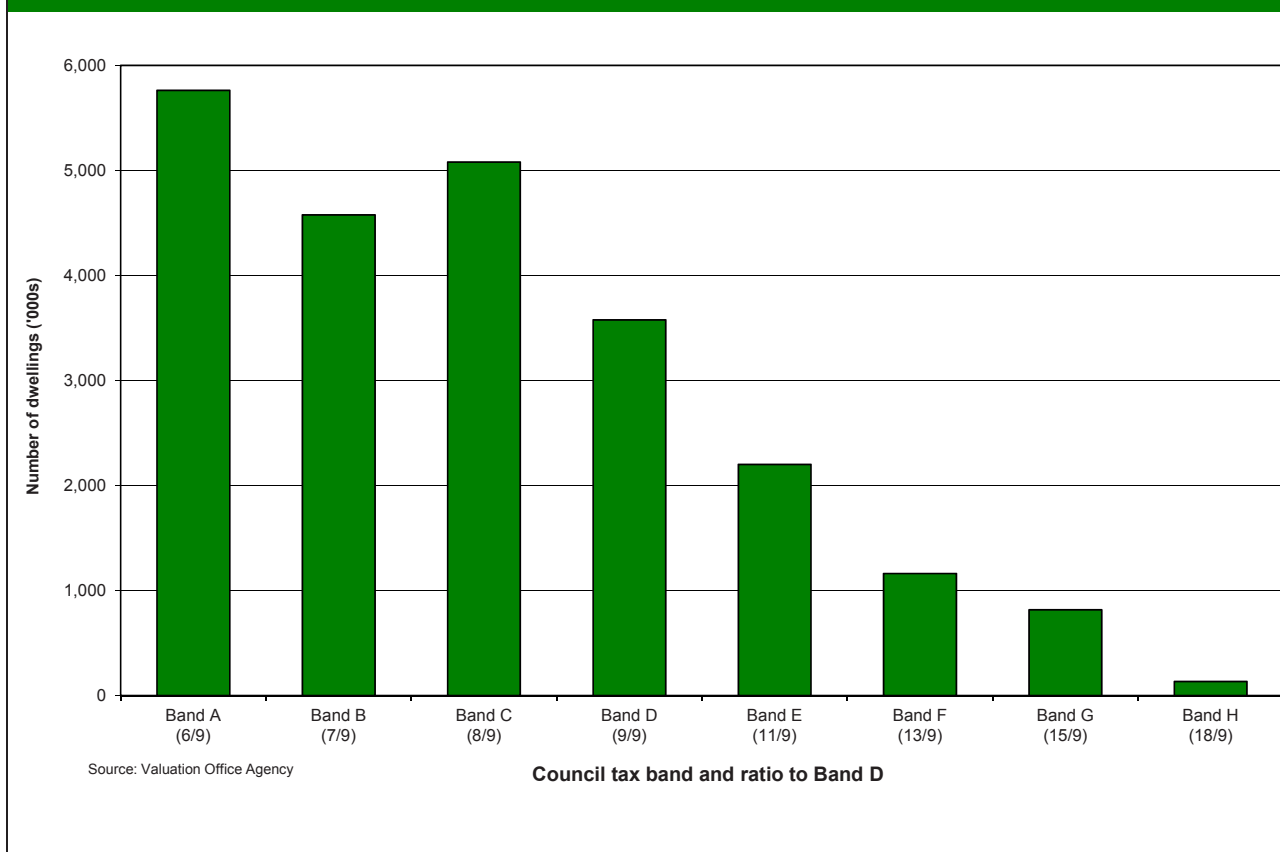
(b) Council tax benefit is no longer funded by DWP but by local authority following the localisation of council tax support

2.2.7 The amount of council tax payable on a property depends in part on the valuation band to which it is allocated. There are currently eight bands in England ranging from Band A for dwellings valued at less than £40,000 on 1 April 1991 to Band H for dwellings valued at more than £320,000 on that date.

2.2.8 Within an authority, the council tax for each valuation band is a fixed ratio to that for Band D. For example, a Band A dwelling will pay six-ninths of the Band D amount, and a Band H dwelling will pay twice the Band D amount. The ratios for all bands to Band D are shown in **Chart 2.2d**.

- Nationally, two thirds of properties are in Bands A to C and only 9% are in the top three bands.
- The total number of dwellings on the Valuation Office valuation list in England as at 9 September 2013 was 23.3 million, an increase of 133,000, or 1% compared with 2012.

Chart 2.2d: Distribution of dwellings by council tax band as at 9 September 2013



2.2.9 Band D is used as the basis for calculating the tax base (the number of Band D equivalent properties) and for year-on-year comparisons of tax levels set. However, as only a minority of properties in each local authority are in Band D, the average Band D council tax does not enable direct comparison to be made of the average amounts of council tax payable by people in different areas.

2.2.10 In contrast, average council tax per dwelling reflects the wide variation between authorities in the distribution of properties across bands. It is therefore a helpful measure to use when comparing the amounts payable in different areas. Variations between figures on this basis are due to a combination of local authority tax-setting decisions and the distribution of properties across bands within each authority's area.

2.2.11 The Localism Act 2011 abolished central government capping and made provision for binding referendums to be held on excessive council tax increases. No authority exceeded the council tax excessiveness principles which applied in 2012-13 and there were no council tax referendums in that year.

2.2.12 Under previous legislation, the Government had the power to 'designate' an authority which set an excessive budget requirement for a financial year ('the relevant year') and to set a maximum budget requirement for that authority for that year (i.e. 'cap' the authority). Alternatively, the Government could have 'nominated' the authority and either designate it in advance for capping in the subsequent financial year or years, or set a notional budget requirement for the relevant year or following financial year or years for capping purposes.

2.2.13 In 2010, the Government announced plans for a **council tax freeze** in England in 2011-12 so local authorities that froze, or reduced, their council tax compared with the previous year would qualify for a grant in each year of the Spending Review. The freeze grant has continued to be available each year since.

- In 2003-04, no authorities' budget requirements were designated in-year and no notional budget requirements were set. The average Band D council tax increase in England was 12.9%.
- In 2004-05, six authorities' budget requirements were designated in-year and notional budget requirements were set for eight authorities. The average Band D council tax increase in England was 5.9%.
- In 2005-06, eight authorities' budget requirements were designated in-year and a notional budget requirement was set for one authority. The average Band D council tax increase in England was 4.1%.
- In 2006-07, no authorities' budget requirements were designated in-year and notional budget requirements were set for two authorities. The average Band D council tax increase in England was 4.5%.
- In 2007-08, no authorities' budget requirements were designated in-year and no notional budget requirements were set. The average Band D council tax increase in England was 4.2%.
- In 2008-09, one authority's budget requirement was designated in-year, notional budget requirements were set for four authorities and three authorities were designated in advance for capping in 2009-10. The average Band D council tax increase in England was 3.9%.
- In 2009-10, one authority's budget requirement was designated in-year, a notional budget requirement was set for one authority and the three authorities which were designated in advance for 2009-10 were also designated in advance for 2010-11. The average Band D council tax increase in England was 3.0%.
- In 2010-11, no authorities' budget requirements were designated in-year, no notional budget requirements were set and two authorities were designated in advance for capping in 2011-12. The average Band D council tax increase in England was 1.8%.
- In 2011-12, no authorities' budget requirements were designated in-year, no notional budget requirements were set and no authorities were designated in advance for capping in 2012-13. There was no increase in the average Band D council tax in England, as all authorities chose to receive the council tax freeze grant.
- In 2012-13, no authority exceeded the council tax excessiveness principles which applied and there were no council tax referendums in the year. The average Band D council tax increase in England was 0.3%. 359 (85%) of authorities chose to receive the council tax freeze grant.

- In 2013-14, no authority exceeded the council tax excessiveness principles which applied and again there were no council tax referendums in the year. The average Band D council tax increase in England was 0.8%. 257 (61%) of authorities chose to receive the council tax freeze grant.

2.2.14 **Table 2.2e** shows trends in average council taxes since 1993-94, expressed in two ways: the average Band D figure, and the average council tax per dwelling. The table also gives figures for increases in the **Retail Prices Index (RPI)** and average UK earnings.

2.2.15 The average council tax per dwelling is lower than the average Band D council tax. This is partly because most dwellings are in bands lower than Band D; and partly because properties that are subject to a discount (for example for a single person, or because it is a second home) are counted as a whole property in the calculation of average council tax per dwelling, but as only part of a property in the calculation of the average Band D council tax. From 2013-14, the average per dwelling figure also reflects the discounts given under localised council tax support.

- Band D council taxes, including amounts funded by benefit, increased by 156% in cash terms or 44% in real terms between 1993-94 and 2013-14.

Table 2.2e: Average council tax and increase in Retail Prices Index 1993 94 to 2013 14

	Council tax ^(a)					
	Band D, 2 adults for area			Average per dwelling ^(f)	Retail Prices Index	Average UK earnings ^(c)
	£	% increase ^(e)	% increase ^(e) real terms ^(b)	£	% increase ^(e)	% increase ^(e)
1993-94 ^(d)	568	-	-	456	-	-
1994-95 ^(d)	580	2.1	-0.4	473	2.6	3.0
1995-96 ^(d)	609	5.0	1.6	498	3.3	4.0
1996-97 ^(d)	646	6.1	3.6	529	2.4	3.4
1997-98 ^(d)	688	6.5	4.0	564	2.4	3.8
1998-99 ^(d)	747	8.6	4.4	614	4.0	5.8
1999-00	798	6.8	5.1	656	1.6	4.1
2000-01	847	6.1	3.1	697	3.0	4.5
2001-02	901	6.4	4.6	741	1.8	5.4
2002-03	976	8.2	6.6	804	1.5	4.2
2003-04	1,102	12.9	9.5	908	3.1	3.0
2004-05 ^(d)	1,167	5.9	3.3	967	2.5	3.5
2005-06 ^(d)	1,214	4.1	0.8	1,009	3.2	4.3
2006-07	1,268	4.5	1.9	1,056	2.6	3.6
2007-08	1,321	4.2	-0.3	1,101	4.5	4.1
2008-09 ^(d)	1,373	3.9	-0.3	1,145	4.2	4.7
2009-10 ^(d)	1,414	3.0	4.2	1,175	-1.2	1.8
2010-11	1,439	1.8	-3.4	1,195	5.3	1.4
2011-12	1,439	0.0	-4.9	1,196	5.2	2.2
2012-13	1,444	0.3	-3.0	1,201	3.5	1.7
2013-14	1,456	0.8	-2.0	1,045	2.9	1.4
% change 1993-94 to 2013-14		156.3	44.4		77.5	98.7

Source: BR1, BR2, BR3 forms (from 1993-94 to 2011-12) CTR1, CTR2 and CTR3 forms (2012-13 & 2013-14) and CTB returns (all years)

(a) Amounts shown are headline taxes, before transitional reliefs and benefits.

(b) Adjusted using the All Items Retail Prices Index (RPI) as at April each year.

(c) Change in the Average Earnings Index (AEI) (to 2000-01) or Average Weekly Earning (AWE) statistic (from 2001-02) for the whole economy at April each year. The AWE statistic has replaced the previously reported AEI as the lead measure of short-term changes in earnings, however AWE is currently only available from 2000 onwards.

(d) Amounts shown are after the designation of authorities requiring them to recalculate their budget requirement and council tax.

(e) All increases shown are the increase from April of the previous year. For example, % increase 2011-12 gives the increase from April 2010 to April 2011.

(f) The localisation of council tax support in 2013-14 changed the way in which the council tax requirement is calculated with the estimated amount of council tax benefit to be passed on to residents now being excluded whereas it was previously included. The way the number of chargeable dwellings is calculated has not been affected by this change. Therefore the average council tax per dwelling figure for 2013-14 is not comparable with earlier years.

- The average Band D council tax is generally higher in rural authorities than in more urban authorities.

Table 2.2f: Average council tax by class 2009-10 to 2013-14

	Band D council tax ^(a) , 2 adults for area					£ Average per dwelling
	2009-10 ^(b)	2010-11 ^(b)	2011-12	2012-13	2013-14	2013-14
Total England	1,414	1,439	1,439	1,444	1,456	1,045
<i>of which:</i>						
Inner London	1,117	1,116	1,117	1,112	1,099	838
Outer London	1,426	1,429	1,429	1,425	1,428	1,124
Metropolitan areas	1,372	1,399	1,399	1,401	1,421	825
Shire unitary authorities	1,429	1,461	1,462	1,472	1,486	1,022
Shire district areas	1,465	1,495	1,496	1,502	1,510	1,185
Predominantly Urban ^(c)	1,383	1,404	1,403	1,407	1,418	955
Significant Rural ^(c)	1,444	1,472	1,471	1,476	1,485	1,166
Predominantly Rural ^(c)	1,468	1,503	1,504	1,511	1,519	1,201
	% increase					
	Band D council tax ^(a) , 2 adults for area					
	2009-10 ^(b)	2010-11 ^(b)	2011-12	2012-13	2013-14	
Total England	11.5	1.8	0.0	0.3	0.8	
<i>of which:</i>						
Inner London	5.5	-0.1	0.1	-0.4	-1.2	
Outer London	9.1	0.2	0.0	-0.3	0.2	
Metropolitan areas	10.9	2.0	0.0	0.2	1.4	
Shire unitary authorities	14.2	3.5	0.0	0.7	0.9	
Shire district areas	12.4	3.2	0.0	0.5	0.5	
Predominantly Urban ^(c)	10.6	1.5	0.0	0.3	0.8	
Significant Rural ^(c)	12.8	1.9	0.0	0.3	0.6	
Predominantly Rural ^(c)	12.5	2.4	0.1	0.5	0.5	

Sources: BR1, BR2 and BR3 returns to 2011-12 and CTR1, CTR2 and CTR3 returns from 2012-13

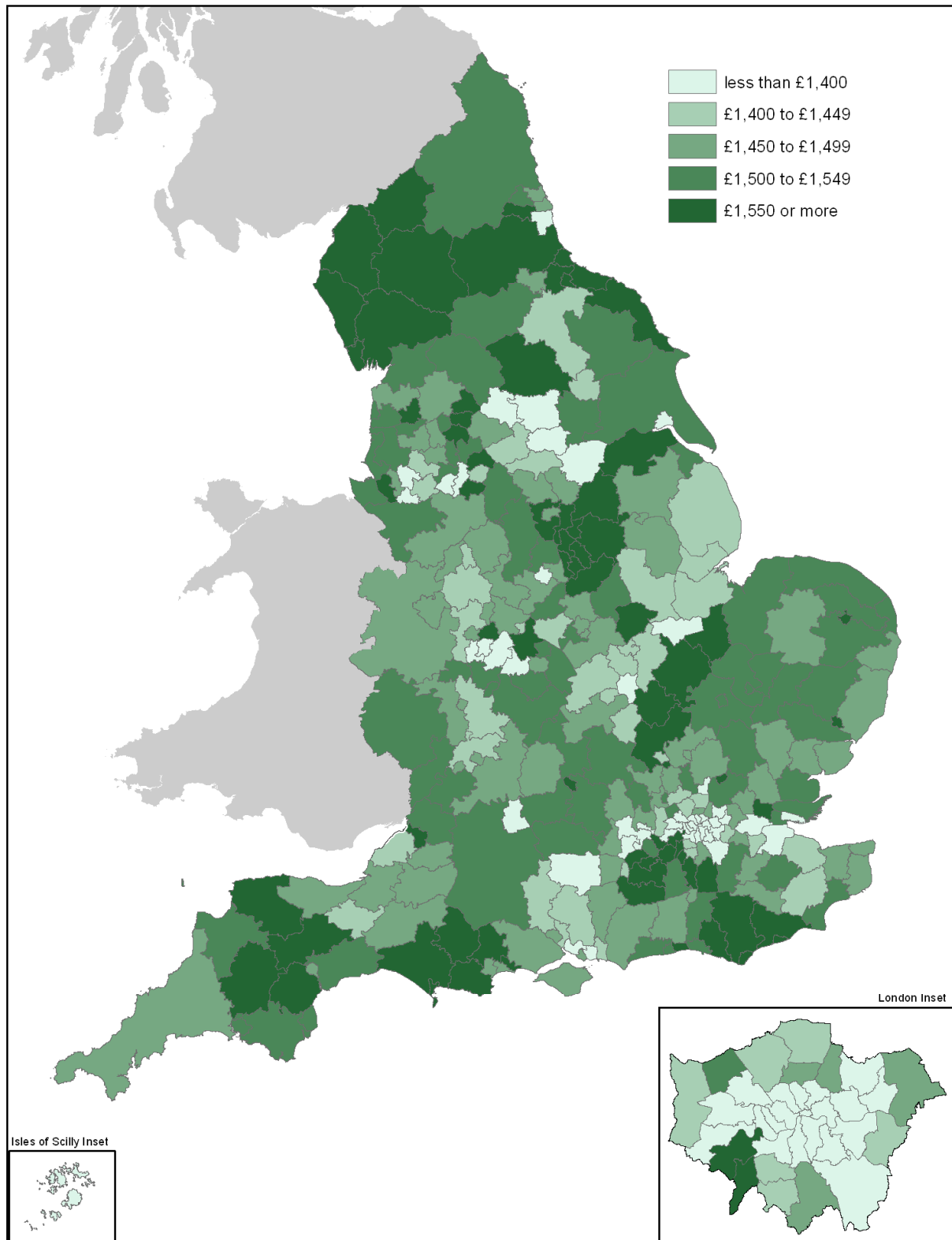
(a) Amounts shown are headline taxes, before transitional relief and benefits.

(b) Amounts shown are after the designation of authorities requiring them to recalculate their budget requirement and council tax.

(c) Based on the Rural Definition and Local Authority Classification published by Defra (see <https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/rural-urban-definition>).

- Areas with high Band D council tax are spread across the country. (see **Map 2.2g**)

Map 2.2g: Band D area council tax 2013-14

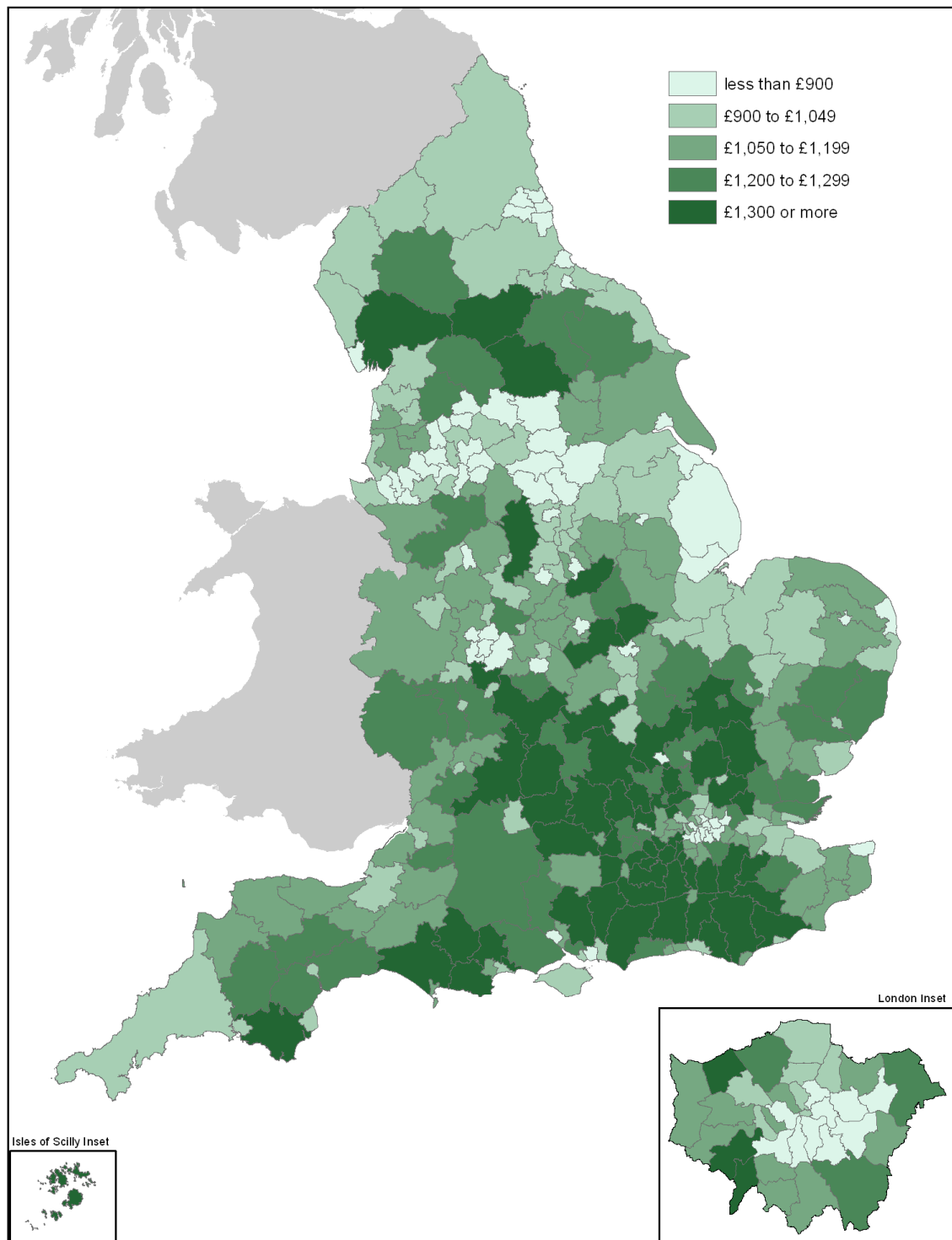


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- While council tax per dwelling is highest in the South of England (see **Map 2.2h**).

Map 2.2h: Average council tax per dwelling 2013-14

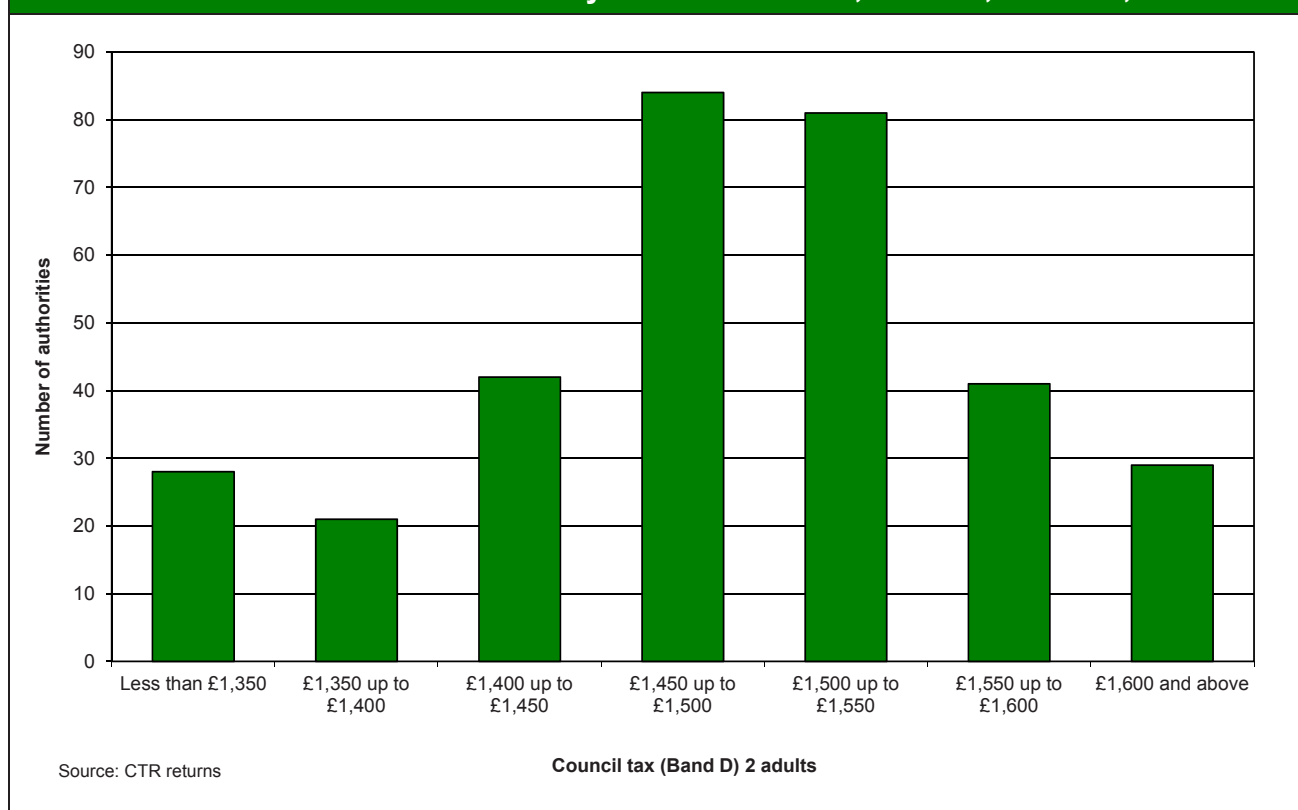


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- Band D area council tax for 2013-14 was between £1,450 and £1,550 for just over half (51%) of billing authorities (166 of 326).

Chart 2.2i: Distribution of authorities by area council tax, Band D, 2 adults, 2013-14



- Between 2012-13 and 2013-14 there was a 0.8% increase in the level of the Band D area council tax in England. It rose from £1,444 to £1,456.

2.2.16 Not every property on the valuation list is liable to pay a full council tax, which is partly based on the property and partly based on the occupants of the property. Some properties are exempt, for example due to being empty for less than six months, or subject to a discount. The full council tax bill assumes that there are two adults living in a dwelling. If only one adult lives in a dwelling (as their main home), the council tax bill is reduced by a quarter (25%).

2.2.17 Before 1 April 2004, the council tax bill for a dwelling which was no-one's main home was reduced by half (50%) in all local authority areas. However, since 1 April 2004, the Local Government Act 2003 has given councils in England the choice to apply council tax discounts of between 10% and 50% for second homes, to reduce or end discounts for long term empty property, and to grant discretionary discounts and exemptions. From 1 April 2013 authorities have the additional option of levying a premium of up to 150% of council tax on homes that have been empty for more than two years. (See **Table 2.2j**).

- 2.2.18 Certain people are not counted when looking at the number of adults resident in a dwelling, such as students and severely mentally impaired people. More detailed information on council tax exemptions is set out in Table B1 and Table B2 of Annex B. Council tax exemptions are taken into account by billing authorities when they calculate their taxbase (the number of Band D equivalent properties in their area).
- 2.2.19 Council tax exemption classes A & C were abolished with effect from 1 April 2013. Exemption Class A dwellings were those vacant dwellings where major repair works or structural alterations are required, under way or recently completed (for a period of up to twelve months). Exemption Class C dwellings were vacant dwelling which were empty and substantially unfurnished, for a period of up to six months.
- 2.2.20 In 2012 exemption class A & C dwellings accounted for 311,000 or nearly 38% of all exemptions. This change has been taken into consideration when calculating the comparisons below. With the abolition of these two exemption classes, a number of local authorities took the opportunity to reassess the status of the empty dwellings in their area. As a result some dwellings continue to be classified as empty and so have become possibly liable for council tax whilst others were reclassified into one of the remaining exemption classes.

- In England there were a total of 23.3 million dwellings on the Valuation Office valuation list as at September 2013, an increase of 133,000 (or 0.6%) over the figure for September 2012.
- At the same date there were 22.8 million dwellings in England that were on the Valuation Office valuation list and liable for council tax. This was an increase of 419,000 (or 1.9%) over the figure for September 2012. Apart from the growth in the overall number of dwellings, this large increase in dwellings liable for council tax can be attributed to the large reduction in the number of dwellings exempt from council tax.
- The number of dwellings on the valuation list that are exempt from council tax fell by 286,000 (or 36%) compared with 2012. This is a result of the abolition of two of the major exemption classes (A & C) from 1 April 2013.
- 8.4 million dwellings were subject to either a discount or to a premium on their council tax. Of these 7.7 million dwellings were entitled to a discount as a result of being occupied by single adults. This represents 33% of all dwellings. This figure has remained broadly constant for the last five years.
- In 2013 the number of empty dwellings subject to a discount was 135,000. In previous years only dwellings empty for more than 6 months could receive discounts. The abolition of two of the major exemption classes (A & C) which related to short term empty dwellings this year has meant that all empty dwellings are now eligible for a discount. This technical change will have been a major factor behind the increase of 37,000 in the number of dwellings receiving this discount compared to 2012
- In the same period the number of empty dwellings not subject to a discount (i.e. liable to pay 100% of the council tax due) also increased by 128,000 (or 80%).

- From 1 April 2013, authorities are able to levy a premium on those dwellings that have been empty for more than 2 years. Authorities reported that as at September 2013 there were 56,000 empty dwellings liable to pay a premium.
- All these changes resulted in a total of 480,000 empty dwellings being liable for council tax as at September 2013. This is an increase of 221,000 (or 85%) on the equivalent figure for 2012.

Table 2.2j: Number of chargeable dwellings 2009 2013 ^(a)

	Thousands				
	2009	2010	2011	2012	2013
Total number of dwellings on valuation lists	22,766	22,899	23,036	23,178	23,312
Number of dwellings exempt from council tax	784	777	789	802	516
Number of demolished dwellings	2	2	2	2	2
Number of dwellings on valuation list liable for council tax ^(b)	21,979	22,120	22,245	22,374	22,793
Number of dwellings subject to a discount or a premium	8,243	8,304	8,303	8,293	8,377
of which:					
- second homes ^(c)	252	246	246	260	255
- empty homes subject to a discount ^(d)	173	156	125	93	135
- empty homes subject to a premium ^(e)	-	-	-	-	56
- single adults	7,604	7,674	7,703	7,706	7,698
- all residents disregarded for council tax purposes	33	33	33	33	33
- all but one resident disregarded for council tax purposes	181	195	196	201	199
Number of dwellings not subject to a discount or a premium	13,736	13,816	13,942	14,081	14,417
of which:					
- empty homes ^(f)	143	144	153	161	290
- others	13,593	13,672	13,789	13,920	14,127

Source: CTB return

(a) As at 14 September 2009, 13 September 2010, 12 September 2011, 10 September 2012 and 9 September 2013

(b) Total dwellings on valuation list less those exempt from council tax and demolished dwellings

(c) From 2009 to 2012, at local authority discretion, second homes could be subject to a discount of between 10% and 50%. From 1 April 2013 this became between 0% and 50%. This category includes those who received a 0% discount

(d) Empty homes are those dwellings which are unoccupied and substantially unfurnished and, at local authority discretion, can be subject to a discount of between 0% and 100%. This category only includes those receive a discount of greater than 0%,

(e) Empty homes are those dwellings which are unoccupied and substantially unfurnished and if they have been empty for more than two years, may be charged a premium of up to 50%.

(f) Empty homes are those dwellings which are unoccupied and substantially unfurnished and, at local authority discretion, can be subject to a discount of between 0% and 100%. This category only includes those not subject to a discount.

2.2.21 **Table 2.2k** shows the amount of council tax collected in 2003-04 to 2012-13 irrespective of the year to which it relates.

- In 2012-13 local authorities collected £22.8 billion in council tax, irrespective of the year to which it related. This was an increase of nearly £0.2 billion over 2011-12.

Table 2.2k: Receipts of council tax in England : 2003-04 to 2012-13

				£ millions
	Receipts of council taxes in respect of the billing year	Receipts of council taxes in respect of previous years ^(a)	Receipts of council taxes in respect of the subsequent billing year	Total receipts of council taxes collected during the financial year
2003-04	15,785	362	246	16,392
2004-05	16,764	368	240	17,372
2005-06	17,750	379	289	18,419
2006-07	18,654	382	279	19,315
2007-08	19,737	356	280	20,374
2008-09	20,648	338	332	21,319
2009-10	21,114	365	349	21,826
2010-11	21,574	391	341	22,306
2011-12	21,761	393	342	22,496
2012-13	22,053	392	314	22,759

Source: QRC4 returns
(a) Net of council taxes received in respect of previous years

- Average in-year council tax collection rates have been slowly increasing, reaching 97.1% nationally in 2007-08 before falling back slightly to 97.0% in 2008-09. Since then council tax collection rates have continued to increase reaching 97.4% in 2012-13.
- The average in-year council tax collection rate in Inner London Boroughs rose by 18.7 percentage points in the period from 1993-94 to 2007-08, although it then fell back slightly in 2008-09. However, it rose again in 2012-13, to 19.5 percentage points over the 1993-94 figure.

2.2.22 The collection of council taxes continues once the financial year to which they relate has ended. This means that the final collection rate achieved is somewhere between the figures shown and 100 per cent.

Table 2.2l: Collection rates^(a): Council tax 2003-04 to 2012-13

	All English authorities	Inner London boroughs ^(b)	Outer London boroughs	London boroughs	Metropolitan districts	Unitary authorities	% Shire districts
2003-04	96.5	92.0	95.0	94.1	95.6	95.5	97.8
2004-05	96.6	92.9	95.1	94.4	95.7	95.8	97.8
2005-06	96.8	93.9	95.4	94.9	95.6	96.4	97.9
2006-07	96.9	94.1	95.5	95.1	95.3	96.6	98.0
2007-08	97.1	94.7	96.0	95.6	95.6	96.7	98.1
2008-09	97.0	94.6	96.0	95.5	95.7	<u>96.7</u>	<u>98.0</u>
2009-10	97.1	94.6	96.2	95.7	95.9	97.0	98.1
2010-11	97.3	95.1	96.4	96.0	96.1	97.2	98.2
2011-12	97.3	95.4	96.6	96.3	96.1	97.2	98.2
2012-13	97.4	95.6	96.8	96.4	96.2	97.3	98.1

Source: QRC4 returns

(a) Receipts of annual council taxes collected by end of financial year as a percentage of net collectable debit.

The net collectable debit is the council tax for the relevant year that authorities would collect if everyone liable paid,
i.e. net of discounts, exemptions, disabled relief, transitional relief and council tax benefits.

(b) Includes City of London.

2.2.23 **Table 2.2m** shows the distribution of council tax collection rates by class of authority for 2012-13.

- Four metropolitan districts and five London boroughs had a council tax collection rate of over 98% compared with 15 unitary authorities and 120 shire districts.
- No shire districts had a collection rate of less than 95% compared to seven London boroughs, two unitary authorities and three metropolitan districts.

Table 2.2m: Council tax collection rates by class of authority, 2012-13

Band (%)	Number of Authorities				
	London boroughs	Metropolitan districts	Unitary authorities	Shire districts	England
less than 95	7	3	2	0	12
95 up to 96	5	11	9	4	29
96 up to 97	10	11	11	14	46
97 up to 98	6	7	19	63	95
98 up to 99	4	4	14	108	130
99 and above	1	0	1	12	14
Total	33	36	56	201	326

Source: QRC4 returns

2.2.24 **Table 2.2n** shows the level of arrears of council tax in the period 2008-09 to 2012-13 as well as the amounts of council tax that were written off in the same period.

- In 2012-13 local authorities collected £474 million of outstanding council tax, irrespective of the year to which it related. This represents more than 2% of the Net Collectable Debit for 2012-13. Arrears are cumulative and could possibly date as far back as the introduction of council tax in 1993-94.
- In 2012-13 local authorities wrote off £170 million of uncollectable council tax, irrespective of the year to which it related. This represented 0.8% of the Net Collectable Debit for 2012-13.

Table 2.2n: Council tax arrears and write-offs : 2008-09 to 2012-13

	£ million				
	2008-09	2009-10	2010-11	2011-12	2012-13
Arrears for earlier years brought forward on 1 April ^(a)	2,026	2,157	2,244	2,310	2,344
<i>add</i>					
Net adjustments made in year to arrears included in the Net Collectable Debit for earlier years	-37	-32	-31	-9	-22
Arrears relating to earlier years before write-offs in current year	1,989	2,125	2,213	2,301	2,322
<i>less</i>					
Amount collected in year relating to arrears for earlier years	427	440	472	471	474
Amounts written-off in year relating to earlier years	154	155	140	164	162
<i>equals</i>					
Arrears in respect of earlier years as at 31 March	1,407	1,531	1,601	1,666	1,685
Amounts not collected in current year	781	724	701	696	698
Amount written off in year relating to current year	9	13	7	7	7
Total arrears in respect of current year outstanding as at 31 March	772	711	694	689	691
Total Arrears outstanding as at 31 March ^(a)	2,179	2,242	2,295	2,355	2,376
Court and administration costs included Total Arrears above	159	163	195	199	209
Total amount written off each year irrespective of the year to which it relates	164	168	148	171	170

Source : QRC4 returns

(a) The figures for 31 March & 1 April of the same year are not identical as the figures for 31 March are best estimates provided by local authorities in May/June following the year in question and the 1 April figures are provided 14 months afterwards.

2.3 Non-domestic rates

- 2.3.1 Since 1 April 1990 most non-domestic properties in England have been liable to nationally-set non-domestic rates (NNDR), which are also known as **business rates** (or sometimes the unified business rate). Before 1990, non-domestic rates were set locally. Since then, they have been set nationally, and paid into a central pool. Prior to 2006-07 they were then distributed among local authorities on a per head basis. From 2006-07 and up to 2012-13, they have been distributed among local authorities on the same basis as Revenue Support Grant, with the payments being regarded as a type of government grant.
- 2.3.2 From 2013-14, the localisation of business rates sees 50% of business rates being retained locally. Authorities are designated to either pay a tariff, or receive a top-up. This is to buffer any difference in income between this system and the previous one where all non-domestic rates were distributed from a central pool.
- 2.3.3 Liable properties include public buildings, pipelines and advertising hoardings, as well as businesses. However, some non-domestic properties, such as agricultural land and associated buildings, and churches, are exempt. Each property liable to non-domestic rates is known as a **hereditament**, and is recorded on a rating list that is compiled and maintained by the Valuation Office Agency, an agency of HM Revenue and Customs.
- 2.3.4 Each hereditament has a rateable value that is based, broadly, on the annual rent that the property could have been let for on the open market at a particular date (currently 1 April 2008, using a list compiled for 1 April 2010).
- 2.3.5 In broad terms, the rates bill for a property is the product of its rateable value and the relevant national non-domestic rating multiplier. This was 40.7p in the pound in 2010-11, 42.6p in the pound in 2011-12, 45.0p in the pound in 2012-13 and 46.2p in the pound for 2013-14 for ratepayers benefiting from the **small business rate relief** scheme. For other properties the figures were 41.4p in the pound in 2010-11, 43.3p in 2011-12, 45.8p in 2012-13 and 47.1p in 2013-14. Further adjustments may be made for other reliefs.
- 2.3.6 The business rates system underwent a fundamental change from 1 April 2013. Prior to that date billing authorities collected non-domestic rates and paid the money to central government who then in turn redistributed it to both the billing authorities and the upper tier authorities to fund their activities.
- 2.3.7 From 1 April 2013 local authorities automatically keep a percentage of the non-domestic rates they collect. They also pay a percentage to central government and, where appropriate, their major precepting authority and fire authority. The new scheme is designed to stimulate growth as local authorities will be able to retain a proportion of any additional non-domestic rates income they are able to generate.

Table 2.3a: Outturn national non domestic rate yield from local lists, in England, since 2009-10^(a)

	£ million				
	2009-10	2010-11	2011-12	2012-13	2013-14(B)
Yield before reliefs in respect of current year	22,469	23,083	24,306	25,596	26,405
<i>add</i>					
Changes in respect of previous years	-736	-873	-305	-674	-1,426
Yield before reliefs	21,733	22,210	24,001	24,922	24,979
<i>less</i>					
Transitional Relief	-148	531	372	57	117
Mandatory Relief	2,129	2,198	2,118	2,375	2,260
Discretionary Relief	47	43	47	45	92
Small Business Rate Relief	188	163	432	550	454
Schedule of Payment agreements	8	0	-8	1	...
Deferments	98	-	-	74	...
Enterprise Zones	-	-	-	4	9
Net rate yield	19,412	19,276	21,039	21,816	22,047
<i>less</i>					
Collection costs including losses ^(b)	373	349	378	464	-
Contribution to the pool	19,039	18,927	20,661	21,352	-
<i>less</i>					
Collection costs	-	-	-	-	84
Losses in collection	-	-	-	-	328
Other adjustments ^(b)	-	-	-	-	12
Total shared by central and local government	-	-	-	-	21,623
	2009-10	2010-11	2011-12	2012-13	2013-14
Small business rate multiplier (pence)	48.1	40.7	42.6	45.0	46.2
National non-domestic rates multiplier (pence)	48.5	41.4	43.3	45.8	47.1
Number of hereditaments ('000) ^(c)	1,698	1,718	1,735	1,759	1,771
Rateable value ^(c)	46,721 ^(d)	56,337 ^(e)	56,846 ^(e)	57,178 ^(e)	57,154 ^(e)

Source: NNDR1 and NNDR3 returns - data for 2009-10 to 2012-13 are outturn figures from NNDR3; those for 2013-14 are budget estimates from NNDR1.

(a) This excludes contributions from the central list and other contributions to the pool.

(b) Includes the City of London offset of: £9.8m in 2009-10, £10.0m in 2010-11, £10.2m in 2011-12, £10.3m in 2012-13 and £10.5m in 2013-14.

(c) As at 31 December in previous year.

(d) Based on draft list for use following April 2005 revaluation.

(e) Based on draft list for use following April 2010 revaluation.

2.3.8 Rate reliefs can be granted in certain circumstances by local authorities. Mandatory reliefs are automatic entitlements in any local authority area, and discretionary reliefs are granted at a local authority's discretion. An example of these two types of relief is properties held by charities, which are automatically entitled to mandatory relief of 80 per cent, and local authorities then have the discretion to top that up to 100 per cent. Until 2012-13 the cost of discretionary relief was met, in part, by local authorities and part by the central pool. However from 2013-14 on the cost of discretionary relief is borne by both central and local government.

2.3.9 In addition, at a revaluation, transitional arrangements are introduced which cap significant increases and decreases in bills. The 2010 transitional scheme aims to be revenue neutral by phasing in both increases and decreases over five years, instead of all ratepayers receiving the full impact of the changes immediately on 1 April 2010.

- Changes to levels of empty property relief have been driven by revisions to the rules. Prior to 1 April 2008, after an initial 3 month rate-free period, industrial properties continued to receive 100% relief, while all other empty properties received 50% relief.
- In 2008-09 the rules governing empty property rate relief were reformed by the

Rating (Empty Properties) Act 2007. From 2008-09 non-industrial properties could claim 100% relief for the first 3 months of being empty and industrial properties could claim 100% relief for the first 6 months of being empty, after which they were liable for full rates.

- In response to the economic downturn, in 2009-10, all empty properties below £15,000 in rateable value were exempt. This limit was raised to £18,000 in 2010-11 in line with revaluation.
- In 2011-12, the measure of a small property was reduced to those hereditaments with a rateable value of £2,600 or less. So for 2011-12 onwards, following the initial rate-free period, those properties with a rateable value of £2,600 or less continue to receive 100% relief.

Table 2.3b: Mandatory rate reliefs^(a)

	£ million				
	2009-10	2010-11	2011-12	2012-13	2013-14(B)
Mandatory Reliefs					
Charity	945.1	997.7	1,159.7	1,320.9	1,332.7
Rural village shop	6.3	5.5	5.8	6.0	6.0
Former agricultural premises ^(b)	0.0	0.0	0.0	0.0	0.0
Partly occupied	45.2 ||	58.1 ||	77.1	79.3	40.3
Empty premises ^(c)	1,117.1 ||	1,121.3 ||	858.1	951.5	862.8
Community amateur sports clubs	14.9	15.6	17.1	17.7	17.9
Total	2,128.7 ||	2,198.2 ||	2,117.9	2,375.4	2,259.7

Source: NNDR1 and NNDR3 returns - data for 2009-10 to 2012-13 are outturn figures from NNDR3; those for 2013-14 are budget estimates from NNDR1.

(a) Excludes small business rate relief.

(b) Relief for former agricultural premises ended in August 2006.

(c) Rules governing the award of empty property relief changed in April 2008, 2009, 2010 & 2011

2.3.10 As mentioned above, until 2012-13 the cost of discretionary relief was met, in part, by local authorities and part by the central pool. However from 2013-14 on the cost of discretionary relief is borne by both central and local government. **Table 2.3c** shows the amount discretionary relief expected to be granted in 2013-14 and funded under the new system. The figures for 2009-10 to 2012-13 have been recalculated to show the total amount of each type of discretionary relief granted in those years. This includes both the cost to local authorities of the discretionary relief as well as the contribution to the relief funded out of the central pool.

Table 2.3c: Discretionary rate reliefs^(a)

	£ million				
	2009-10	2010-11	2011-12	2012-13	2013-14(B)
Discretionary Reliefs					
Charity	40.6	42.1	45.6	44.6 ||	43.2
Non-profit making bodies	38.6	34.8	36.6	35.3 ||	40.8
Rural village shop	3.1	2.6	2.9	3.0 ||	3.1
Other small rural business	1.9	1.6	1.6	1.9 ||	1.7
Former agricultural premises ^(b)	0.0	0.0	0.0	0.0 ||	-
Hardship	4.9	4.4	6.2	4.7 ||	-
Charges on property	0.1	0.0	0.0	0.1 ||	-
Community amateur sports clubs	1.0	1.0	1.1	1.2 ||	1.2
Section 47 reliefs	-	-	-	-	2.5
Total	80.7	90.1	86.4	94.1 ||	90.8

Source: NNDR1 and NNDR3 returns - data for 2009-10 to 2012-13 are outturn figures from NNDR3; those for 2013-14 are budget estimates from NNDR1.

(a) Discretionary reliefs prior to 2013-14 have been recalculated to be comparable with those after rate retention implemented in that year

(b) Relief for former agricultural premises ended in August 2006.

Table 2.3d: Non-domestic rate yields from 2003 04 to 2012 13

		Local List						£ million
	Multiplier (pence)	Number of hereditaments ^(a) ('000s)	Rateable value ^(a)	Notional yield in respect of current year	Yield after reliefs, costs and losses	Central list receipts	Other contributions ^(b)	Total raised in non-domestic rates
2004-05	45.6	1,647	39,466	17,908	14,738	1,030	10	15,778
2005-06	41.5 ^(c)	1,651	46,280	19,484	15,677	1,097	10	16,784
2006-07	42.6 ^(c)	1,663	47,094	20,013	16,853	1,148	11	18,012
2007-08	44.1 ^(d)	1,681	47,314	20,521	17,138	1,185	9	18,332
2008-09	45.8 ^(e)	1,692	46,888	21,307	18,722	1,145	11	19,878
2009-10	48.1 ^(e)	1,698	46,721	22,469	19,039	1,171	11	20,221
2010-11	40.7 ^(c)	1,718	56,337	23,090	18,927	1,174	11	20,112
2011-12	42.6 ^(c)	1,735	56,846	24,216	20,661	1,225	8	21,894
2012-13	45.0 ^(f)	1,759	57,178	25,730	21,329	1,322	11	22,662
2013-14	46.2 ^(g)	1,771	57,154	26,405	21,623	1,293	12	22,928

Source: NNDR1 and NNDR3 returns

(a) Data taken from NNDR1 are as at 31 December of the previous year ie number of hereditaments shown for 2004-05 taken as at 31 December 2003.

(b) Includes Crown contributions and Contributions in lieu of rates for crown properties (CILOR).

(c) This figure applies to ratepayers qualifying for the small business rate. A supplement of 0.7p in the pound applies to other properties.

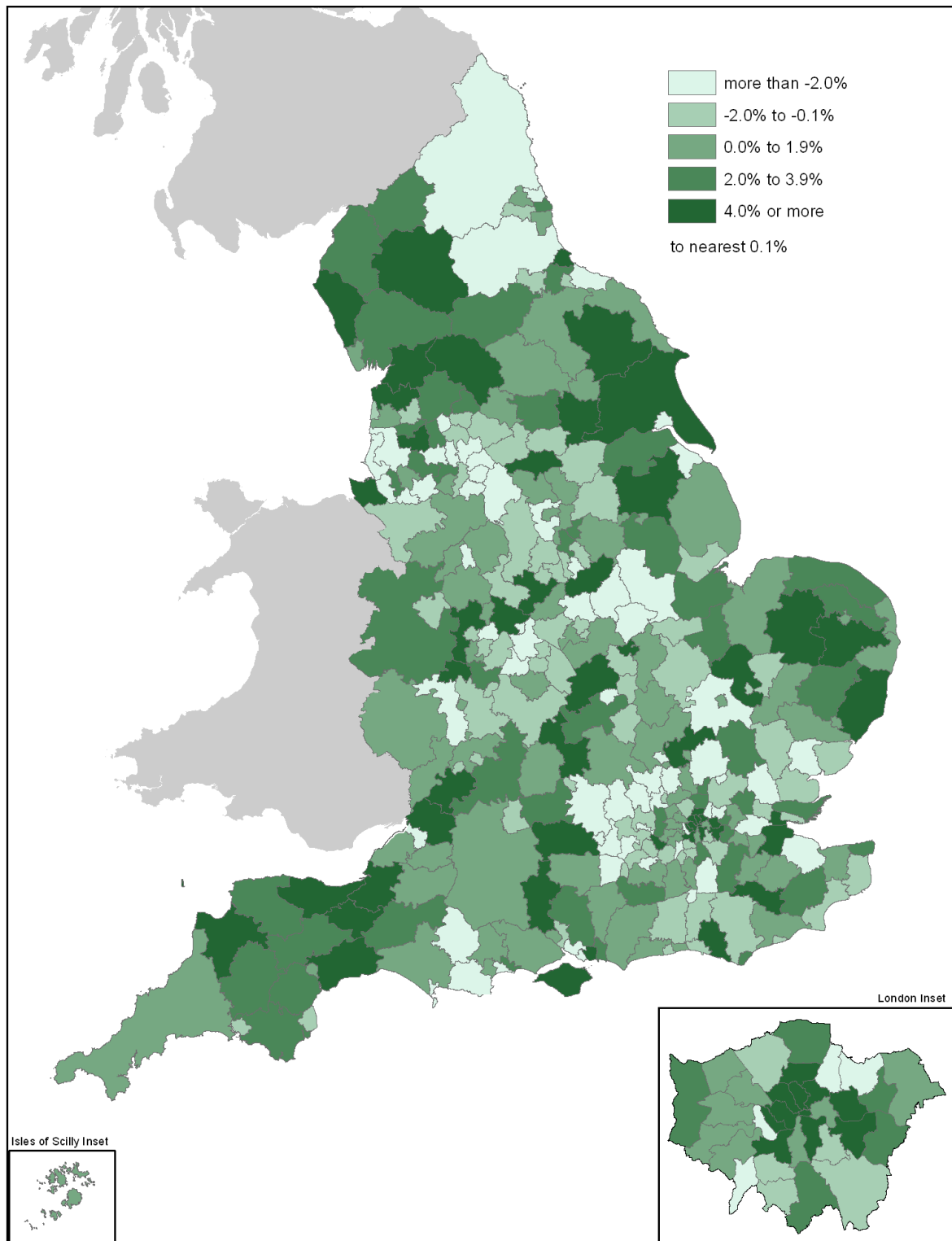
(d) This figure applies to ratepayers qualifying for the small business rate. A supplement of 0.3p in the pound applies to other properties.

(e) This figure applies to ratepayers qualifying for the small business rate. A supplement of 0.4p in the pound applies to other properties.

(f) This figure applies to ratepayers qualifying for the small business rate. A supplement of 0.8p in the pound applies to other properties.

(g) This figure applies to ratepayers qualifying for the small business rate. A supplement of 0.9p in the pound applies to other properties.

Map 2.3e: Increase in amount of collectable NNDR from 2011-12 to 2012-13



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- The average in-year non-domestic rates collection rate has been gradually increasing year-on-year, reaching 98.8% nationally in 2007-08 before falling by 1 percentage point in 2008-09. It has remained fairly stable since then.

Table 2.3f: Collection rates^(a) : non-domestic rates 2003-04 to 2012-13

							%
	All English authorities	Inner London boroughs ^(b)	Outer London boroughs	London boroughs	Metropolitan districts	Unitary authorities	Shire districts
2003-04	98.3	98.5	98.2	98.4	97.8	97.8	98.6
2004-05	98.3	98.3	98.3	98.3	97.9	98.1	98.7
2005-06	98.4	97.9	98.4	98.1	97.9	98.4	98.8
2006-07	98.7	98.5	98.7	98.6	98.3	98.8	98.9
2007-08	98.8	98.9	98.9	98.9	98.5	98.6	99.0
2008-09	97.8	98.1	97.8	98.0	97.2	97.5	98.2
2009-10	97.8	98.1	97.8	98.0	97.5	97.4	98.2
2010-11	98.0	98.2	97.8	98.1	97.3	97.7	98.4
2011-12	97.8	98.3	97.7	98.2	96.8	97.5	98.3
2012-13	97.7	98.4	97.6	98.2	96.7	97.4	98.1

Source: QRC4 returns

(a) Calculated as receipts of annual business rates collected by end of financial year as a percentage of net collectable debit. The net collectable debit is the business rate for the relevant year that authorities would collect if everyone liable paid ie, net of relief or voids.

(b) Includes the City of London.

2.3.11 As with council taxes, the collection of non-domestic rates continues once the financial year to which they relate has ended; this means that the final collection rate achieved is somewhere between the figures shown and 100 per cent.

2.3.12 **Table 2.3f** shows the distribution of non-domestic rates collection rates by class of authority for 2012-13.

Table 2.3g: NNDR collection rates by class of authority 2012-13

Band (%)	Number of Authorities				
	London boroughs	Metropolitan districts	Unitary authorities	Shire districts	England
less than 97	11	20	14	28	73
97 up to 98	6	10	18	56	90
98 up to 98.5	7	4	13	39	63
98.5 up to 99	5	0	8	46	59
99 up to 99.5	2	2	3	26	33
99.5 and above	2	0	0	6	8
Total	33	36	56	201	326

Source: QRC4 returns

- It is estimated that £1.2 billion of non-domestic rate arrears were outstanding as at 31 March 2013.

Table 2.3h: Non-domestic rate arrears 2003-04 to 2012-13

	£ million					
	Arrears at start of the year	Debit raised	Amount received (for arrears) ^(a)	Amount received (for current year)	Estimated write-offs	Arrears at end of the year
2002-03	791	15,172	-210	14,891	576	706
2003-04	706	15,368	-527	15,102	818	680
2004-05	680	15,742	-550	15,481	779	712
2005-06	712	16,527	-459	16,258	714	726
2006-07	726	17,454	-298	17,225	579	674
2007-08	674	17,964	-482	17,749	759	612
2008-09	612	19,507	-452	19,083	586	902
2009-10	902	19,984	-419	19,552	636	1,117
2010-11	1,117	20,025	-493	19,532	974	1,129
2011-12	1,129	21,290	-131	21,159	250	1,141
2012-13	1,141	22,381	-253	22,128	491	1,156

Source: NNDR3 and QRC4 returns

(a) A negative figure means that the increase in amounts due for previous years exceeded the arrears collected.

2.3.13 Non-domestic rates come mainly from two sources: properties on local rating lists (which since 2000-01 have included Crown properties, such as central government properties and Ministry of Defence establishments) and properties on the central list (such as national utilities and pipelines etc). The income from properties on local rating lists is collected by billing authorities and paid by them into the pool. Rates from properties on the central list are collected directly by the Department for Communities and Local Government.

2.3.14 Having been collected, the income from non-domestic rates was until 2012-13 paid into a central pool and then redistributed to local authorities. The method of distribution is explained in **sections 2.3.1 and 2.3.4**. This changed from 1 April 2013 and details are shown in **sections 2.3.6 and 2.3.7**.

2.3.15 Further information on rateable values and non-domestic rates is given in the HM Revenue and Customs' *Quality Report: Non-domestic rating in England and Wales*, which can be seen at <https://www.gov.uk/government/publications/quality-report-non-domestic-rating-in-england-and-wales>.

2.4 Revenue grants

2.4.1 The main non-housing revenue grants are referred to collectively as **Aggregate External Finance (AEF)**. AEF includes **Revenue Support Grant (RSG)**, **redistributed non-domestic rates** and certain specific grants. From 2003-04, redistributed non-domestic rates, RSG and Police Grant (where appropriate) were distributed together as **Formula Grant**. Specific grants are distributed by individual government departments. From 2008-09 to 2010-11 **Area Based Grant (ABG)** was distributed to local authorities. This was a general grant allocated directly to local authorities as additional revenue funding to areas. It was allocated according to specific policy criteria rather than general formulae. Local authorities were free to use all of this un-ringfenced funding as they saw fit to support the delivery of local, regional and national priorities in their areas. From 2011-12 a new un-ringfenced general grant called **Local Services Support Grant (LSSG)** was set up. From 2013-14 Formula Grant was replaced by the Business Rates Retention scheme as described in paras 2.3.1 and 2.4.3.

2.4.2 AEF does not include housing subsidy, which until its cessation at the end of 2011-12 was administered and recorded separately, as part of the **Housing Revenue Account (HRA)**. See **Chapter 3** for further details of housing subsidy.

- In 2012-13, central government grants amounted to £69.9 billion. In 2013-14 total central government grants funding was estimated at £77.5 billion, an increase of 10.9%.

Table 2.4a: Aggregate External Finance provided to local authorities 2008 09 to 2012 13 and budget 2013-14

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (B)
	£ million					
Formula Grant	27,495	28,269	29,012	29,436	27,802	33,504
of which						
Revenue Support Grant ^(a)	2,854	4,501	3,122	5,873	448	15,175
Redistributed non-domestic rates	20,506	19,515	21,517	19,017	23,129	
Retained income from rate retention scheme						10,763
Police grant	4,136	4,253	4,374	4,546	4,224	7,565
Specific & special grants inside AEF	42,920	45,639	45,750	45,502	41,820	43,917
Area Based Grant (ABG)	3,050	3,314	4,363	-	-	-
Local Services Support Grant (LSSG)	-	-	-	253	223	66
General GLA grant	48	48	48	63	50	
Total Grants To Local Authorities	73,513	77,271	79,173	75,254	69,895	77,487

Source: Revenue Summary (RS) returns and Revenue Account (RA) budget returns

(a) Comparisons across years may not be valid owing to changing local authority responsibilities and methods of funding.

- In 2012-13, 76% of shire districts' total funding was through formula grant.
- Shire counties received 75% of their total funding through specific grants.

Table 2.4b: Grants towards revenue expenditure by class of authority 2012-13

	£ million						
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	Total England
Formula grant	4,023	5,536	4,345	4,363	1,140	8,395	27,802
of which:							
Revenue Support Grant	76	105	83	83	22	80	448
Redistributed non-domestic rates	3,917	5,431	4,263	4,280	1,118	4,120	23,129
Police grant	30	0	0	0	0	4,194	4,224
Specific grants inside AEF	6,820	9,450	8,289	12,984	337	3,939	41,820
Local Services Support Grant (LSSG)	83	26	33	45	31	5	223
General Greater London Authority (GLA) grant	0	0	0	0	0	50	50
Total Government Funding	10,925	15,012	12,668	17,393	1,508	12,389	69,895

Source: Revenue Summary (RS) returns

2.4.3 Formula Grant is provided to local authorities on an un-ringfenced basis and so can be spent on any service. From 1990-91 to 2002-03, it was allocated to local authorities through **Standard Spending Assessments (SSA)** system and from 2003-04 to 2005-06, Formula Grant was allocated to authorities using the **Formula Spending Shares (FSS)** system. Since 2006-07 Formula Grant has been distributed to local authorities by means of system that concentrates on the actual cash grant for local authorities rather than notional figures for spending and local taxation.

Formula grant was so called because it was largely allocated on the basis of a formula taking account of the socio-economic and demographic characteristics of authorities, together with a measure of the authority's ability to raise council tax locally based on the number of Band-D equivalent properties within its area. Every authority was guaranteed to receive at least a minimum percentage increase year-on-year (the 'floor') on a like-for-like basis (after adjusting for changes in funding and function). In order to pay for the cost of the floor, the increase above the floor for all other authorities was scaled back.

From April 2013 local authorities retain a share of business rates, and a share of any growth in business rates collected, thereby giving them a significant financial incentive to help deliver growth locally. A system of tariffs and top-ups provides a one-off rebalancing of resources at the outset. The remainder of the share is distributed as Revenue Support Grant, which in 2013-14 amounts to some £15bn.

2.4.4 A break-down of specific grants by service area is not shown as most specific grants are un-ringfenced, meaning local authorities can spend the grant across several services. Further information on specific grants in 2012-13 (outturn figures) and 2013-14 (budget figures) are given in **Tables C2b** and **C4b** of **Annex C**.

2.5 Sales, fees and charges

2.5.1 Sales, fees and charges are the amounts received by local government as a result of providing a service. They vary widely between services in both the amount of money involved, and their nature, for example library fines and planning application fees.

- Sales, fees and charges, excluding external trading accounts, totalled £11.3bn in 2012-13, up from £11.1bn in 2011-12.

Table 2.5a: Sales, fees and charges by service area 2007-08 to 2012-13 ^(a)

	£ million					
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Education	2,049	2,298	2,220	2,126	1,841	1,713
Highways and transport	2,126	2,078	2,175	2,063	1,984	2,011
<i>of which:</i>						
<i>Highways</i>	231	208	214	240	197	200
<i>Public and other transport</i>	1,895	1,870	1,961	1,823	1,787	1,811
Social Care	2,331	2,446	2,617	2,718	2,686	2,747
<i>of which:</i>						
<i>Children Social Care</i>	110	109	129	132	115	119
<i>Adult Social Care</i>	2,221	2,337	2,488	2,586	2,570	2,628
Housing (excluding Housing Revenue Account)	593	619	685	555	515	600
Cultural, environmental and planning	2,443	2,529	2,543	2,541	2,515	2,549
<i>of which:</i>						
<i>Cultural</i>	866	919	935	915	889	872
<i>Environmental</i>	852	887	929	954	1,013	1,050
<i>Planning and development</i>	726	722	678	672	613	627
Police	391	455	426	447	446	446
Fire	39	27	29	35	25	29
Central services	1,063	1,053	1,132	1,125	987	1,169
Other	132	102	98	85	76	51
Total all services	11,166	11,607	11,925	11,694	11,073	11,316
External Trading Accounts	736	965	933	902	918	885
Total	11,902	12,573	12,859	12,597	11,991	12,201

Source: Revenue Outturn (RO) returns - RSX and TSR

(a) Sales, fees and charges for General Fund only.

2.5.2 **Table 2.5b** shows the distribution by value and class of authority of the sales, fees and charges received by local authorities in 2012-13.

- None of the London boroughs, metropolitan districts and shire counties have income from sales fees and charges below £20m. However, most shire districts and other authorities have less than £20m.

Table 2.5b: Sales, fees and charges by class of authority 2012-13

Band (£ million)	Number of Authorities						England
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	
less than 1	0	0	1	0	2	38	41
1 up to 5	0	0	0	0	79	26	105
5 up to 10	0	0	1	0	80	15	96
10 up to 20	0	0	5	0	38	7	50
20 up to 50	9	23	36	0	2	4	74
50 and above	24	13	13	27	0	1	78
Total	33	36	56	27	201	91	444

Source: Revenue Outturn (RSX) returns

Table 2.5c shows the service areas of sales, fees and charges over £200m for 2008-09 to 2012-13.

- In 2012-13, 'Older people including older mentally ill' is the service area with the highest sales, fees and charges of £2.1bn.
- In 2012-13 income from sales fees and charges for 'Management and support services' increased by 17% whereas 'Secondary schools' decreased by 26% compared to 2011-12. During this period many schools transferred out of local authority control.

Table 2.5c Sales, fees and charges by service area over £200m from 2008 09 to 2012 13

	2008-09	2009-10	2010-11	2011-12	£ million 2012-13
Older people (aged 65 or over) including older mentally ill	1,814	1,935	2,033	2,060	2,128
Management and Support Services ^(a)	729	769	751	643	751
Primary schools	795	787	790	702	734
On-street parking	664	682	662	714	721
<i>of which:</i>					
<i>On-street parking: other sales, fees and charges income</i>	<i>352</i>	<i>343</i>	<i>346</i>	<i>374</i>	<i>369</i>
<i>On-street parking: Penalty Charge Notice income</i>	<i>312</i>	<i>339</i>	<i>316</i>	<i>340</i>	<i>353</i>
Off-street parking	595	598	586	580	586
Total Police Services	455	426	447	446	446
Secondary schools	935	919	807	588	435
Sports and recreation facilities, including golf courses	373	378	368	370	359
Adults aged under 65 with learning disabilities	302	311	304	289	280
Congestion charging	326	313	323	265	267
Development control	243	220	228	230	263
Cemetery, cremation and mortuary services	197	205	212	229	248
Other	4,179	4,383	4,183	3,957	4,098
Total	11,607	11,925	11,694	11,073	11,316

Source: Revenue Outturn (RO) returns

(a) This includes recharges within central services, recharges to general fund revenue account (excluding central services), recharges to central government.

CHAPTER 3

How is the money spent? – Revenue spending and how it is financed

3.0.1 This chapter describes the pattern and trends in revenue spending by local authorities and how it is financed. It is divided into the following sections:

- **General Fund Revenue Account expenditure definitions** **section 3.1**
- **Revenue expenditure and financing** **section 3.2**
- **Pattern of spending by class of authority** **section 3.3**
- **Labour, goods and services purchased** **section 3.4**
- **Capital items** **section 3.5**
- **Revenue reserves** **section 3.6**
- **External trading services** **section 3.7**
- **Housing Revenue Account (HRA)** **section 3.8**

3.0.2 Revenue spending by local authorities is mainly for:

- meeting employee costs such as the salaries of staff
- procurement costs, such as transport, fuel and building maintenance
- levies paid to other local authorities which provide a service (for example, a metropolitan district pays a waste disposal authority)
- payment of awards/benefits on behalf of central government (for example, mandatory rent allowances)
- recharges to other accounts

Such spending is often referred to as current or revenue expenditure, in order to distinguish it from capital spending. However, the terms **current expenditure** and **revenue expenditure** also have particular meanings in the context of local government finance – see **section 3.1**.

3.0.3 Detailed figures on revenue account spending for 2012-13, along with budgeted estimates for 2013-14, can be found in **Annex C**.

3.1 General Fund Revenue Account expenditure definitions

- 3.1.1 **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**. This definition can be used to describe expenditure on individual services. Net current expenditure includes that expenditure financed by specific government grants within and outside **Aggregate External Finance (AEF)**. This definition of net current expenditure is useful, as it is similar to the National Accounts' concept of current expenditure on goods and services.
- 3.1.2 The term **revenue expenditure** is used to describe expenditure funded from AEF, **council tax**, and authorities' reserves. Revenue expenditure is equal to net current expenditure plus capital financing costs and a few minor adjustments, but excluding expenditure funded by grants outside AEF and income from interest receipts. Revenue expenditure is a familiar and widely used measure of expenditure. It is used particularly in the context of funding of local government expenditure.
- 3.1.3 **Net revenue expenditure** is revenue expenditure, excluding that funded by all **specific grants inside AEF**, and excluding the Local Services Support Grant. Police Grant is not included in this. This represents an authority's budget requirement and use of reserves.
- 3.1.4 Expenditure on individual services has traditionally been collected on a Net Current Expenditure basis. Following an initiative by the Chartered Institute of Public Finance and Accounting (CIPFA) enshrined in the *Best Value Accounting Code of Practice* (BVACOP), authorities were instructed to complete final accounts on what is called a **Financial Reporting Standard 17 (FRS17)** basis from 2003-04 up until 2009-10. From 1st April 2010 local authority accounts were prepared on the basis of International Financial Reporting Standard (IFRS). As a result local authorities were instructed to complete final accounts for each of their public services on an **International Accounting Standard 19 (IAS19)** and PFI 'off-balance' sheet basis.
- 3.1.5 The move to the IFRS based code implied that employee costs included in total expenditure complied with IAS19 Employee Benefits; where local authorities accounted for employee benefits when they became committed to give them, even if the actual payment of benefits will be many years in the future. IAS19 therefore requires that pension costs be accounted for as employees work the years of service that give them a right to a pension when they retire. For both FRS17 and IAS19 basis, revenue expenditure is financed by appropriations from pension reserves in addition to appropriations from other financial reserves, Revenue Support Grant, National Non-Domestic rates, Police Grant and Council Tax.
- 3.1.6 Where relevant, each of the tables in this chapter has footnotes to show whether the data in the table are on a FRS17 or non-FRS17 / non-IAS19 basis. For **Annex C** all the data are on a non-FRS17 / non-IAS19 basis unless otherwise stated.

3.2 Revenue expenditure and financing

3.2.1 Recent trends in revenue spending by broad service group and how it has been financed are shown in summary form in **Table 3.2a** and **Chart 3.2b**.

- Total revenue expenditure totalled £94.1bn in 2012-13, a decrease of 5% from £99.3bn in 2011-12.
- Education expenditure for 2012-13 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 the discontinuity between the financial years (2010-11 to 2011-12, and 2011-12 to 2012-13), it is difficult to compare total net current expenditure.
- 33% of total net current expenditure in 2012-13 was on education, 20% on housing benefits, 19% on social care, and 10% on police.
- Capital financing costs in 2012-13 amounted to £4.3bn, compared to £3.0bn in 2008-09.
- In 2012-13, £1.3bn of capital expenditure was charged to the revenue account, down from £1.7bn in 2008-09.
- Other non-current expenditure in 2012-13 was £4.3bn, which includes the payment of council tax benefit, discretionary non-domestic rate relief, flood defence payments to the Environment Agency and bad debt provision. This is netted off by income from specific grants outside Aggregate External Finance.

Table 3.2a: General fund revenue account: outturn 2008-09 to 2012-13 and budget 2013-14

£ million

	2008-09 ^(a)	2009-10 ^(b)	2010-11 ^(c)	2011-12 ^(c)	2012-13 ^(c)	2013-14 ^(c)
	(B)					
Education ^{(d), (e)}	42,148	44,471	45,283	40,219	37,134	38,793
Highways and transport	5,679	6,541	5,669	5,381	4,823	5,129
Social care ^{(f), (g)}	19,604	20,963	21,062	21,160	21,136	21,286
Public Health ^(h)						2,699
Housing (excluding Housing Revenue Account) ⁽ⁱ⁾	16,964	20,022	21,032	21,868	22,744	22,596
Cultural, environmental and planning	10,474	11,083	10,676	9,742	9,407	9,345
Police	11,555	12,022	11,948	11,650	11,337	11,166
Fire & rescue	2,104	2,177	2,165	2,118	2,119	2,174
Central services ⁽ⁱ⁾	3,846	3,771	3,608	3,342	3,412	3,679
Other ^(k)	643	9	-267	-267	-193	229
Appropriations to (+) / from (-) accumulated absences account	-	-	64	6	22	-6
Reversal of revenue expenditure funded from capital under statute (RECS) ⁽ⁱ⁾	-	-1,883	-	-	-	-
Total net current expenditure ^{(e), (g), (h)}	113,018	119,176	121,240	115,219	111,941	117,091
Capital financing	2,971	3,710	4,135	4,639	4,348	4,441
Capital Expenditure charged to Revenue Account	1,706	1,964	2,598	2,915	1,307	3,316
Other non-current expenditure ^(m)	3,660	4,089	4,306	4,332	4,337	118
Pension Interest Costs (FRS17)	7,042	-	-	-	-	-
Appropriation to/from Pension Reserves (FRS17)	-6,395	-	-	-	-	-
Appropriations to(+)/ from(-) financial instruments adjustment account	-135	32	15	-217	7	-21
Appropriations to(+)/ from(-) unequal pay back pay account	-64	24	-	-15	16	7
Private Finance Initiative (PFI) schemes - difference from service charge	-	18	38	5	51	90
less Interest receipts	1,926	780	663	860	815	417
less Specific grants outside AEF	21,772	24,958	27,191	26,542	26,829	22,229
less Business rates supplement	-	-	222	230	235	250
less Community Infrastructure Levy	-	-	-	0	6	18
less Carbon Reduction Commitment	-	-	-	-31	-27	-37
Revenue expenditure (Non-FRS17 / Non-IAS19)	98,107	103,276	104,256	99,278	94,148	102,165
financed by:						
Reserves and Other	-166	372	-1,172	-2,427	-2,461	1,307
Transfers and Adjustments ⁽ⁿ⁾	-2	-1	23	0	0	0
Appropriation to/from Reserves (excluding Pension Reserves)	-248	308	-1,261	-2,553	-2,592	1,183
Other items	85	65	65	126	131	124
Total Government Funding	45,970	48,953	50,113	45,754	42,043	43,983
Specific grants inside AEF	42,920	45,639	45,750	45,502	41,820	43,917
Area Based Grant (ABG)	3,050	3,314	4,363	-	-	-
Local Services Support Grant	-	-	-	253	223	66
Formula Grant ^(o)	27,495	28,269	29,012	29,436	27,802	33,504
of which:						
Revenue Support Grant	2,854	4,501	3,122	5,873	448	15,175
Redistributed non-domestic rates	20,506	19,515	21,517	19,017	23,129	-
Retained Income from Rate Retention Scheme	-	-	-	-	-	10,763
Police grant ^(p)	4,136	4,253	4,374	4,546	4,224	7,565
General Greater London Authority Grant	48	48	48	63	50	-
Council tax requirement	24,759	25,633	26,254	26,451	26,715	23,371

Source: Revenue Summary (RS) returns 2008-09 to 2012-13, Revenue Account (RA) budget return 2013-14.

(a) Produced on a Financial Reporting Standard 17 (FRS17) basis.

(b) Produced on a non-FRS17 and PFI off-balance sheet basis

(c) Produced on a non-IAS19 and PFI off-balance sheet basis (IAS19 replaces the previous FRS17 accounting system)

(d) Includes mandatory student awards and inter-authority education recoupment.

(e) Education expenditure for 2011-12 and 2012-13 are 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.

(f) Includes supported employment.

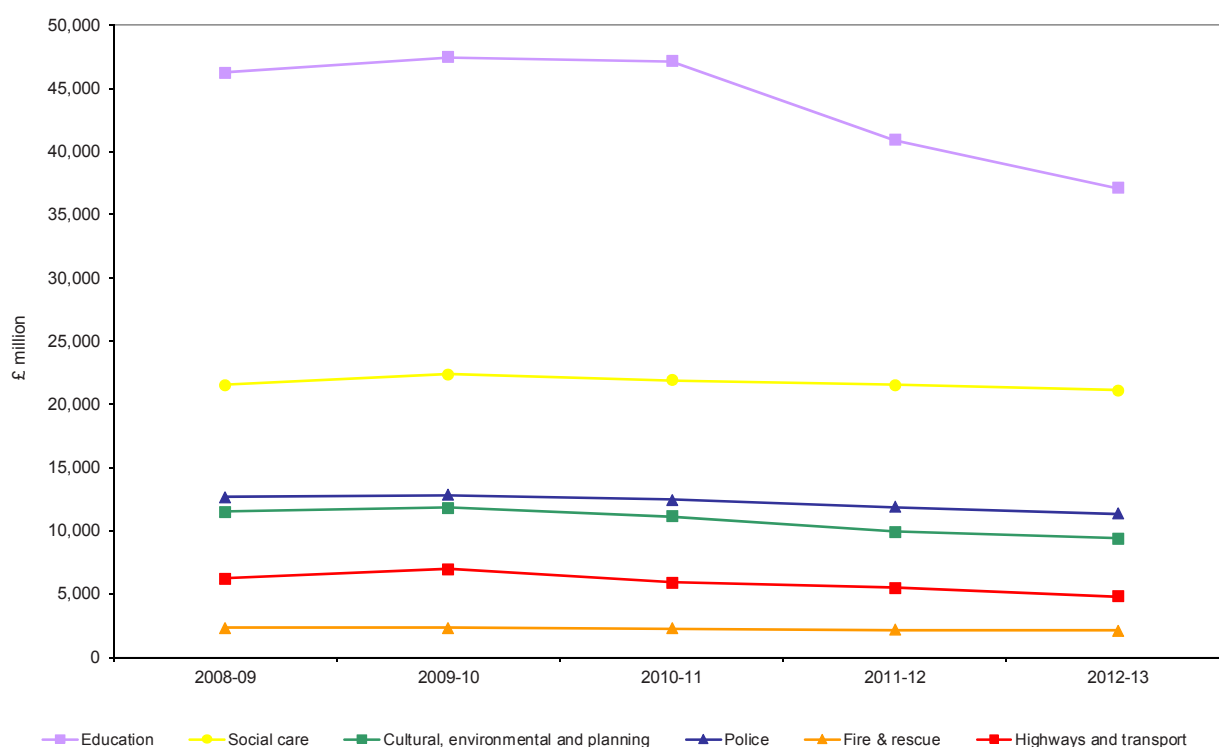
(g) Adult social care for 2011-12 is not comparable to previous years due to a change in responsibility between NHS and local government for adults with learning disabilities, where from 1st April 2011 the transfer of funding was made directly from Department for Health to LA's, where they now receive a new non-ring fenced grant which amounts to £1.2 billion in 2011-12.

(h) 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.

(i) Includes mandatory rent allowances, rent rebates granted to HRA tenants.

- (j) Court services were previously included as a separate service and have now been integrated with central services.
- (k) The 2009-10 & 2010-11 'other services' line now includes capital charges for internal and external trading services, therefore total net current expenditure has been adjusted, for both years, to account for this.
- (l) Net current expenditure estimates for 2009-10 are not fully comparable to 2010-11 figures owing to revenue expenditure funded from capital by statute (RECS) distributed across all services. Furthermore 2010-11 net current expenditure figures include liabilities for short term accumulated compensated absences (e.g. untaken annual leave entitlement), distributed across all the services, which makes comparisons against previous years not fully comparable. However total net current expenditure has been adjusted for both 2009-10 and 2010-11 so that they can be compared.
- (m) Includes: (i) gross expenditure on council tax benefit, (ii) discretionary non-domestic rate relief, (iii) flood defence payments to the environment agency, (iv) bad debt provision.
- (n) Inter-authority transfers in respect of reorganisation.
- (o) 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.
- (p) Police authorities, which are not part of the rates retention scheme, will receive all of their funding through Police Grant from 2013-14.

Chart 3.2b: Trends in net current expenditure (at 2012-13 prices)



From 2011-12 an increasing number of schools have left local authority control to become independent academies, for this reason it is difficult to compare local authority education expenditure from year to year.

3.2.2 Table 3.2c shows expenditure on the main services that take place through the **General Fund Revenue Account** in 2012-13. **Chart 3.2d** shows the percentage of expenditure by service in 2012-13. Recharges of administration and support services within the accounts have been excluded to remove double-counting. A detailed breakdown of expenditure and income can be found in **Annex C**.

Table 3.2c: Current expenditure by service 2012-13 (a)

	EXPENDITURE					INCOME ^(b)			£ million
	Running expenses				Sales, fees and charges	INCOME ^(b)			
	Employees	Procurement	Levies and transfers	Recharges		Total expenditure	Other income	Recharges	
Education	25,951	15,644			15,644	1,713	2,749		37,134
Highways and transport	1,225	6,354	0 ^(c)		6,354	2,011	744		4,823
Children Social care	2,639	4,507			4,507	119	415		6,612
Adult Social care	3,664	15,929			15,929	2,628	2,441		14,524
Housing (excluding Housing Revenue Account)	673	2,280		1 ^(d)	23,028	600	356		22,744
Cultural, environmental and planning	4,136	9,251	0 ^(e)		9,251	2,549	1,432		9,407
of which:									
Cultural	1,527	2,711			2,711	872	426		2,940
Environmental	1,593	5,151	0 ^(e)		5,151	1,050	658		5,036
Planning and development	1,016	1,389			1,389	627	348		1,430
Police	10,120	2,186			2,186	446	523		11,337
Fire & rescue	1,659	542			542	29	54		2,119
Central services	5,910	6,857	410 ^(f,g)		7,266	1,169	1,782	6,813	3,412
Other services	158	344	61 ^(h)	-372 ⁽ⁱ⁾	34	51	333	-6,813	-193
Administration recharges		-6,813 ⁽ⁱ⁾			-6,813				
Appropriations to/from accumulated absences accounts				22	22				22
Total net current expenditure	56,136	57,082	21,218	-349	77,951	11,316	10,830	0	111,941
Non-current expenditure									
Discretionary Non-Domestic Rate relief					30				
Flood defence payments to the Environment Agency					32				
Bad debt provision					122				
Leasing payments					63				
Total running expenses carried to Table 1.6b					78,198				

Source: Revenue Outturn (RO) and Revenue Summary (RS) returns

(a) Produced on a non-IAS19 and PFI off-balance sheet basis (IAS19 replaces the previous FRS17 accounting system)

(b) This income includes sales, fees and charges, payments from other local authorities and non-government organisation grants. It does not include central government grants, council tax, interest receipts or appropriations from reserves.

(c) Integrated Transport Authority Levy

(d) Negative subsidy entitlement from Housing Revenue Account (HRA) and other revenue account contributions to/from the HRA.

(e) Waste disposal authority levy.

(f) Net current expenditure on London Pensions Fund Authority levy.

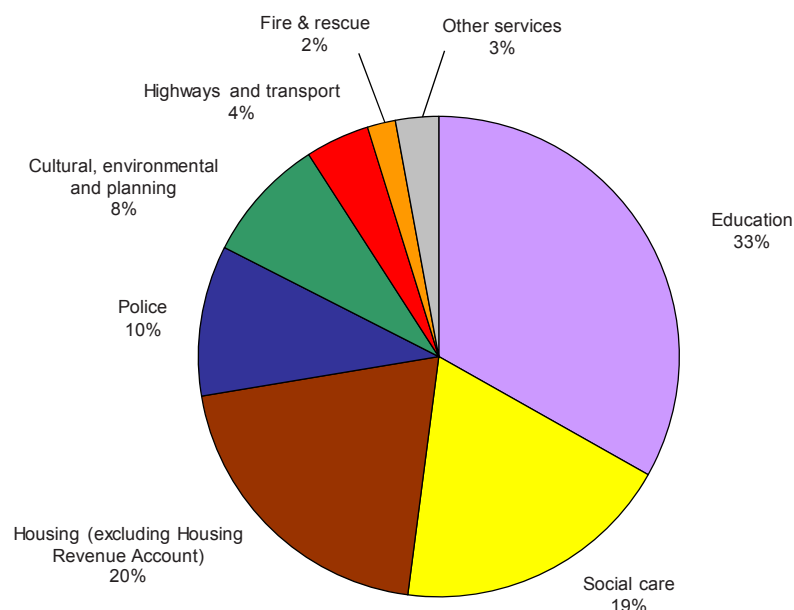
(g) Parish precepts (see Annex A3)

(h) Other levies.

(i) Net surplus/deficit and capital charges accounted for in internal and external trading accounts.

(j) Administration recharge expenditure within the general fund is recorded twice; alongside the individual service and also as a central services recharge. To ensure the expenditure is recorded only once, the recharge has been subtracted.

Chart 3.2d: Net current expenditure by service 2012-13



3.2.3 Longer-term trends in local authority revenue expenditure and how it has been financed since 1993-94 are shown in **Table 3.2e** and **Chart 3.2f**, in both cash terms and also in real terms at 2012-13 prices, using the GDP deflator to take account of inflation. Expenditure met by sales, fees and charges and expenditure under other accounts, such as the **Housing Revenue Account (HRA)** are excluded.

3.2.4 Changes and comparisons over time can often be misleading owing to changes in functions that are the responsibilities of local government. The sum of government grants, redistributed non-domestic rates and council tax does not normally exactly equal revenue expenditure because of the use of reserves.

- Revenue expenditure, in cash terms, has increased by 127% (more than double) between 1993-94 and 2012-13. The corresponding increase in real terms was 55%.
- In 2012-13, approximately 50% of revenue expenditure was funded through government grants, 28% through council tax and 25% through redistributed non-domestic rates.

Table 3.2e: Financing of revenue expenditure since 1993-94

	Revenue Expenditure ^(d) (£ million)	Government grants ^(e) (£ million)	% of total	Redistributed non-domestic rates ^(f) (£ million)	% of total	Council tax ^(g) (£ million)	% of total
Council tax system							
1993-94 ^(a)	41,506	21,685	52	11,584	28	8,912	21
1994-95 ^(a)	43,602	23,679	54	10,692	25	9,239	21
1995-96 ^(a)	44,827	23,335	52	11,361	25	9,777	22
1996-97 ^(a)	46,532	23,003	49	12,743	27	10,461	22
1997-98 ^(a)	47,256	23,840	50	12,034	25	11,241	24
1998-99 ^(a)	50,189	25,291	50	12,531	25	12,332	25
1999-00 ^(a)	53,651	26,421	49	13,619	25	13,278	25
2000-01 ^(a)	57,329	27,809	49	15,407	27	14,200	25
2001-02 ^(a)	61,952	31,469	50	15,144	24	15,246	25
2002-03 ^(a)	65,898	32,634	50	16,639	25	16,648	25
2003-04 ^(a)	75,244	41,777	56	15,611	21	18,946	25
2004-05 ^(a)	79,303	45,258	57	15,004	19	20,299	26
2005-06 ^(a)	84,422	45,838	54	18,004	21	21,315	25
2006-07 ^(a)	88,172	49,093	56	17,506	20	22,453	26
2007-08 ^(a)	92,384	51,656	56	18,506	20	23,608	26
2008-09 ^(a)	98,107	53,007	54	20,506	21	24,759	25
2009-10 ^(b)	103,276	57,755	56	19,515	19	25,633	25
2010-11 ^(c)	104,256	57,657	55	21,517	21	26,254	25
2011-12 ^(c)	99,278	56,237	57	19,017	19	26,451	27
2012-13 ^(c)	94,148	46,765	50	23,129	25	26,715	28

Source: Revenue Summary (RS) returns to 2012-13

(a) Produced on a Financial Reporting Standard 17 basis.

(b) Produced on a non Financial Reporting Standard 17 (non-FRS17) and PFI "off-balance" sheet basis.

(c) Produced on a non International Accounting Standard 19 (non-IAS19) and PFI "off-balance" sheet basis.

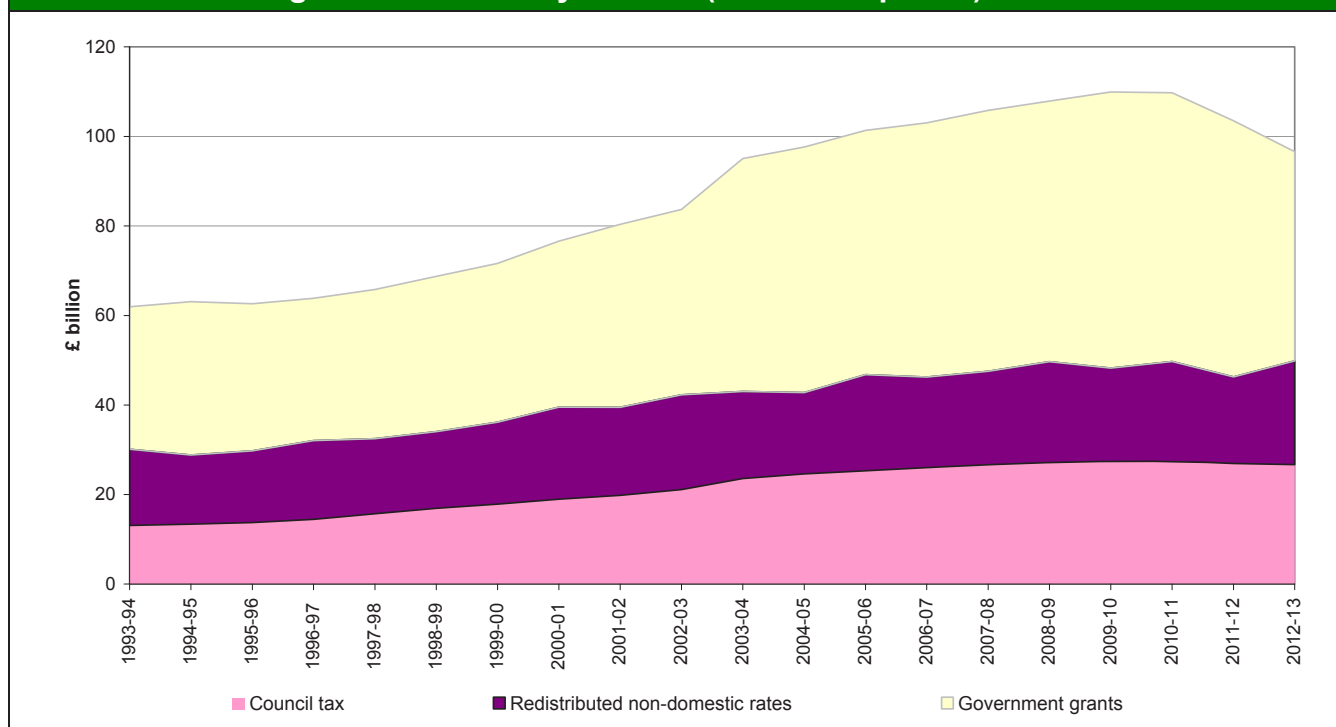
(d) The sum of government grants, business rates and local taxes does not normally equal revenue expenditure because of the use of reserves. The figures shown in the revenue expenditure column are expenditure financed from Revenue Support Grant, specific and special grants within AEF, redistributed non-domestic rates, council taxes and balances. The figures also include spending met by Standard Spending Assessment (SSA) reduction grant (1994-95 to 2001-02), Police grant (1995-96 onwards), Central Support Protection Grant (1999-00 to 2001-02) and General GLA grant (2000-01 onwards).

(e) The figures shown in the Government grants column are Revenue Support Grant and specific and special grants within AEF. In addition, also included are SSA reduction grant (1994-95 to 2001-02), Police grant (1995-96 onwards), Central Support Protection Grant (1999-00 to 2001-02), General GLA grant (2000-01 onwards), Area Based Grant (2008-09 to 2010-11) and Local Services Support Grant (2011-12 onwards).

(f) The figures shown in the redistributed non-domestic rates column include City of London offset from 1993-94 to 2003-04.

(g) The figures shown in the council tax column are gross of council tax benefit and council tax transitional reduction scheme.

Chart 3.2f: Funding of local authority income (at 2012-13 prices)



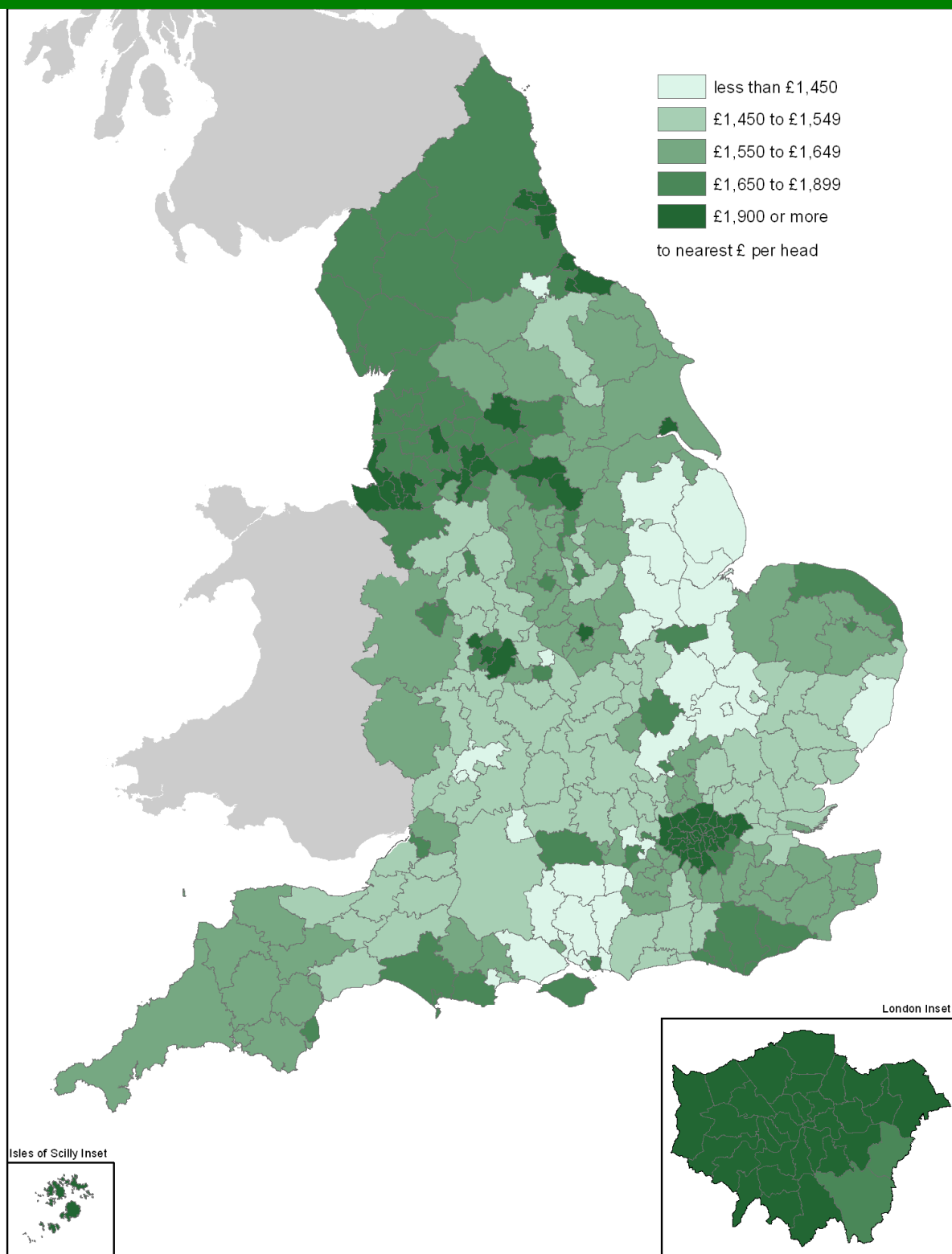
3.2.5 The following three maps illustrate variations in expenditure and funding in 2012-13:

- **Map 3.2g** Revenue expenditure per head.
- **Map 3.2h** Central Government finance per head (comprises Central Government Grants and National Non-Domestic Rates).
- **Map 3.2i** Council tax as a proportion of revenue expenditure.

3.2.6 The maps show average expenditure and funding by billing authority. Services, such as police and fire (provided by joint and combined authorities and the Greater London Authority) have been proportioned to each billing authority appointed.

- Revenue expenditure per head is generally highest in London and parts of the North, and lowest in the central and southern parts of England.
- The pattern of high revenue expenditure generally reflects high grant levels through Central Government finance, with a lower percentage of revenue raised through council tax in most of these areas.
- The lowest levels of revenue spending are generally in the areas with no large cities and these areas are characterised by lower levels of grant and a higher proportion of locally raised revenue.

Map 3.2g: Revenue expenditure per head 2012-13



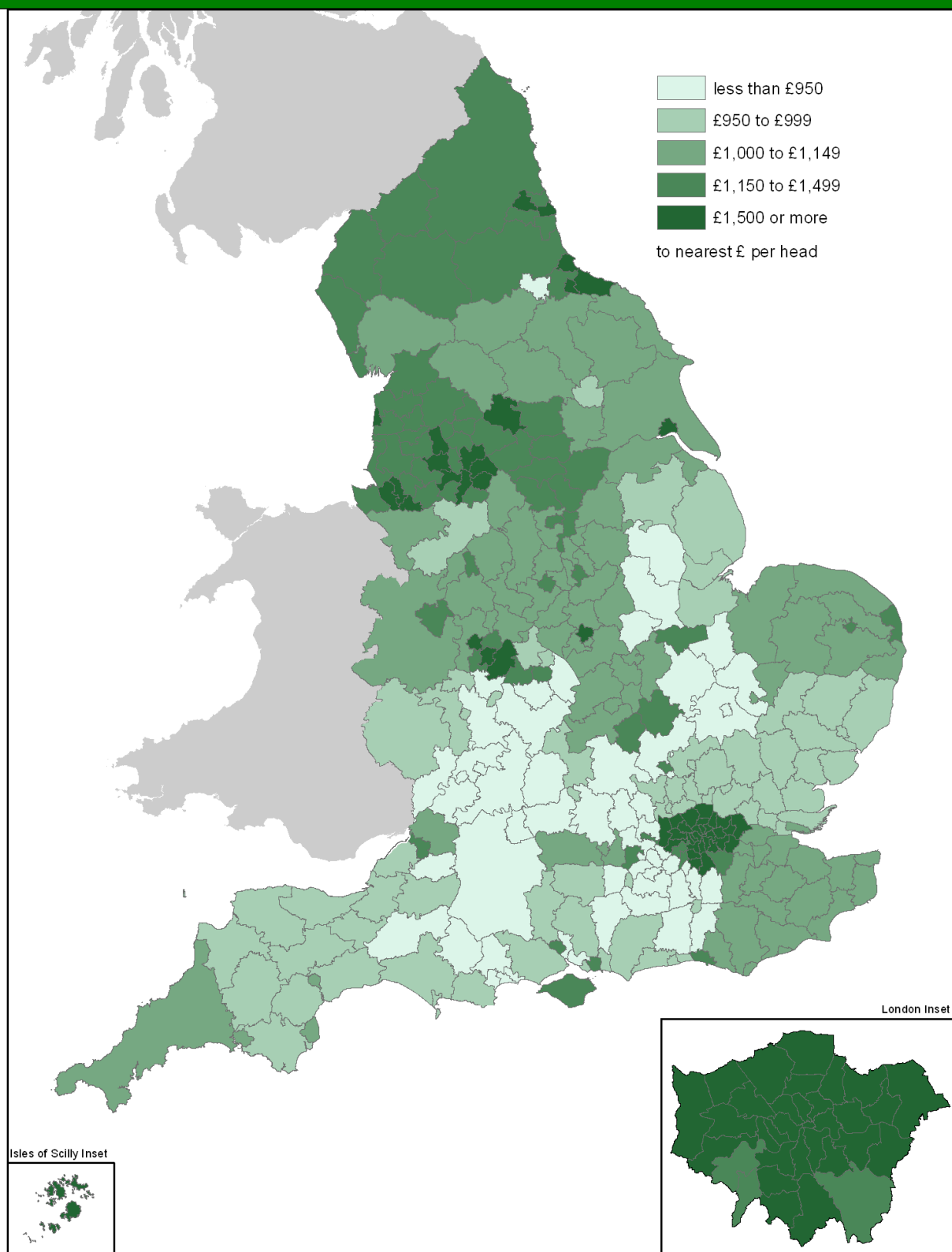
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Data Sources:

RO returns,
 ONS Population Unit

Map 3.2h: Central Government finance per head 2012-13



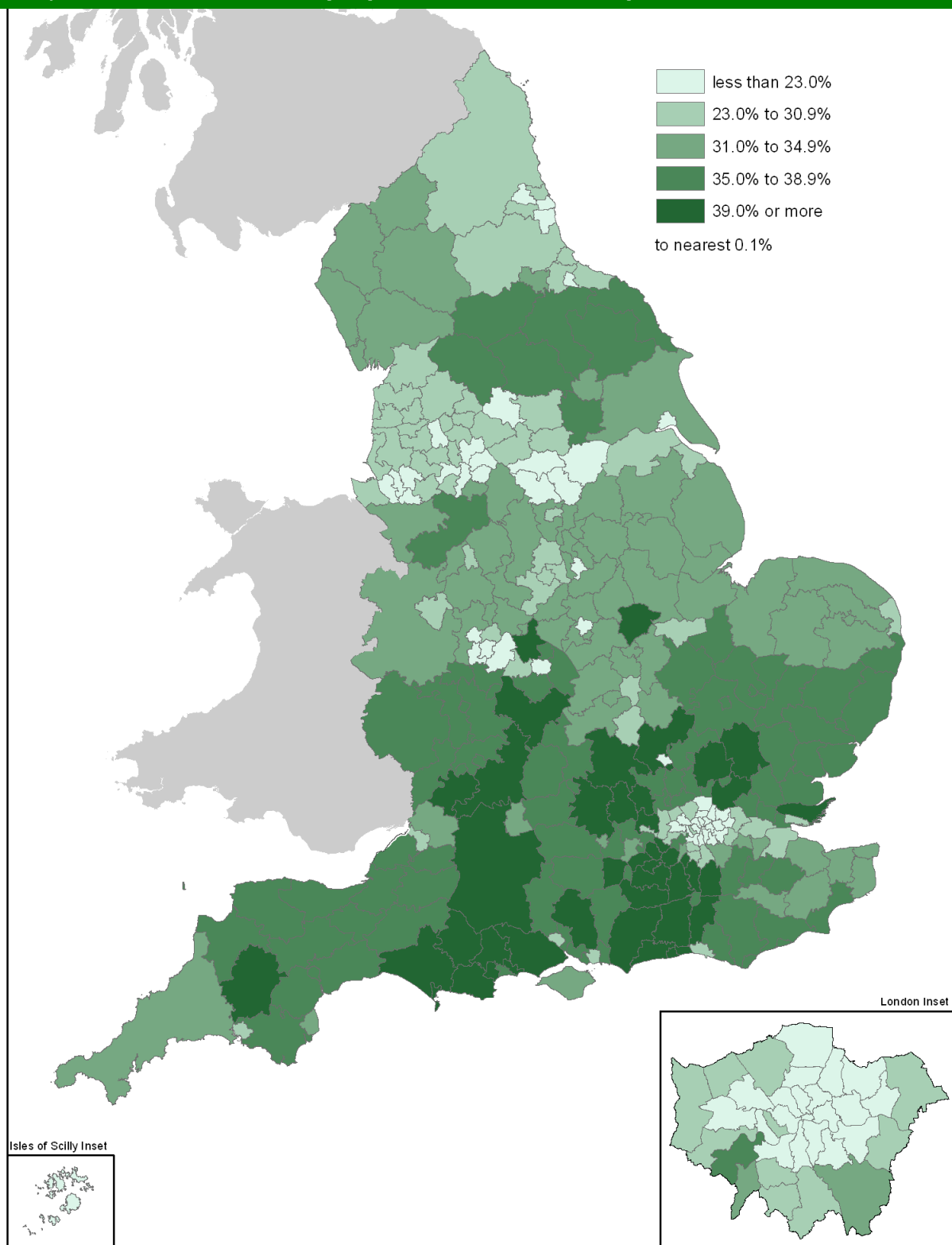
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Data Sources:

RO returns,
ONS Population Unit

Map 3.2i: Council tax as a proportion of revenue expenditure 2012-13



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Data Sources:

RO returns,
ONS Population Unit

3.3 Pattern of spending by class of authority

3.3.1 **Table 3.3a** and **Chart 3.3b** show revenue expenditure for each class of authority in England.

- Revenue expenditure per head in England decreased from £1,869 in 2011-12 to £1,760 in 2012-13.

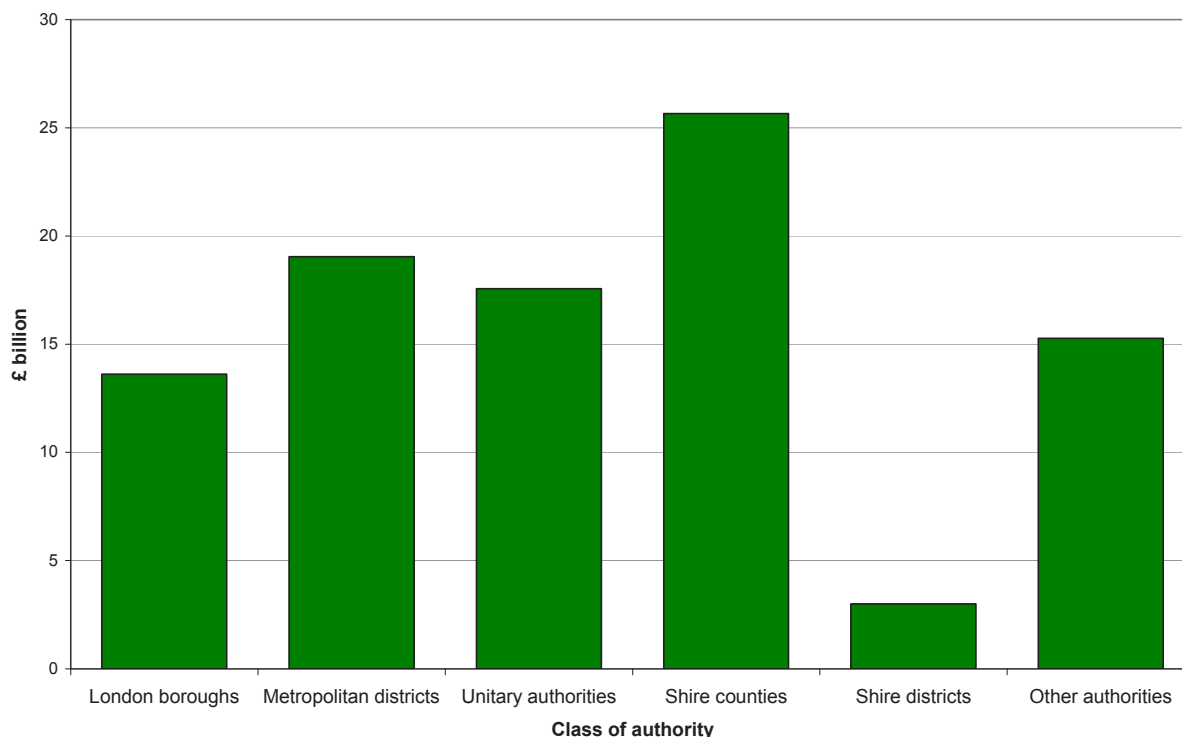
Table 3.3a: Revenue expenditure by class of authority 2008-09 to 2012-13

Class of authority	2008-09	2009-10	2010-11	2011-12	£ billion 2012-13
London boroughs	14	15	15	14	14
Metropolitan districts	20	20	21	20	19
Unitary authorities	14	19	19	18	18
Shire counties	31	28	28	27	26
Shire districts	4	4	3	3	3
Other authorities ^(a)	16	18	18	18	15
England	98	103	104	99	94
Revenue expenditure per head (£)	1,893	1,979	1,980	1,869	1,760

Source: Revenue Summary (RS) returns and ONS mid-year population estimates 2008 to 2012.

(a) Includes Greater London Authority

Chart 3.3b: Revenue expenditure by class of authority 2012-13



3.3.2 **Table 3.3c** shows the distribution of revenue expenditure for 2012-13 by class of authority.

- All shire counties spend £500m or more a year, while all shire districts spend less than £40m a year.
- All London boroughs and metropolitan districts and most unitary authorities spend £40m or more a year.

Table 3.3c: Revenue expenditure by class of authority 2012-13

Band (£ million)	Number of Authorities						England
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	
less than 5	0	0	0	0	0	15	15
5 up to 10	0	0	1	0	25	4	30
10 up to 15	0	0	0	0	88	1	89
15 up to 20	0	0	0	0	61	0	61
20 up to 40	0	0	0	0	27	15	42
40 up to 300	8	4	32	0	0	49	93
300 up to 500	16	22	18	0	0	4	60
500 and above	9	10	5	27	0	3	54
Total	33	36	56	27	201	91	444

Source: Revenue Outturn (RO) returns

3.4 Labour, goods and services purchased

- 3.4.1 Revenue expenditure can also be analysed in terms of the labour, goods and services purchased by local authorities.
- 3.4.2 Since 1998-99 a sample of local authorities have completed the *Subjective Analysis Return* (136 local authorities have been queried annually from 2005-06). This shows how net current expenditure is broken down between pay and the procurement of goods and services. Pay is analysed to show the major pay negotiating groups. Procurement of goods and services is analysed to show goods and services purchased directly and services provided by external contractors (private contractors and voluntary organisations) or internal **trading services (Direct Labour Organisations and Direct Service Organisations)**.
- 3.4.3 **Table 3.4a** shows a time series of this analysis from 2008-09 onwards. Total expenditure on pay and the procurement of goods and services is consistent with *Revenue Outturn* data, but has been adjusted to exclude double counting of expenditure that has been recharged between service blocks within the General Fund Revenue Account, or between one local authority and another. Discretionary transfer payments have also been excluded.
- 3.4.4 Detailed analyses of the *Subjective Analysis Return* for 2012-13 are shown in Annex **Table C1h**.

- In 2012-13, 50% of employee and procurement expenditure was used to pay teachers, police, fire-fighters and other local government workers.
- Of the £56.1bn spent on pay in 2012-13, £16.0bn was used to pay teachers.
- £57.1bn was spent on the procurement of goods and services in 2012-13, of which £27.2bn was paid to external contractors.

Table 3.4a: Labour, goods and services 2008-09 to 2012-13

	£ million					%
	2008-09 ^(a)	2009-10 ^(b)	2010-11 ^(c)	2011-12 ^(c)	2012-13 ^(c)	2012-13
Teachers	20,427	20,877	20,457	18,155	15,970	14
Police	10,350	10,501	10,616	10,439	9,967	9
Firefighters	1,480	1,493	1,468	1,454	1,400	1
Other local government	28,920	30,080	30,243	27,547	26,628	24
Pay related costs	1,681	2,668	2,751	2,599	2,171	2
Total employee expenditure	62,858	65,618	65,534	60,195	56,136	50
Premises related expenditure	7,475	7,869	7,334	6,724	6,716	6
Transport expenditure	3,172	3,112	2,975	2,829	2,741	2
Supplies and services expenditure	18,089	20,048	19,060	17,822	17,507	15
External contractors ^(d)	26,228	27,158	28,970	27,156	27,224	24
Internal trading services	2,102	2,866	2,222	2,075	1,781	2
Other ^(e)	493	854	881	737	1,114	1
Total procurement expenditure	57,559	61,907	61,442	57,344	57,082	50
Total employee and procurement expenditure	120,417	127,525	126,976	117,538	113,218	100

Source: Subjective Analysis Return (SAR)

(a) Produced on a Financial Reporting Standard 17 (FRS17) basis.

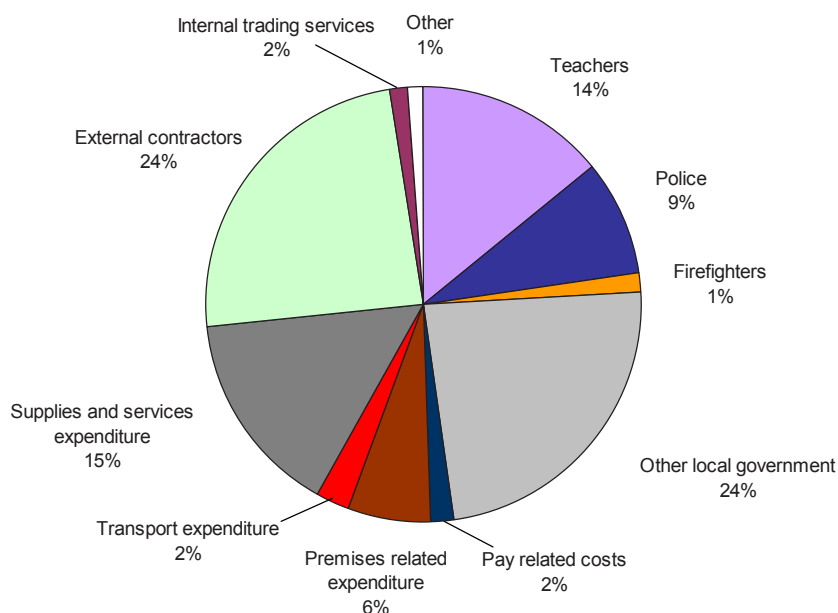
(b) Produced on a non-FRS17 and PFI "off-balance" sheet basis

(c) Produced on a non-IAS19 and PFI off-balance sheet basis (IAS19 replaces the previous FRS17 accounting system)

(d) Excludes expenditure on inter local authority recoupment (RO1).

(e) Excludes expenditure on concessionary fares and administration and support services recharges (RO2, RO6).

Chart 3.4b: Labour, goods and services 2012-13



3.5 Capital items

- 3.5.1 For 2012-13, capital items comprise capital charges (**depreciation and impairment charges for tangible fixed assets, amortisation charges for intangible assets and revaluations taken to surplus or deficit on the provision of services**), credit for capital grants, and Revenue Expenditure funded from Capital by Statute (RECS).
- 3.5.2 The sum of total expenditure, capital charges and Revenue Expenditure funded from Capital by Statute (RECS) gives total cost, as defined by **CIPFA's Service Reporting Code of Practice** (SERCOP). This provides the link between expenditure definitions collected on the *Revenue Outturn* forms, and the definition of gross total cost. For more information on expenditure definitions, see the glossary.

- In 2012-13 capital items represented 8.8% of gross total cost.
- Capital items as a percentage of gross total cost are highest for Planning and Development services and lowest in Adult Social Care Services.
- Capital items have increased from £12.0bn in 2011-12 to £13.6bn in 2012-13.

Table 3.5a: Capital items and gross total cost by service 2012-13 (a)

				£ million
	Gross expenditure	Capital items	Total	Capital items as percentage of total
Education	41,596	4,558	46,153	9.9
Highways and transport	7,579	2,716	10,295	26.4
Social services	26,740	384	27,124	1.4
<i>of which:</i>				
<i>Children Social Care</i>	7,147	118	7,264	1.6
<i>Adult Social Care</i>	19,593	266	19,859	1.3
Housing (excluding Housing Revenue Account)	23,701	987	24,688	4.0
Cultural, environmental and planning	13,388	3,358	16,745	20.1
<i>of which:</i>				
<i>Cultural</i>	4,239	947	5,186	18.3
<i>Environmental</i>	6,744	447	7,191	6.2
<i>Planning and development</i>	2,405	1,963	4,368	44.9
Police	12,307	573	12,880	4.5
Fire & rescue	2,202	175	2,376	7.3
Central services	12,766	743	13,509	5.5
Other services	502	65	567	11.4
Total	140,779	13,558	154,337	8.8

Source: Revenue Outturn (RO) and Revenue Summary returns

(a) Produced on a non-IAS19 and PFI off-balance sheet basis (IAS19 replaces the previous FRS17 accounting standard)

3.6 Revenue reserves

3.6.1 Revenue reserves are an accumulation of income, which can be used to finance future spending and to provide working balances. Authorities hold reserves for a variety of reasons including:

- to meet unexpected calls on their resources, like the consequences of flooding or of snow and ice on roads,
- to act as a cushion against uneven cash flows, to avoid the need for temporary borrowing,
- to build up resources to cover certain or probable future liabilities.

Table 3.6a shows the level and use of revenue reserves by class of local authority.

3.6.2 Planning for unexpected expenditure is an important element of authorities' risk management strategies, and decisions on the amount held for this reason should follow a careful assessment of risks faced by an authority and other means by which the risks can be mitigated.

3.6.3 There are three main types of revenue reserves:

- schools' reserves, which represent amounts retained by schools out of their delegated budgets; schools hold these reserves for the same reasons as local authorities,
- other earmarked reserves, which have been set aside for other particular purposes,
- unallocated reserves, which are intended for general contingencies.

3.6.4 In presenting how much finance a local authority has in reserve at any point in time it is normal to exclude schools' reserves as they are not immediately available to a local authority.

- The total level of non-schools revenue reserves at 31 March 2013 was £19.4bn, an increase of £2.6bn from 1 April 2012.

Table 3.6a: Level of revenue reserves by class at 31 March 2013

	Revenue expenditure ^(a)	Revenue reserves				Revenue reserves as a % of revenue expenditure			
		£ million			Non-schools total				Non-schools total
		Schools	Other earmarked	Unallocated		Schools	Other earmarked	Unallocated	
London boroughs	13,612	480	2,490	613	3,103	3.5	18.3	4.5	22.8
GLA	5,225	-	2,350	258	2,607	-	45.0	4.9	49.9
Metropolitan districts	19,045	581	2,081	573	2,654	3.0	10.9	3.0	13.9
Unitary authorities	17,564	437	2,175	659	2,833	2.5	12.4	3.7	16.1
Shire counties	25,659	875	3,025	772	3,797	3.4	11.8	3.0	14.8
Shire districts	2,996	-	1,356	949	2,304	-	45.3	31.7	76.9
Police authorities	8,335	-	787	397	1,185	-	9.4	4.8	14.2
Fire authorities	1,497	-	331	157	488	-	22.1	10.5	32.6
Other authorities ^(b)	214	-	289	160	449	-	135.2	74.8	210.0
England	94,148	2,372	14,886	4,537	19,423	2.5	15.8	4.8	20.6

Source: Revenue Summary (RS) returns

(a) Revenue Expenditure is on a non International Accounting Standard 19 (IAS19) and PFI "off balance" sheet basis. This figure represents the Revenue Expenditure that must be financed from cash backed resources.

(b) Other authorities includes national parks, waste disposal and integrated transport authorities.

3.6.5 **Table 3.6b** shows the distribution of non-school revenue reserves by class of authority at 31 March 2013.

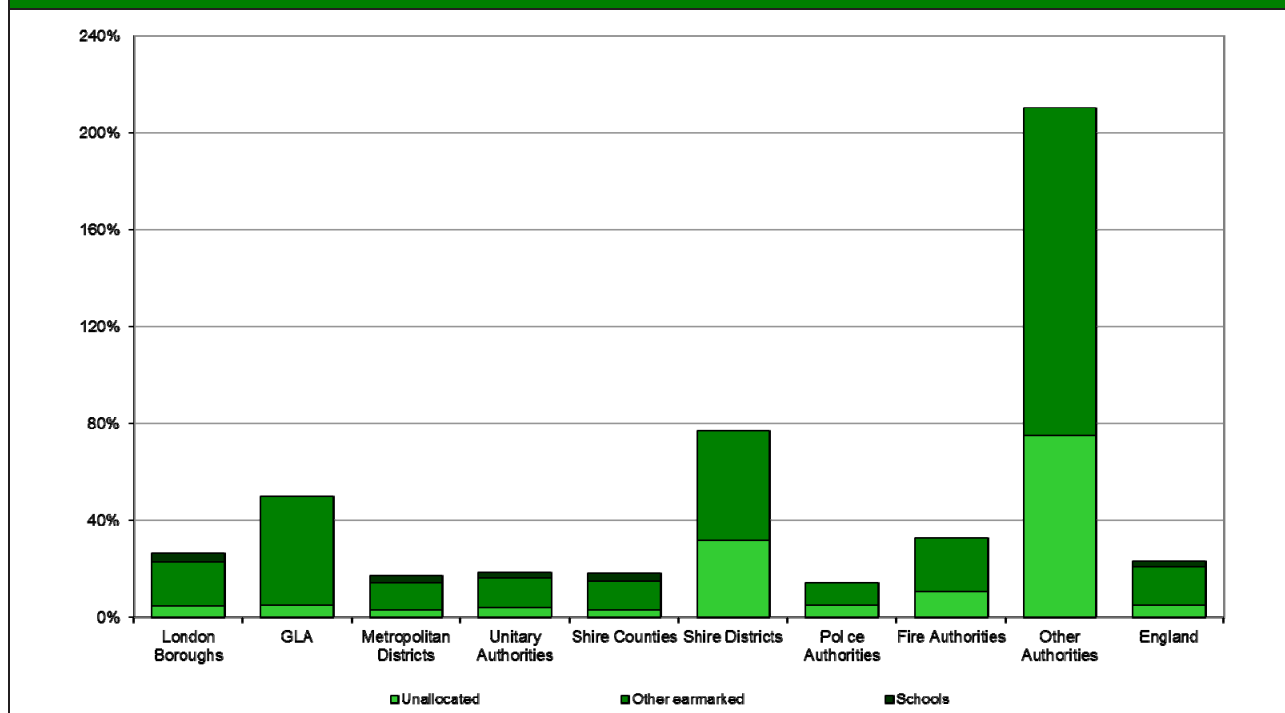
- All shire counties and London boroughs, and 35 of 36 metropolitan districts had non-school revenue reserves of over £20m.
- Over half of shire districts had non-school revenue reserves of less than £10m.

Table 3.6b: Non-school revenue reserves by class of authority at 31 March 2013

Band (£ million)	Number of Authorities						England
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	
Less than 4	0	0	0	0	21	12	33
4 up to 7	0	0	0	0	46	6	52
7 up to 10	0	0	2	0	47	9	58
10 up to 20	0	1	4	0	69	19	93
20 up to 40	2	4	24	1	12	28	71
40 up to 80	13	21	16	3	6	15	74
80 and above	18	10	10	23	0	2	63
Total	33	36	56	27	201	91	444

Source: Revenue Outturn (RO) returns

Chart 3.6c: Revenue reserves as a proportion of revenue expenditure, 31 Mar 2013



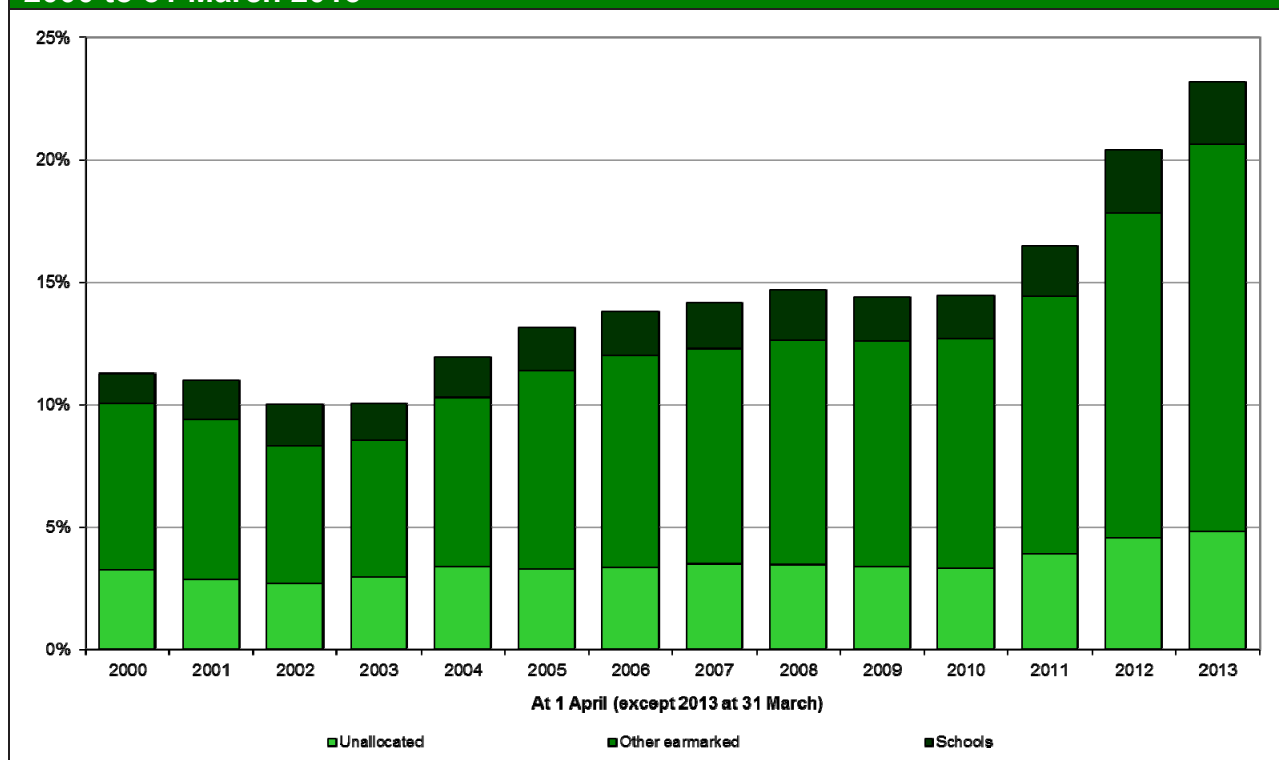
- Non-schools revenue reserves have increased each year since 2002, having nearly quadrupled from £5.5bn in 2002 to £19.4bn in 2013.

Table 3.6d: Level and use of revenue reserves 1 April 2000 31 March 2013

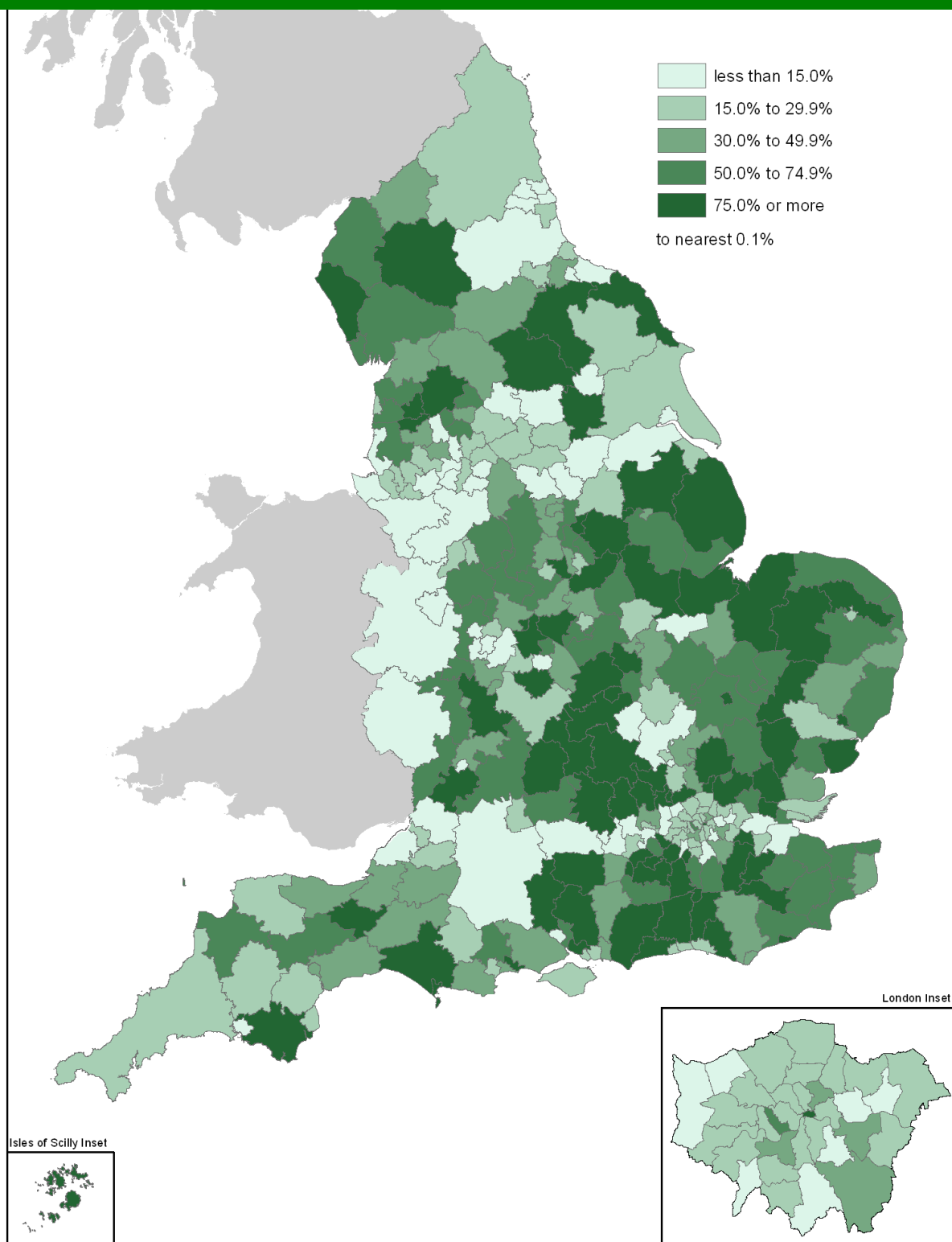
£ million										
Revenue reserves						Revenue reserves as a % of revenue expenditure				
At 1 April	Revenue expenditure ^(a)	Other		Non-schools total	% change over previous years	Other			Non-schools total	
		Schools	earmarked			Schools	earmarked	Unallocated		
2000	57,329	694	3,895	1,863	5,758	-	1.2	6.8	3.2	10.0
2001	61,952	1,007	4,047	1,755	5,802	0.8	1.6	6.5	2.8	9.4
2002	65,898	1,103	3,732	1,756	5,488	-5.4	1.7	5.7	2.7	8.3
2003	75,244	1,132	4,198	2,224	6,422	17.0	1.5	5.6	3.0	8.5
2004	79,303	1,315	5,484	2,678	8,162	27.1	1.7	6.9	3.4	10.3
2005	84,422	1,498	6,831	2,774	9,605	17.7	1.8	8.1	3.3	11.4
2006	88,172	1,596	7,644	2,939	10,583	10.2	1.8	8.7	3.3	12.0
2007	92,384	1,760	8,122	3,205	11,327	7.0	1.9	8.8	3.5	12.3
2008	98,107	2,009	9,014	3,373	12,386	9.4	2.0	9.2	3.4	12.6
2009	103,276	1,866	9,488	3,497	12,986	4.8	1.8	9.2	3.4	12.6
2010	104,256	1,834	9,759	3,469	13,228	1.9	1.8	9.4	3.3	12.7
2011	99,278	2,047	10,451	3,862	14,313	8.2	2.1	10.5	3.9	14.4
2012	94,148	2,413	12,534	4,255	16,790	17.3	2.6	13.3	4.5	17.8
At 31 March										
2013	94,148	2,372	14,886	4,537	19,423	17.7	2.5	15.8	4.8	20.6

Source: Revenue Summary (RS) returns to 2012-13

(a) Revenue expenditure is on a non International Accounting Standard 19 (IAS19) and PFI "off balance" sheet basis. This figure represents the Revenue Expenditure that must be financed from cash backed resources. Revenue expenditure for 2013 is outturn 2012-13, same as 2012.

Chart 3.6e: Revenue reserves as a proportion of revenue expenditure at 1 April 2000 to 31 March 2013


Map 3.6f: Non-schools reserves at 31 March 2013 as a proportion of revenue expenditure by billing authority in 2012-13



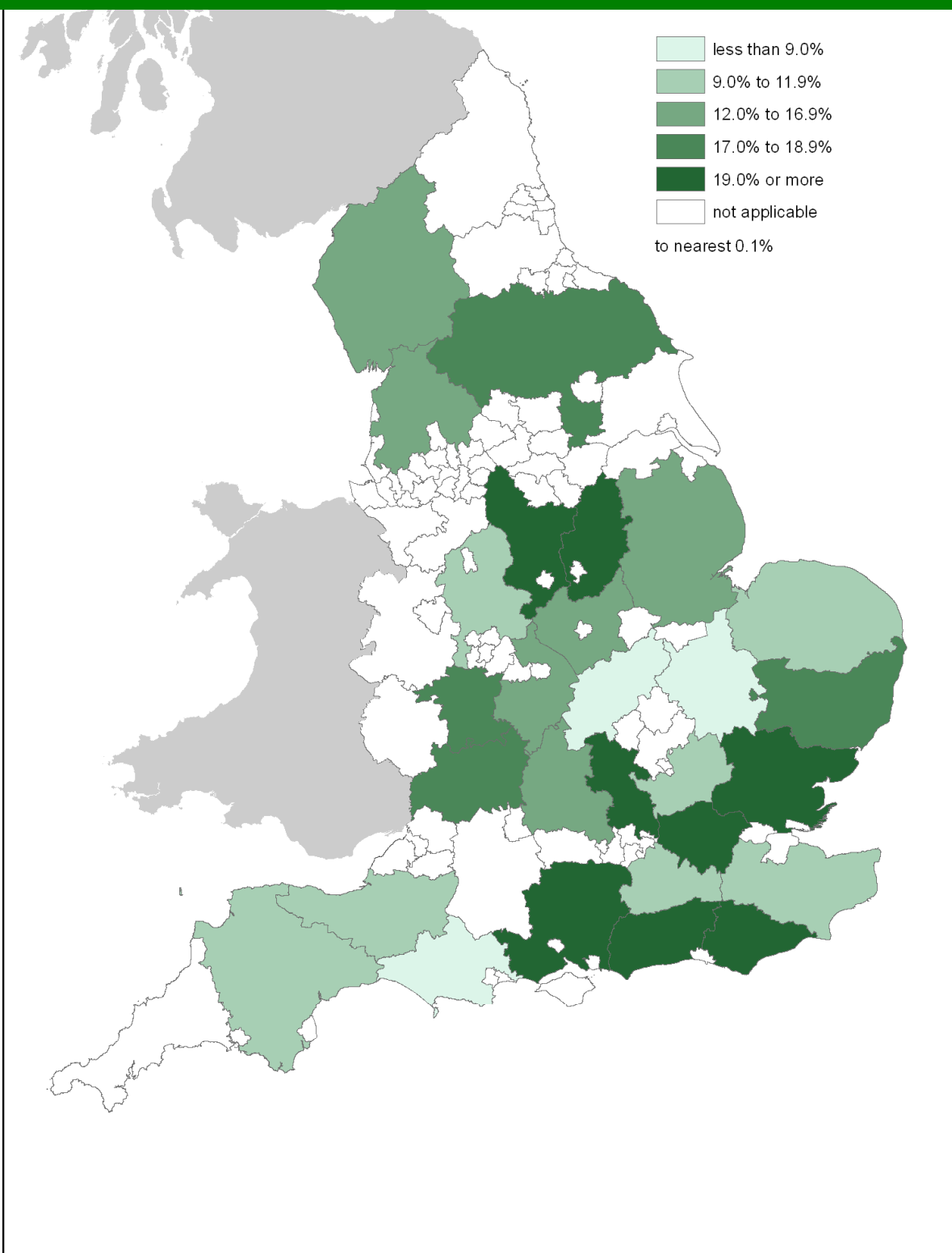
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Data Sources:

RO returns

Map 3.6g: Non-schools reserves at 31 March 2013 as a proportion of revenue expenditure by upper tier authority in 2012-13



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Data Sources:

RO returns

3.7 External trading services

- 3.7.1 Local authorities operate a variety of trading services, which are either defined under general or local Acts of Parliament or by custom. They are services of a commercial nature which are substantially financed by charges made to recipients of the services.
- 3.7.2 External trading services are typically organisations funded mainly by sales outside the authority. These include civic halls and theatres, markets, industrial estates, tolled bridges, roads, ferries and tunnels. Their receipts are conditional on actual work done. They differ from public corporations in that they do not have a full commercial style set of accounts, or autonomy from the local authority in day to day business operations in their legal identity and financial transactions.
- 3.7.3 A breakdown of expenditure on the internal and external trading services account can be found in **Table C1g** in **Annex C1**.

- Gross Expenditure in 2012-13 on external trading services totalled £791m, compared with £815m in 2011-12, a fall of 3%.
- These services generated income of £1,092m, a decrease of 3% from £1,131m in 2011-12.
- This resulted in a surplus of £302m in the General Fund Revenue Account, 4% lower than the £316m surplus in 2011-12.
- Industrial estates and investment properties generated the most income of all the services, together accounting for 31% of the total income.

3.8 Housing Revenue Account (HRA)

- 3.8.1 The HRA is a record of revenue expenditure and income relating to an authority's own housing stock and dates back to the Housing Act 1935. Most other local authority services are funded through council tax and central government support for the benefit of all local taxpayers. However housing is provided directly to a relatively small sub-group of local residents and council tenants and funded by the rents they pay and by central government subsidy. The HRA is a ring-fenced account. The ring-fence was introduced in the Local Government and Housing Act 1989, to ensure that rents paid by local authority tenants make a fair contribution to the cost of providing the housing service. Rent levels can therefore not be subsidised by increases in the council tax and equally, local authorities are prevented from increasing rents in order to keep council tax levels down.
- 3.8.2 Housing revenue account information is derived from the Revenue Outturn (RO) and Revenue Account budget (RA) forms from 2012-13. Data for years prior to this was collected on the HRA subsidy forms and can be found in previous editions of LGFS.
- 3.8.3 In March 2012 the HRA subsidy system was abolished and replaced with a self-financing system. This involved transfers of assets and liabilities between central and local government. The net result of these transactions was that local government borrowing increased by approximately £8.1 billion in March 2012 to cover the housing stock they took over. In future this function will be at the local authority level.

- Housing Revenue Account expenditure was estimated at £7.9bn for 2012-13.
- At the national level, the main items of expenditure in 2012-13 were supervision and management: general (22%), repairs (22%) and interest payable and similar charges (15%).
- Housing Revenue Account income was estimated at £8.2bn for 2012-13.
- At the national level the main items of income were rents from dwellings (83%).

Table 3.8a: Housing Revenue Account income and expenditure, 2012-13 outturn and 2013-14 budget

	£ million	
	2012-13	2013-14
		(B)
Expenditure		
Supervision and management	1,761	1,857
Special services	487	548
Repairs and maintenance	1,720	1,763
Capital expenditure charged to the General Fund Revenue Account	428	912
Debt charges	1,107	1,105
Interest payable and similar charges	1,154	1,092
Transfers to GF or MRR ^(a)	1,022	714
Other expenditure ^(b)	175	243
Total expenditure	7,854	8,233
Income		
Dwelling rents ^(c)	6,743	7,030
Non-dwelling rents	174	171
Charges for services and facilities	636	618
Interest on investments credited direct to the HRA	30	17
Government grants and assistance	231	169
Transfers from GF or MRR ^(a)	211	101
Contributions towards expenditure (other than government grants)	140	126
Total income	8,165	8,231
Surplus (+) or deficit (-) on HRA services	311	-2

Source: Revenue Outturn (RO4) return 2012-13, Revenue Account (RA) budget return 2013-14.

(a) 'General Fund Revenue Account' and 'Major Repairs Reserve'

(b) Includes provision for bad debts

(c) Gross (i.e. including rents met by rebates)

Chart 3.8b: Housing Revenue Account expenditure 2012-13

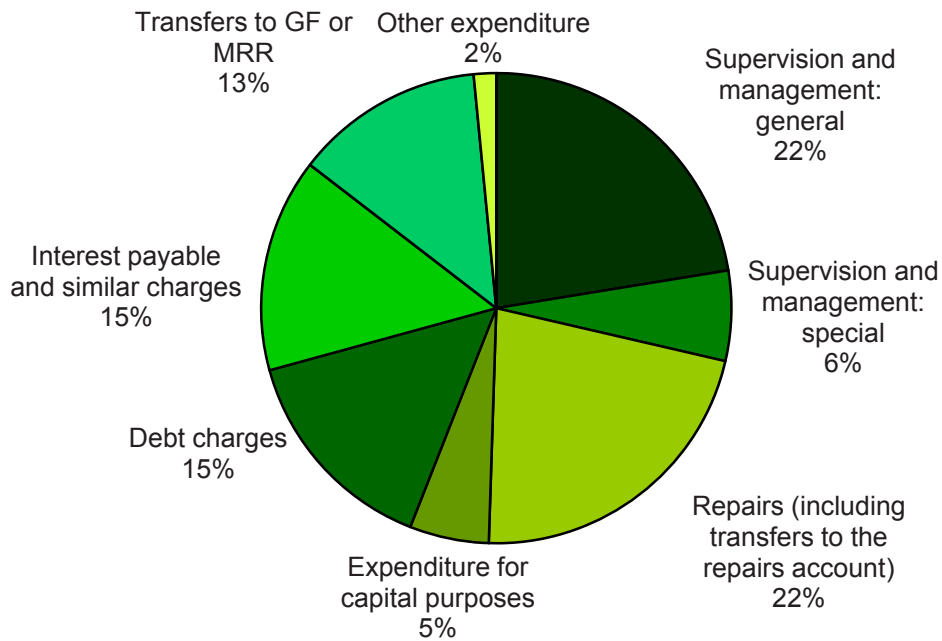


Chart 3.8c: Housing Revenue Account income 2012-13

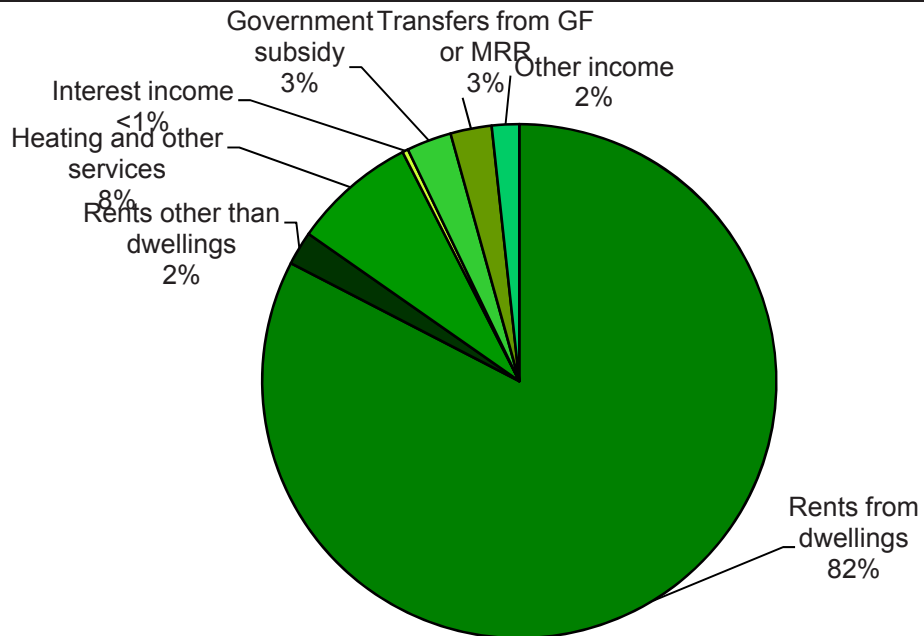


Table 3.8d: Housing Revenue Account income and expenditure, 2012-13 by class of authority

	£ million					
	London boroughs	Metropolitan districts	Shire districts	Unitary authorities	All English authorities	% of total
Expenditure						
Supervision and management	747	400	353	260	1,761	22.4
Special services	211	112	89	75	487	6.2
Repairs and maintenance	557	436	388	339	1,720	21.9
Capital expenditure charged to the General Fund Revenue Account	110	145	122	51	428	5.4
Debt charges	316	300	315	176	1,107	14.1
Interest payable and similar charges	311	364	294	186	1,154	14.7
Transfers to GF or MRR ^(a)	409	135	275	203	1,022	13.0
Other expenditure ^(b)	71	55	24	25	175	2.2
Total expenditure	2,732	1,949	1,859	1,314	7,854	100.0
Income						
Dwelling rents ^(c)	2,037	1,686	1,754	1,266	6,743	82.6
Non-dwelling rents	78	26	42	27	174	2.1
Charges for services and facilities	393	83	94	66	636	7.8
Interest on investments credited direct to the HRA	17	3	6	4	30	0.4
Government grants and assistance	91	87	46	7	231	2.8
Transfers from GF or MRR ^(a)	99	62	42	9	211	2.6
Contributions towards expenditure (other than government grants)	60	42	24	13	140	1.7
Total income	2,776	1,989	2,008	1,392	8,165	100.0
Source: Revenue Outturn (RO4) return 2012-13, Revenue Account (RA) budget return 2013-14						
(a) 'General Fund Revenue Account' and 'Major Repairs Reserve'						
(b) Includes provision for bad debts						
(c) Gross (i.e. including rents met by rebates)						

CHAPTER 4

How is the money spent? – capital spending and how it is financed

4.0.1 This chapter describes the pattern and trends in capital spending by local authorities and how that expenditure is financed. It is divided into the following sections:

- | | |
|---|-------------|
| • Expenditure definitions | section 4.1 |
| • Capital spending | section 4.2 |
| • Pattern of spending by class of authority | section 4.3 |
| • Financing of capital spending – overview | section 4.4 |
| • Capital receipts | section 4.5 |

Additional detail on expenditure and receipts in 2012-13 is given in **Annex D**.

4.0.2 Capital spending by local authorities is mainly for buying, constructing or improving physical assets, such as:

- Buildings – schools, houses, libraries and museums, police and fire stations etc
- land – for development, roads, playing fields etc
- vehicles, plant and machinery – including street lighting, road signs etc.

It also includes grants and advances made to the private sector or the rest of the public sector for capital purposes, such as advances to Registered Social Landlords.

4.0.3 Authorities finance this spending in a number of ways, including use of their own revenue funds, capital receipts, borrowing or grants and contributions from elsewhere. Up until 31 March 2004 the capital finance system laid down in Part 4 of the Local Government and Housing Act 1989 (the “1989 Act”) provided the framework within which authorities were permitted to finance capital spending from sources other than revenue - that is by the use of borrowing, long-term credit or capital receipts.

4.0.4 The basic principle of the old system was that authorities could use borrowing and credit only up to the limits specified by the Government through the issue of **credit approvals**. From 1 April 2004, Part 1 of the Local Government Act 2003 (the “2003 Act”) implemented a completely new capital finance system. The key feature of the **prudential capital finance system** is that authorities do not need government approval to finance capital spending by borrowing or credit. They receive central government support for a major part of their capital programmes but are free to borrow to fund additional investment as long as they can afford to service the debt.

- 4.0.5 The **Prudential Code** was specially prepared by The Chartered Institute of Public Finance and Accountancy (**CIPFA**) and sets out in broad terms how affordability of debt is to be assessed. With regard to capital receipts they may, as before, be used to finance capital spending. However, the former duty to set aside for debt redemption part of most housing receipts has been replaced by pooling, under which part of most housing receipts has to be paid to the Secretary of State.

4.1 Expenditure definitions

- 4.1.1 Capital expenditure is incurred when a local authority spends money either to buy fixed assets or to add to the value of an existing fixed asset with a useful life that extends beyond the financial year in which the investment was made. There are two types of fixed assets for capital purposes: tangible fixed assets acquired or enhanced by the local authority, such as land, buildings, vehicles and machinery; and intangible fixed assets, which are assets of value which do not have a physical shape e.g. purchased franchises, licences and patents. The value of a fixed asset is determined by its operational or non-operational status, that is, whether it is (1) held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility; or (2) held by a local authority but not directly occupied, used or consumed in the delivery of services. More detailed information is set out in Annex D.

Since 1 April 2004 expenditure on, and receipts from the sale of, intangible assets have been shown separately in capital spending by local authorities. This is to reflect more explicit recognition of intangible assets in the local government accounting framework.

- 4.1.2 The definition of capital spending under the prudential system is based upon the normal accounting concept, but this can be varied by regulations or by directions issued to individual authorities. Capitalisation is the means by which the Government permits in exceptional circumstances local authorities to treat revenue costs as capital costs. Directions are issued under sections 16(2)(b) and 20 of the 2003 Act. The effect of a direction is that specified revenue expenditure becomes treated as capital expenditure, so that instead of having to be charged to revenue, it may be funded from borrowed money or capital receipts, thereby increasing an authority's financial flexibility. They have been issued, for example, in relation to spending on redundancy payments, pension fund contributions and equal pay costs.
- 4.1.3 In relation to equal pay costs, capitalisation directions have previously been given to cover lump-sum payments to present or former council employees in respect of compensation relating to past pay levels under the Equal Pay Act 1970. However, local authorities are permitted to use capital receipts received from 1 April 2012 to make back payments in respect of equal pay liabilities, and authorities are expected to make use of this flexibility to manage equal pay costs, in the first instance. Detailed information is set out in Annex D.

4.2 Capital spending

4.2.1 Recent trends in capital expenditure by type of spending are shown in Table 4.2a and Chart 4.2b

- Capital expenditure by local authorities in England fell from £20.0 billion in 2011-12 to £18.9 billion in 2012-13, a year-on-year decrease of 5.5%. However, it is forecast to rise by 25.4% to £23.7 billion in 2013-14.
- The total value of local authority spending on fixed assets in 2012-13 has decreased by 17.4% since 2008-09, but is again forecast to rise by 37.5% in 2013-14.
- New construction and conversion forms the major part of capital spending.

Table 4.2a: Capital expenditure by economic category

	£ million					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (F)
Expenditure:						
Acquisition of land and existing buildings and works	1,511	1,301	1,043	721	823	734
New construction and conversion	13,390	14,551	14,777	13,300	11,494	16,421
Vehicles, plant equipment and machinery	1,488	1,597	1,520	1,426	1,210	1,417
Intangible assets	204	197	205	221	178	275
Total expenditure on fixed assets	16,593	17,645	17,544	15,668	13,705	18,848
Grants, loans and other financial assistance	3,172	3,574	5,148	4,166 ^(b)	4,002 ^(e)	4,892
Acquisition of share and loan capital	36	143	454	198	1,225 ^(f)	6
Total capital expenditure	19,801	21,362	23,146	20,032	18,931	23,745
<i>of which GLA:</i>	<i>2,299</i>	<i>3,156</i>	<i>4,969 ^(c)</i>	<i>3,431</i>	<i>4,120</i>	<i>4,456</i>
Expenditure by virtue of a section 16(2)(b) direction ^(a)	432	464	239	263	111	109 ^(g)
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	0	0	0	16	0	0
One-off HRA self-financing determination payment:				13,295 ^(d)		
Total expenditure and other transactions	20,233	21,826	23,385	33,606	19,042	23,854
Total expenditure excl HRA self-financing determination payment				20,311		
Receipts	1,353	1,427	1,498	8,724	2,124	2,019
Receipts excl HRA self-financing determination & premium				2,014		
One-off HRA self-financing determination & premium				6,711 ^(d)		

Source: COR/CER returns

(a) Expenditure which does not fall within the definition of expenditure for capital purposes, but is treated as capital expenditure by a direction under section 16(2)(b) of the Local Government Act 2003

(b) GLA's grants and loans total £2.9 billion, including GLA's £1 billion contribution to Crossrail.

(c) Reflects a one-off loan within the TfL Group of £1.6bn to London Underground financed by an equivalent loan from Tube lines

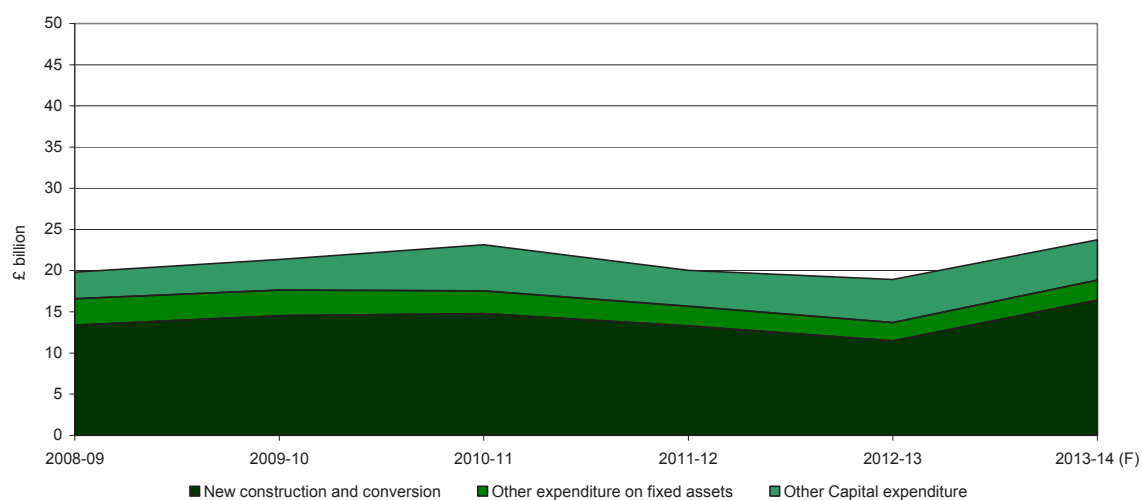
(d) Local authorities subject to the transactions associated with the HRA Self-financing Determinations are required to include the determination in relation to expenditure or receipts and also the financing if applicable. This is a one-off exercise for 2011-12 and figures are provided both inclusive and exclusive of this transaction.

(e) This reflects reallocation of expenditure by TfL as part of year end process of reconciling funding to its subsidiaries.

(f) The reason for a significant increase in acquisition of share or loan capital is the higher levels of spend now being witnessed on the Crossrail project, as construction is fully underway

(g) Capitalisations are difficult for authorities to forecast, for a number of reasons:- (i) no expectation, at time of compiling forecasts, of a need to seek capitalisation approval; (ii) cautious assumptions that approval may not be granted. Therefore forecasts, even after adjustments, are likely to underestimate the outturn for the financial year.

Chart 4.2b: Capital expenditure by economic category



- Between 2008-09 and 2012-13 capital expenditure on transport has risen from 24% to 32% of the total, while capital expenditure on housing has fallen from 25% to 20% of the total.
- The transfer of schools to academy status has shown a decline in the value of local authority education capital expenditure since 2010-11.

Table 4.2c: Local authority capital expenditure by service: England: 2008-09 to 2013-14

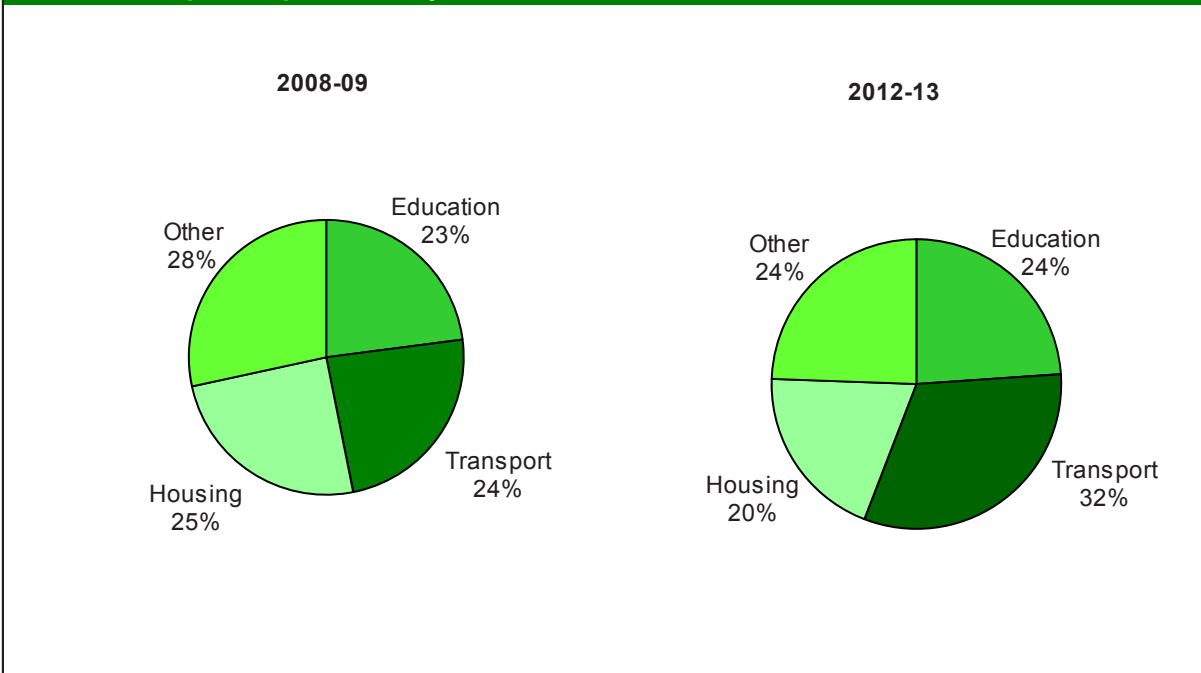
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (F)
	£ million					
Education	4,542	5,392	6,107	5,495	4,528	4,626
Highways & transport	4,735	5,851	7,943	6,574	6,046	6,906
<i>of which GLA</i>	1,564	2,699	4,520	3,137	3,016	3,378
Social services	300	288	312	253	207	524
Public health ^(a)	...	...	...	...	...	2
Housing	4,901 ^(b)	4,514	4,063	3,274	3,731	5,088
Culture & related services	1,056	1,245	1,147	1,102	877	1,301
Environmental services	604	571	531	488	526	881
Planning & development services	1,081	924	833	653	879	1,304
Police	794 ^(c)	704	602	538	500	572
Fire & rescue	167	189	195	136	172	271
Central services	1,269	1,389	1,110	1,160	1,264	2,004
Trading services	351	295	304	358	201	268
Total capital expenditure	19,801	21,362	23,146	20,032	18,931	23,745

(a) Public health grant is being provided in 2013-14 to give local authorities the funding needed to discharge their new public health responsibilities

(b) Includes Salford's £483 million payment to an RSL for transfer of housing stock

(c) Includes a one-off acquisition of land and existing buildings by Metropolitan Police in 2008-09

Chart 4.2d: Capital expenditure by service 2008-09 and 2012-13



4.3 Pattern of spending by class of authority

- The proportion of capital spending by “other authorities”, mainly the GLA, increased from 16% in 2008-09 to 27% in 2012-13.
- The increase in the share of unitary authorities from 2008-09 to 2009-10 is largely due to a reorganisation of former counties and districts into new unitary authorities.

Table 4.3a: Capital expenditure by class

	£ million					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (F)
London boroughs	2,984	3,475	3,317	3,207	2,970	4,082
Metropolitan districts	4,918	4,381	4,392	3,840	3,246	3,833
Unitary authorities	2,712 ||	4,032 ^(a)	4,083	3,811	3,375	4,014
Shire counties	4,017 ||	3,536 ^(a)	3,703	3,236	2,868	3,856
Shire districts	1,975 ||	1,635 ^(a)	1,623	1,530	1,435	2,201
Other authorities	3,196	4,305	6,028	4,408	5,038	5,759
All English authorities	19,801	21,362	23,146	20,032	18,931	23,745
	%					
London boroughs	15	16	14	16	16	17
Metropolitan districts	25	21	19	19	17	16
Unitary authorities	14 ||	19 ^(a)	18	19	18	17
Shire counties	20 ||	17 ^(a)	16	16	15	16
Shire districts	10 ||	8 ^(a)	7	8	8	9
Other authorities	16	20	26	22	27	24
All English authorities	100	100	100	100	100	100

Source: COR/CER returns

(a) Figures are not comparable between 2008-09 and 2009-10 owing to local authority reorganisation on April 1 2009

4.3.1 **Table 4.3b** shows the distribution of capital expenditure by class of authority in 2011-12.

- All London boroughs spent at least £20m in 2012-13.
- No shire district spent more than £50m on capital expenditure in 2012-13.

Table 4.3b: Capital expenditure by class of authority 2012-13

Band (£ million)	Number of Authorities						England
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	
less than 2	0	0	0	0	38	22	60
2 up to 5	0	0	0	0	66	27	93
5 up to 10	0	0	2	0	47	27	76
10 up to 20	0	2	4	0	39	6	51
20 up to 50	9	10	23	0	11	5	58
50 up to 100	13	13	18	11	0	2	57
100 and above	11	11	9	16	0	2	49
Total	33	36	56	27	201	91	444

Source: COR returns

4.3.2 The following tables (and map) provide final 2012-13 outturn expenditure showing:

- service by economic category
- service by class

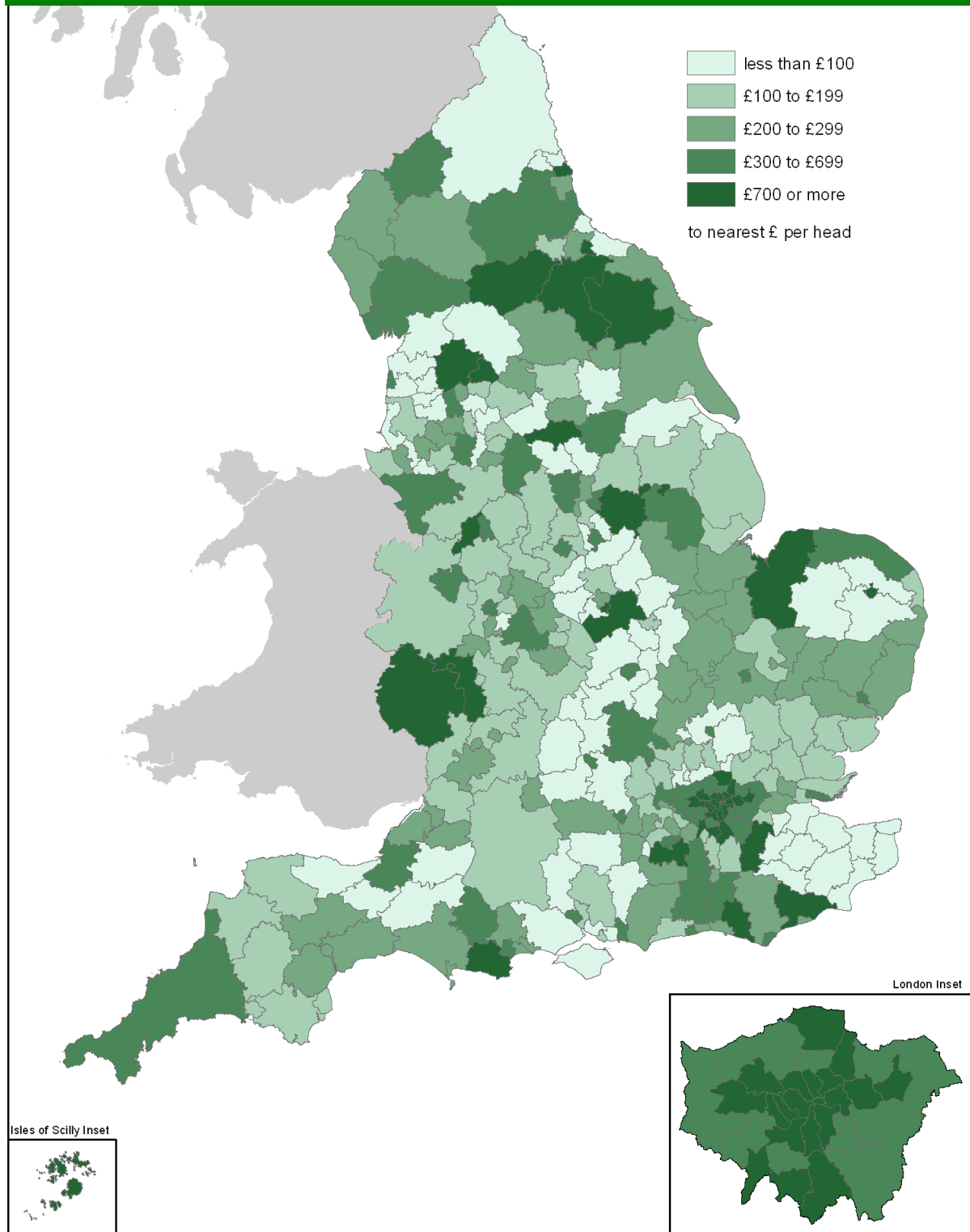
Table 4.3c: Capital expenditure by service and economic category 2012-13

					£ million
	Total expenditure on fixed assets	Grants	Loans & other financial assistance	Acquisition of share and loan capital	Total capital expenditure
Education	4,072	424	25	8	4,528
Highways & transport	2,844	1,329	662	1,211 ^(a)	6,046
Social Services	177	29	0	0	207
Housing	2,649	1,036	46	0	3,731
Culture & related services	829	45	2	0	877
Environmental services	479	19	28	0	526
Planning & development services	646	212	17	4	879
Police	500	0	0	0	500
Fire & rescue	171	1	0	0	172
Central services	1,160	32	71	1	1,264
Trading services	177	5	18	1	201
Total	13,705	3,133	869	1,225	18,931

Source: COR returns

(a) Significant increase in acquisition of share and loan capital is due to the higher levels of spend now being witnessed on the Crossrail project as construction is fully underway

Map 4.3d: Capital expenditure per head 2012-13



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Data Sources:

COR4 returns,
ONS Population Unit

Table 4.3d: Capital expenditure by service and class 2012-13

	£ million						
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	All English authorities
Education	1,030	1,069	1,228	1,201	0	0	4,528
Transport	300	542	668	1,017	43	3,476 ^(a)	6,046
Social Services	38	40	49	79	0	0	207
Housing	950	771	574	5	778	652	3,731
Culture & related services	146	255	177	80	206	15	877
Environmental services	28	71	138	159	122	8	526
Planning & development service	39	233	186	67	95	260	880
Police	1	0	0	0	0	499	500
Fire and rescue services	0	2	5	40	0	124	172
Central services	363	243	309	204	141	4	1,264
Trading	75	21	41	16	49	0	201
Total	2,970	3,246	3,375	2,868	1,435	5,038	18,931

(a) The bulk of transport expenditure is due to GLA - £3.1 billion.

Source: COR returns

4.4 Financing of capital spending – overview

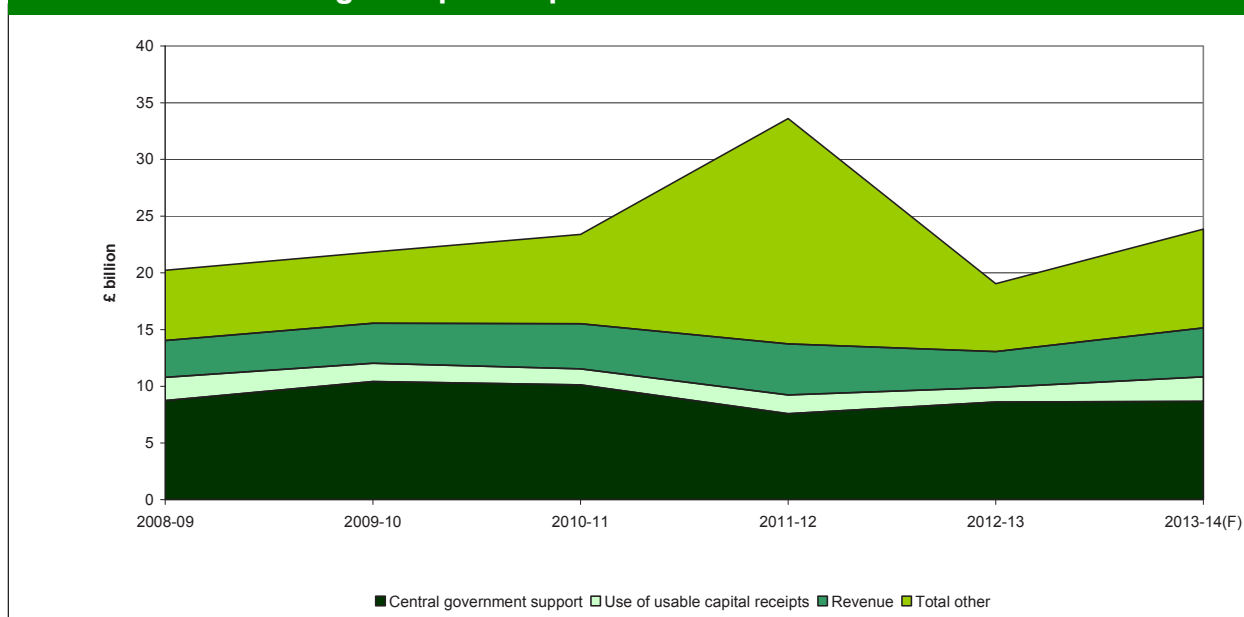
4.4.1 From 1 April 2004, capital spending has been financed by:

- grants received from central government. These are usually given for specific projects or types of expenditure, although powers in the 2003 Act allow for grants to be given for a wide range of purposes. Grants may be given by any government department for any purpose, but are mainly given for schools, transport, housing or regeneration work
- contributions or grants from elsewhere – including the National Lottery and **Non-Departmental Public Bodies** such as Sports England, English Heritage and Natural England, as well as private sector partners, for example for access roads or traffic management schemes
- capital receipts (that is proceeds from the sale of land, buildings or other fixed assets)
- revenue resources – either the **General Fund Revenue Account**, the **Housing Revenue Account (HRA)** or the **Major Repairs Reserve**. Note that an authority cannot charge council tenants for spending on general services, or spending on council houses to local taxpayers
- **Supported Capital Expenditure (Revenue)**. While central government no longer issues credit approvals, it continued to provide financial support - via **Revenue Support Grant** or **HRA** subsidy - towards some capital spending financed by borrowing. No new financial support in the form of Supported Capital Expenditure (Revenue) has been issued since 2010-11.
- self-financed borrowing within limits of affordability set, having regard to the 2003 Act and the CIPFA *Prudential Code*.

- The financing of capital expenditure through central government grants increased from £7.2 billion in 2011-12 to £8.5 billion in 2012-13, a year-on-year increase of 18%. This is mainly due to a change in the treatment of expenditure by the Greater London Authority. Between 2008-09 and 2012-13 the financing of capital expenditure through central government grants increased by nearly 48%, 35% in real terms.
- The use of capital receipts to finance local authority capital expenditure has reduced by 21% between 2011-12 and 2012-13. This was partly due to some authorities transferring their housing stock in 2011-12 and funding their associated levies from capital receipts.
- Local authority borrowing in 2012-13 has reduced by almost 8% from around £5.1 billion in 2011-12 (exclusive of financing of the HRA self-financing determination payment) to £4.7 billion in 2012-13.

Table 4.4a: Financing of capital expenditure						
	£ million					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (F)
Central government grants	5,733	7,494	8,063	7,170 ^(a)	8,481	8,600
EU structural funds grants	156	43	38	77	55	89
Grants and contributions from private developers and from leaseholders etc	1,176 ^(b)	502	634	747	693	761
Grants and contributions from NDPBs ^(c)	540	602	753	522	442	369
National lottery grants	106	119	104	121	67	77
Use of capital receipts	2,040	1,603	1,409	1,647	1,294	2,131
Revenue financing of capital expenditure	3,241	3,532	3,984	4,504 ^(a)	3,167	4,335
<i>of which:</i>						
Housing Revenue Account (CERA)	228	247	235	324	466	994
Major Repairs Reserve	1,224	1,377	1,069	1,160	1,259	1,354
General Fund (CERA)	1,789	1,908	2,680	3,020	1,442	1,987
Capital expenditure financed by borrowing/credit	7,241	7,931	8,399	18,819	4,842	7,492
<i>of which:</i>						
SCE(R) Single Capital Pot ^(d)	2,257	2,181	1,581	338	88	73
SCE(R) Separate Programme Element ^(d)	760	748	484	74	30	7
Other borrowing & credit arrangements not supported by central government ^(f)	4,224	5,002	6,335	18,406 ^(e)	4,724	7,411
Total	20,233	21,826	23,385	33,606 ^(e)	19,042	23,854
^(a) There is a discontinuity from 2010-11 owing to a change in the treatment of expenditure by GLA. Previously this was recorded as 'Central government grant' but for 2011-12 it has been recorded as CERA to align with figures received on the Revenue Outturn						
^(b) Includes RSL financing of £483 million for the transfer of Salford's housing stock.						
^(c) Non-Departmental Public Bodies, organisations that are not government departments but which have a role in the processes of national government, such as Sport England, English Heritage and the Natural England.						
^(d) Supported capital expenditure (SCE) financed by borrowing that is attracting central government support has been discontinued as of March 31 2011. This may have a bearing on the financing of capital expenditure. A residue of schemes in 2011-12 and 2012-13 will continue to be financed in reliance of supported borrowing from earlier years.						
^(e) It is estimated that approximately £13 billion is associated with the financing of the HRA self-financing determination payment.						
^(f) The Prudential System, which came into effect on 1 April 2004, allows local authorities to raise finance for capital expenditure - without Government consent - where they can afford to service the debt without extra Government support.						

Chart 4.4b: Financing of capital expenditure



4.5 Capital receipts

- 4.5.1 A capital receipt is the money received by a local authority from the sale of a capital asset, such as a council house, or from the repayment of a grant or loan made by the authority to someone else to use for capital spending.
- 4.5.2 Until 31 March 2004, all capital receipts were divided into usable and reserved parts when they were received. Only the usable part could be used to fund new capital spending. The reserved part had to be set aside as provision to repay debt or meet other credit liabilities. From 1998 receipts from the sale of most non-housing assets were fully usable, but set-aside in relation to housing receipts (at 75% for council houses and 50% for other housing assets) continued until 31 March 2004.
- 4.5.3 From 1 April 2004, there is no requirement to set aside any part of a receipt, though authorities are still free to earmark all or some of their receipts for debt redemption if they wish. However, a new pooling system has been put in place requiring authorities to pay to the Government a proportion of their capital receipts from the sale of housing land and dwellings. **Large and Small Scale Voluntary Transfers** are excluded from this scheme.

- Most capital receipts are from the sale of assets (96% in 2012-13). There has been a slight increase in 2012-13 (about 5.7%) on local authority sales of assets.

Table 4.5a: Capital receipts by economic category

	£ million					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (F)
Sales of fixed assets	1,290	1,346	1,434	1,923	2,033	1,990
<i>of which:</i>						
<i>Land, buildings & works</i>	1,268	1,330	1,421	1,902	2,008	...
<i>Vehicles</i>	7	15	10	14	15	...
<i>Plant, machinery & equipment</i>	14	2	3	7	10	...
Intangible fixed assets	6	4	8	21	9	12
Repayments of grants and advances	40	39	36	43	76	17
<i>of which:</i>						
<i>Grants</i>	16	13	13	11	8	...
<i>Loans & other financial assistance</i>	24	25	23	33	68	...
Disposal of investments including share and loan capital	17	38	20	27	7	0
Total capital receipts	1,353	1,427	1,498	2,013 ^(a)	2,124	2,019

Source: COR/CER returns
(a) Excludes Housing Revenue Account (HRA) self-financing determination and premium

Table 4.5b: Capital receipts by service

	£ million					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (F)
Education	102	167	114	83	274	210
Transport	41	126	43	23	39	70
Housing	487	486	513	857	761	512
Other	723	649	828	1,050	1,050	1,227
<i>Of which:</i>						
<i>Social Services</i>	45	37	44	62	78	90
<i>Sport & recreation</i>	23 II	7 ^(a)	29	29	31	56
<i>Police</i>	70	63	67	106	117	119
<i>Other</i>	585 II	542 ^(a)	688	853	824	962
Total	1,353	1,427	1,498	2,013	2,124	2,019

Source: COR/CER returns
(a) Owing to form changes reflecting Best Value Accounting Code of Practice (BVACOP) revisions, from 2009-10 Sport & Recreation (now Recreation & Sport) is now part of Culture & Related Services category. The 2009-10 to 2011-12 receipts totals excludes any disposals of share and loan capital, usually negligible.

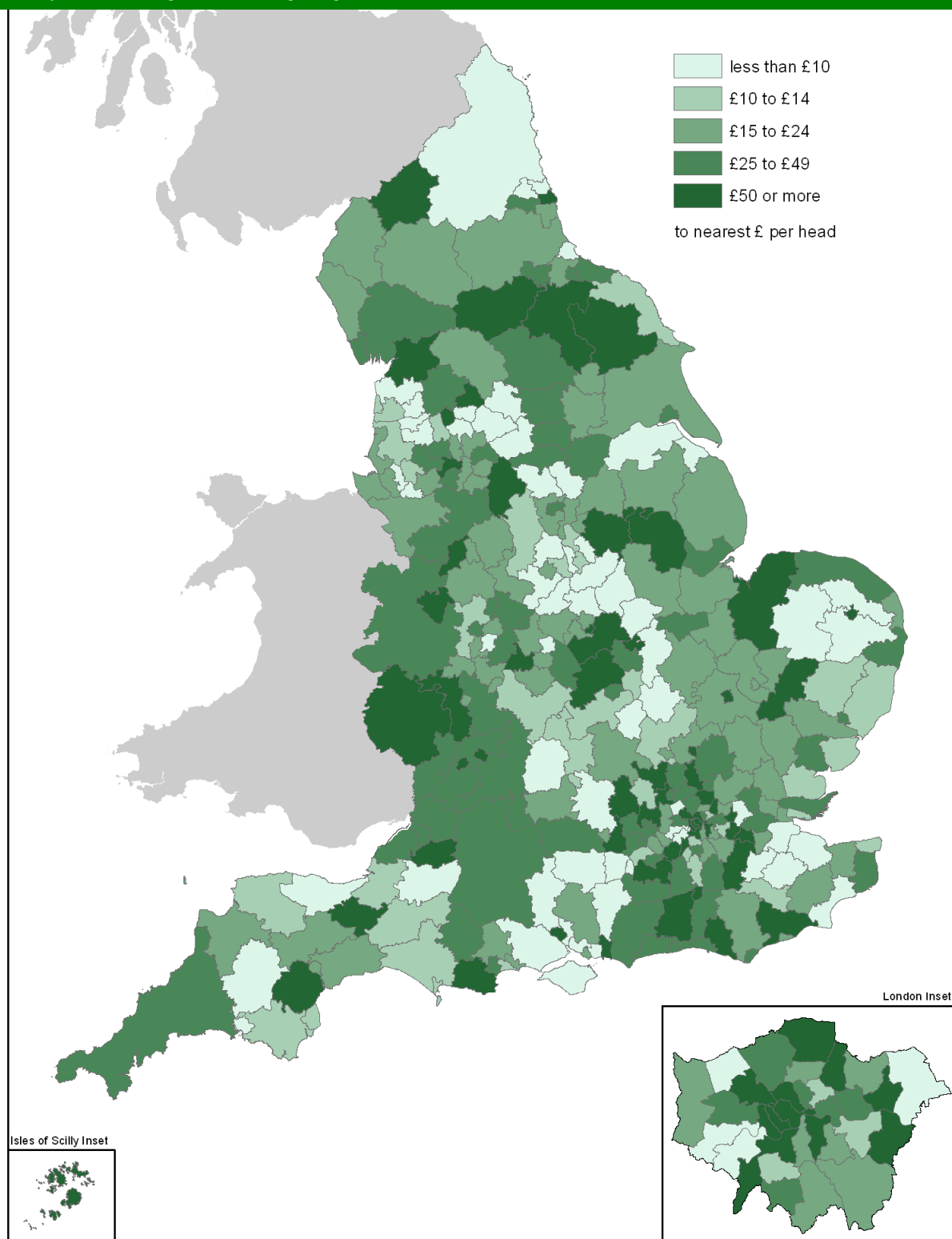
Table 4.5c: Capital receipts by service and economic category 2012-13

					£ million
	Sales of tangible fixed assets	Sale of intangible assets	Repayments of grants, loans and financial assistance	Disposal of investments including share and loan capital	Total capital receipts
Education	265	0	9	0	274 ^(a)
Transport	34	2	2	1	39
Social Services	76	0	1	0	78
Housing	730	4	27	0	761
Culture & related services	60	0	2	0	62
Environmental services	51	0	2	2	56
Planning & development services	123	0	12	0	135
Police	116	0	1	0	117
Fire & rescue	10	0	0	0	10
Central services	377	2	8	3	390
Trading services	189	0	12	0	201
Total	2,033	9	76	7	2,124

Source: COR returns

(a) A significant increase in 2012-13 from 2011-12 is mainly due to a one off receipt for £120M for an old education site - North Westminster College

Map 4.5d: Capital receipts per head 2012-13



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Data Sources:

COR4 returns,
ONS Population Unit

Table 4.5e: Usable ^(a) and set aside receipts 2008-09 to 2012-13

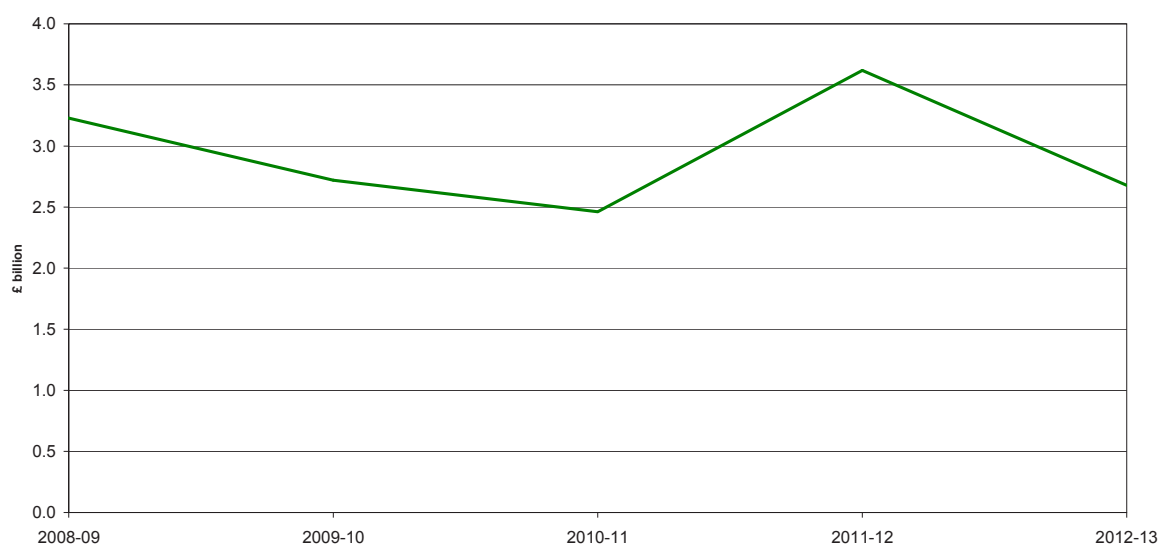
	£ million				
	2008-09	2009-10	2010-11	2011-12	2012-13
Usable receipts held at 1 April	4,177	3,078	2,621	2,402	2,247
In-year usable receipts	1,353	1,427	1,498	8,724 ^(b)	2,124
Usable receipts used to meet capital expenditure	2,040	1,603	1,409	1,647	1,294
Usable receipts voluntarily set aside as provision to meet credit liabilities	108	65	94	5,805 ^(b)	283
Pooling of housing capital receipts	153	117	154	125	112
Interest on late pooling payments	1	0	0	0	0
Usable receipts at 31 March	3,228	2,721	2,462	3,619	2,678

Source: COR returns

(a) From 2004-05, local authorities are not statutorily required to 'reserve' capital receipts.

(b) The significant increase is due to the one-off Housing Revenue Account self-financing determination payments made in 2011-12 to reflect the reform made to the system of payments

- The stock of capital receipts held by local authorities at 31 March 2013 was £0.4m higher (about 19%) than the stock figure at the beginning of the financial year on 1 April 2012.

Chart 4.5f: Usable receipts at end of year

CHAPTER 5

Assets and liabilities

5.0.1 This chapter sets out the assets and liabilities of local authorities. It is divided into the following sections:

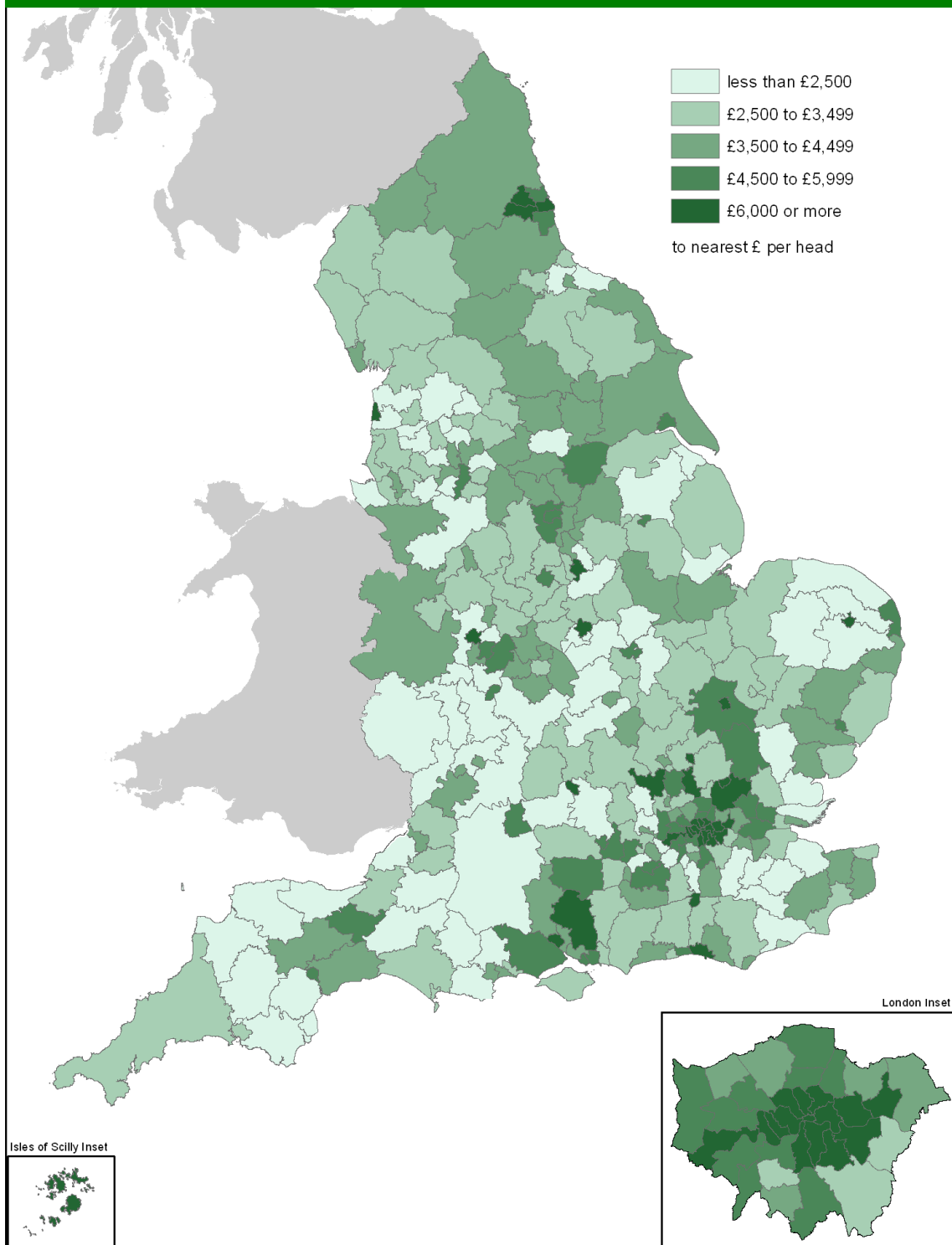
- **Local authority fixed assets** **section 5.1**
- **Outstanding debt and holdings of investments** **section 5.2**
- **Borrowing and investment transactions** **section 5.3**
- **Prudential system** **section 5.4**

5.1 Local authority fixed assets

5.1.1 The following tables and map provide the value of local authority fixed assets as at 31 March 2013 in total, by type and by class of authority.

Table 5.1a: Value of fixed assets ^(a) by class of authority as at 31 March 2013							
	£ million						
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	England
Operational assets:							
i) Council dwellings	22,245	12,106	10,043	5	18,023	4	62,427
ii) Other land & buildings - education	8,755	9,968	9,500	19,650	0	0	47,873
iii) Other land & buildings - other	8,082	8,196	11,284	5,559	8,330	6,199	47,650
iv) Vehicles, plant & equipment	476	854	1,221	911	614	1,166	5,242
v) Infrastructure	3,732	5,989	7,534	11,058	637	3,608	32,557
vi) Community	448	415	343	57	368	36	1,666
vii) Surplus	427	851	602	400	204	26	2,510
viii) Assets under construction	912	1,037	1,051	1,213	241	1,272	5,725
Total operational assets	45,076	39,415	41,578	38,852	28,418	12,311	205,650
Non operational assets:							
Investment properties	2,589	1,734	1,935	258	2,943	266	9,725
Total value of tangible assets	47,665	41,149	43,513	39,110	31,360	12,577	215,375
Intangible assets	58	102	98	99	62	119	539
Assets for sale	199	118	151	120	116	77	781
Heritage assets	218	1,349	1,226	211	471	7	3,482
Total value of fixed assets	47,922	41,369	43,763	39,329	31,539	12,773	220,177
Source: COR returns							
(a) Infrastructure assets and community assets are included in the balance sheet at historical cost, net of depreciation. Other assets are included in the balance sheet at the lower of the net current replacement cost or net realisable value.							

Map 5.1b: Total assets per head: 31 March 2013



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Data Sources:

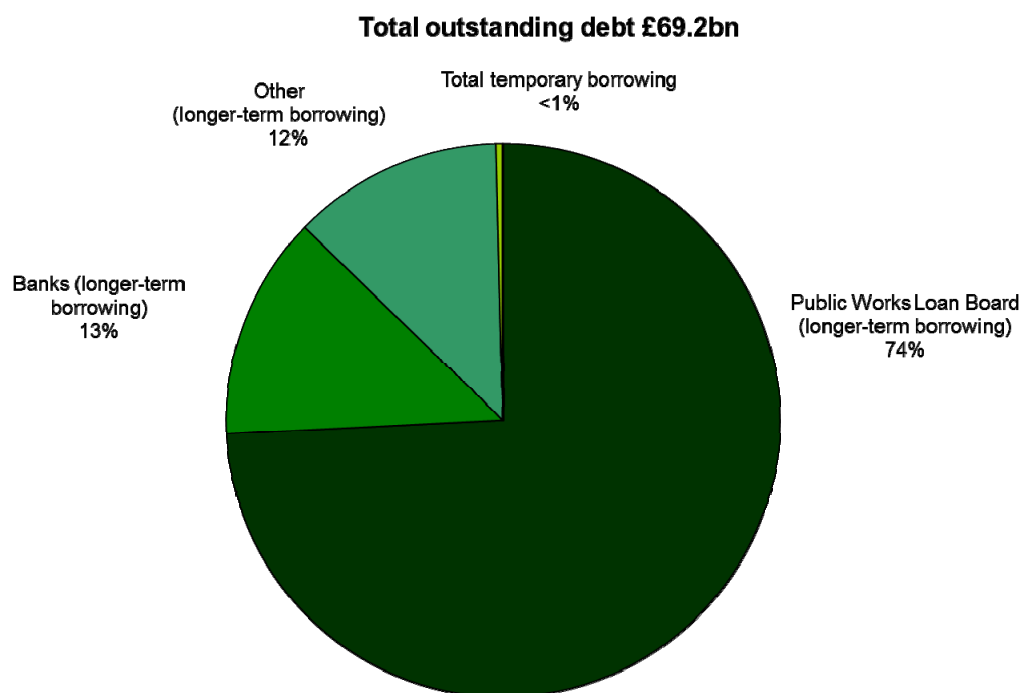
COR returns,
ONS Population Unit

5.2 Outstanding debt and holdings of investments

5.2.1 Outstanding debt includes both temporary borrowing for the purpose of managing cash flow, and longer-term borrowing taken out to finance capital projects.

- The vast majority of outstanding debt is longer-term borrowing (over 99%) and the larger part of that (74%) is owed to the Public Works Loan Board (PWLB).

Chart 5.2a: Outstanding debt as at 31 March 2013

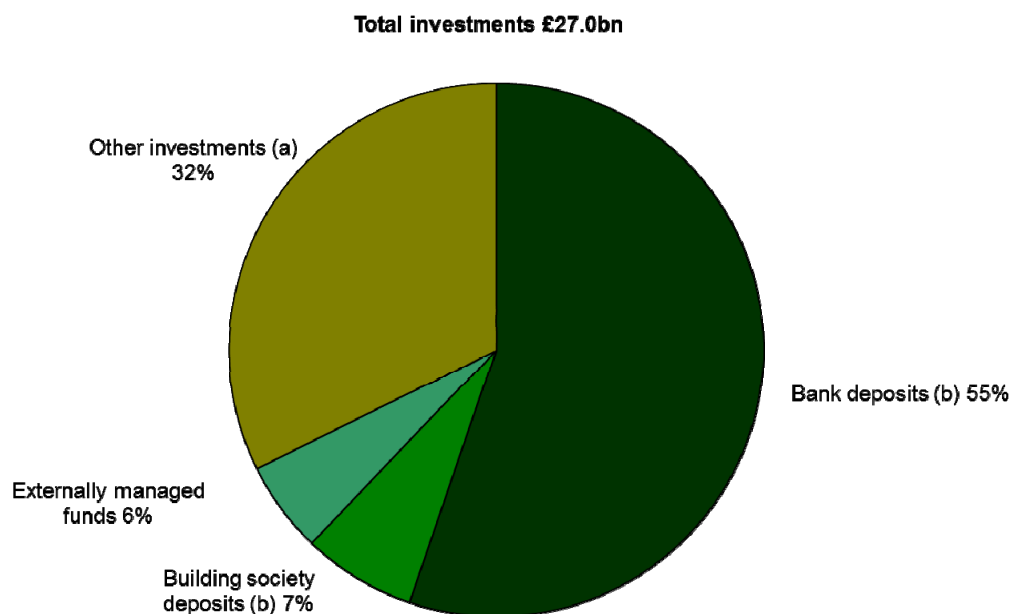


Source: Monthly Borrowing (MB) and Quarterly Borrowing (QB) returns, Public Works Loan Board.

5.2.2 The stock of local authority investments is the financial representation of local authorities' reserves, unused capital receipts and cash flow surpluses, though authorities that are net borrowers may use such resources to reduce their borrowing rather than holding them as investments. The 'other' section includes investments with public corporations, other financial institutions and British Government securities.

- 62% of local authority investments are deposits with banks or building societies.

Chart 5.2b: Investments as at 31 March 2013



(a) Other investments include certificates of deposit, loans to other financial intermediaries and public corporations, the debt management account deposit facility, money market funds, rest of the world bank and building society deposits and various other securities and loans.

(b) Deposits exclude investments made with banks or building societies without a branch in the UK.

Source: Monthly Borrowing (MB) and Quarterly Borrowing (QB) returns, Public Works Loan Board.

5.3 Borrowing and investment transactions

5.3.1 New borrowing and drawing down of investments are ways of accessing funds. New borrowing is a major way of financing capital spending. Funds that are received as income or capital receipts, but are not needed for immediate expenditure, may be invested or used to redeem debt.

5.3.2 Local Government Net Cash Requirement summarises changes in local authority borrowing less change in investments. When Net Cash Requirement is positive, local authorities are increasing their borrowing and/or reducing their investments. When Net Cash Requirement is negative, local authorities are reducing their borrowing and/or increasing their investments.

- Local government net cash requirement for 2012-13 was –£1.7 billion, compared to the figure of positive £5.2 billion in 2008-09.
- £6.6bn of the Net Cash Requirement in 2011-12 was due to the one-off need for local authorities to borrow from the PWLB to finance settlement of the Housing Revenue Account (HRA) reform in March 2012.

Table 5.3a: Local Government Net Cash Requirement

	£ million				
	2008-09	2009-10	2010-11	2011-12	2012-13
Temporary borrowing	155	-538	-214	-261	20
Longer-term borrowing	1,034	1,358	2,195	11,115	1,903
Total change in borrowing^(a)	1,190	820	1,982	10,854	1,922
Less Net change in investments	-3,989	-4,002	660	1,278	3,606
Net Cash Requirement	5,179	4,823	1,322	9,575	-1,683

Source: Monthly Borrowing (MB) and Quarterly Borrowing (QB) returns

^(a)In March 2012 English local authorities borrowed £6.6bn from the Public Works Loans Board as part of the reform of the Housing Revenue Account.

- Total outstanding debt at 31 March 2013 for England was £69.2 billion, compared with £67.3 billion at 31 March 2012 and £52.4 billion at 31 March 2008.

Table 5.3b: Local authority borrowing 2008 09 to 2012-13

Table 3.6B: Local authority borrowing 2008-09 to 2012-13							£ million
	Outstanding amount at 31 March 2008	Change in borrowing					Outstanding amount at 31 March 2013
	2008	2008-09	2009-10	2010-11	2011-12	2012-13	2013
Temporary borrowing							
Banks	110	66	-109	30	-43	-1	54
Building societies	243	96	-277	59	-117	-4	0
Other financial intermediaries	672	6	-186	-377	-69	32	78
Public corporations	21	-3	41	79	-62	-24	54
Private non-financial corporations	14	-9	-2	-1	-0	2	4
Central government	0	0	0	1	-1	1	2
Household sector	39	-2	-3	-6	-3	13	38
Other sources	2	1	-2	1	34	-0	36
Total	1,103	155	-538	-214	-261	20	265
Longer-term borrowing							
Negotiable bonds	594	3	1	429	468	1,008	2,502
Listed securities other than bonds	481	-94	0	-14	1,853	-769	1,457
Public Works Loan Board	40,171	460	231	1,127	7,994	1,385	51,368
Banks	8,069	321	616	412	-98	-305	9,015
Building societies	37	-19	29	-37	-4	-0	5
Other financial intermediaries	186	-28	-2	59	85	-1	300
Public corporations	0	1	0	0	-0	5	6
Private non-financial corporations	0	0	0	0	12	-1	11
Central government	10	-2	-2	-2	-1	4	7
Household sector	7	-1	0	-2	-1	-1	3
Rest of the World	1,749	395	485	223	807	566	4,225
Other sources	13	-2	0	0	0	12	23
Total	51,318	1,034	1,358	2,195	11,115	1,903	68,923
Total borrowing	52,420	1,190	820	1,982	10,854	1,922	69,188
Net HRA settlement payments ^(a)					6,584		
Total borrowing less HRA settlement	52,420	1,190	820	1,982	4,269	1,922	62,604

Source: Monthly Borrowing (MB) and Quarterly Borrowing (QB) returns; Public Works Loan Board

(a) Reform of the Housing Revenue Account (HRA) saw net one-off borrowing of £6,584m by English local authorities in March 2012.

- Local authority investments rose by £1.3 billion in 2011-12 and by £3.6 billion in 2012-13.
- In 2012-13 there was a £2.3 billion rise in bank deposits while building society deposits saw an increase for the first time since 2007-08. Holdings of British government securities fell by £681 million after rising by £752 million in 2011-12. The amount held in money market funds fell by £545 million after rising by £2.6 billion over the previous two years. Other investments rose by £2.3 billion, mostly due to £2.1bn of investment by Transport for London.

Table 5.3c: Local authority investments 2008-09 to 2012-13

	£ million						
	Outstanding amount at 31 March 2008	Change in investments					Outstanding amount at 31 March 2013
		2008-09	2009-10	2010-11	2011-12	2012-13	
Deposits: banks	15,430	-3,217	182	982	-786	2,343	14,934
Deposits: building societies	9,295	-3,088	-4,006	-377	-85	118	1,856
Treasury bills	6	-6	17	1,012	112	-112	1,029
Certificates of deposit: banks	78	92	-11	-159	94	39	133
Certificates of deposit: building societies	6	-1	-5	1	13	-14	0
British Government (Gilt-edge) securities	0	24	57	55	752	-681	206
Other financial intermediaries	134	-95	2	6	-17	-17	12
Public corporations	104	3	47	3	-3	3	156
Debt Management Account deposit facility	76	2,860	-457	-1,998	189	145	815
National Loans Fund	0	0	0	0	0	0	0
Money market funds	605	560	182	1,374	1,269	-545	3,445
Externally managed funds	2,463	-802	406	-334	-276	38	1,495
Other investments	1,283	-318	-415	95	17	2,289	2,953
Total investments	29,481	-3,989	-4,002	660	1,278	3,606	27,034

Source: Monthly Borrowing (MB) and Quarterly Borrowing (QB) returns, Debt Management Office

5.4 Prudential system

- 5.4.1 The prudential system (Part 1 of the Local Government Act 2003) took effect from 1 April 2004 and applied with effect from 2004-05. It allows local authorities to raise finance for capital expenditure - without government consent - where they can afford to service the debt without extra government support.
- 5.4.2 Authorities are required to make prudent provision for debt redemption, but decisions about debt management are for authorities. The prudential system has not maintained the artificial incentives to acquire debt-free status that were in place before 1 April 2004.
- 5.4.3 Final figures for 2012-13 for self-financed borrowing by class of authority are shown in **Table 5.4a**.
- 5.4.4 In planning what level of capital expenditure is affordable, local authorities now follow procedures for setting and revising prudential indicators as set out in the Prudential Code. These include:
- estimates of capital expenditure (see **Chapter 4**)
 - estimates of the capital financing requirement that is the underlying need to borrow for a capital purpose. It relates to all capital expenditure (including relevant expenditure incurred in previous years) and is calculated directly from the balance sheet
 - actual external debt that is gross borrowing and other long-term liabilities
 - operational boundary for external debt - based on an authority's working estimate of most likely (that is prudent), but not worst case scenario
 - authorised limit for external debt - the intended absolute limit that has to be set by the full council.
- 5.4.5 **Table 5.4d** sets out the aggregate England figures for these indicators as well as the level of investments.

- About 61% of authorities used the powers to finance capital expenditure through self-financed borrowing in 2012-13, compared with 58% in 2008-09.

Table 5.4a: Prudential system, self-financed borrowing by class of authority

	Percentage of authorities using self-financed borrowing					Amount of expenditure financed					Average amount per authority using self-financed borrowing				
	%					£ million					£ million				
	2008-09	2009-10	2010-11	2011-12	2012-13	2008-09	2009-10	2010-11	2011-12	2012-13	2008-09	2009-10	2010-11	2011-12	2012-13
London boroughs	70	76	82	91	76	373	466	407	2,493	614	16	19	15	83	25
Metropolitan districts	97	100	100	92	97	1,224	1,137	1,218	2,480	1,058	35	32	34	75	30
Unitary authorities ^(b)	83 ||	91	96	98	95	343 ||	679	855	3,496	841	9	13	16	64	16
Shire counties ^(b)	91 ||	85	96	81	67	739 ||	572	655	519	423	24	25	25	24	23
Shire districts ^(b)	42 ||	49	49	60	49	187 ||	248	300	7,728	233	2	3	3	64	2
GLA	100	100	100	100	100	1,114	1,560	2,485	1,267	1,192	1,114	1,560	2,485	1,267	1,192
Other authorities ^(a)	54	55	54	48	43	243	340	415	424	363	5	7	9	10	9
All English authorities	58	64	66	69	61	4,224	5,002	6,335	18,406	4,723	15	18	22	60	17

Source: COR returns

(a) Other includes police, fire, parks and waste authorities.

(b) In 2009-10 Unitary authorities have increased from 47 to 55 while Shire counties and Shire districts have decreased from 34 and 238 to 27 and 201 respectively due to local authority reorganisation.

(c) It is estimated that approximately £13 billion is associated with the financing of the HRA self-financing determination payment.

5.4.6 **Table 5.4b** shows the distribution of proportion of capital spending financed by self-financed borrowing by class of authority.

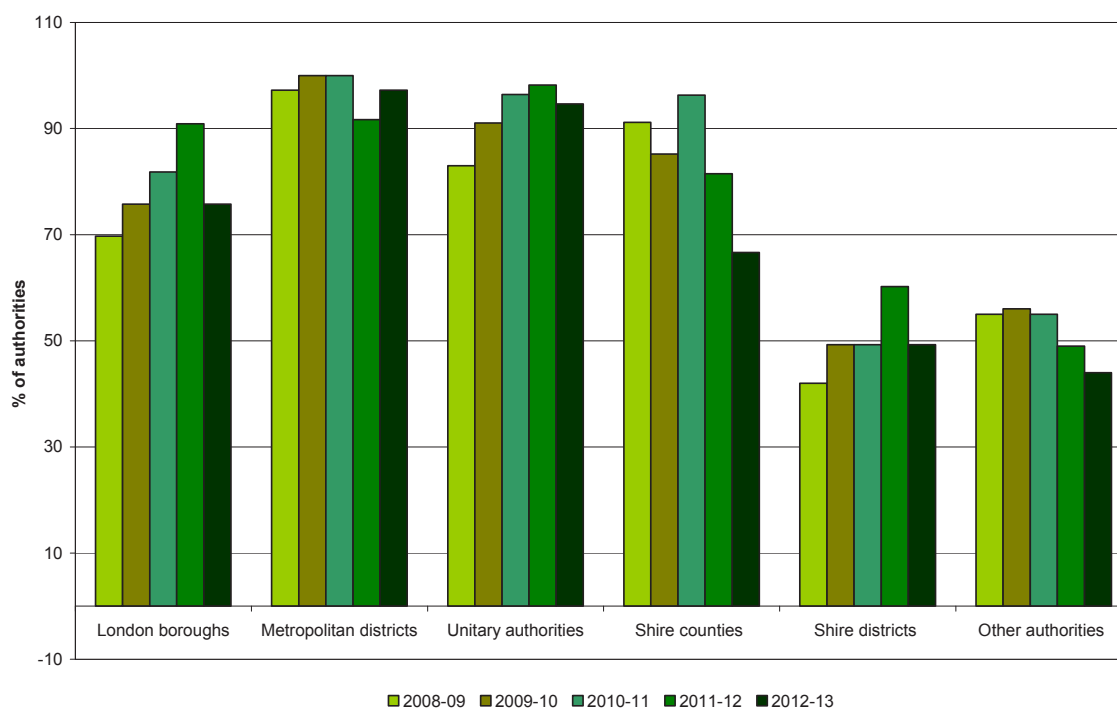
- The extent to which the powers are being used varies considerably by class of authority. The percentage of London boroughs using the borrowing powers has fallen to 76% (25 out of 33), whilst the equivalent figure for “other authorities” has fallen to 44% (40 out of 91) in 2012-13.
- 51% (102 out of 201) of the shire districts did not finance their capital expenditure by self-financed borrowing compared to 39% (79 out of 201) without similar financed borrowing in 2011-12.

Table 5.4b: Proportion of capital spending financed by self-financed borrowing by class of authority 2012-13

Band (%)	Number of authorities						England
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	
zero	8	1	3	9	102	51	174
> zero less than 10	7	8	12	4	31	7	69
10 up to 20	6	10	16	7	18	4	61
20 up to 50	11	14	20	7	36	18	106
50 up to 100	1	3	5	0	14	10	33
100	0	0	0	0	0	1	1
Total	33	36	56	27	201	91	444

Source: COR returns

Chart 5.4c: Authorities using self-financed borrowing in 2008-09 to 2012-13, by class of authority



- At 1 April 2012 total gross long-term borrowing amounted to 30% of the value of local authority assets at that date. By 31 March 2013 this proportion had increased to almost 33% of the value of local authority assets (Tables 5.1a and 5.4d).

Table 5.4d: Prudential system information 2012-13

		£ million
Reported by local authorities		
	As at 1 April 2012	As at 31 March 2013
Capital Financing Requirement as at 1 April 2012	91,344	
Capital expenditure to be resourced by means of credit (+)		6,147
Minimum Revenue Provision (-)		2,345
Additional contribution from revenue (-)		292
Contribution from Major Repairs Reserve (-)		37
Use of receipts (-) ^(a)		224
Change in Capital Financing Requirement		3,249
Capital Financing Requirement as at 31 March 2013		94,593
Gross borrowing	70,871	72,269
Other long-term liabilities	10,285	10,995
Total external debt	81,156	83,264
Operational boundary for external debt	99,980	100,412
Authorised limit for external debt	112,124	112,497
Investments	25,300	28,941
Source: COR returns		
(a) Any capital receipts used to repay principal of any amount borrowed or to meet any liability in respect of credit arrangements, as authorised in Regulation 23(b) and 23(d). Unlike the corresponding line in Table 4.6e "Usable receipts voluntarily set aside as provision to meet credit liabilities", it excludes receipts used under Regulation 23(c) to repay premiums		

5.4.7 **Table 5.4e** shows the distribution of gross long-term borrowing as a percentage of assets by class of authority as at 31 March 2012.

- Only two London boroughs (6%) had no gross long-term borrowing compared to 60 shire districts (30%).
- All but one shire county and all the metropolitan districts had gross long-term borrowing to the value of 10% or more of their assets.

Table 5.4e: Gross long-term borrowing as a percentage of assets by class of authority, 31 March 2013

Band (%)	Number of authorities						
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	England
zero	2	0	1	0	60	15	78
>zero less than 5	1	0	1	0	16	6	24
5 up to 10	3	0	1	1	13	6	24
10 up to 20	10	4	13	3	21	13	64
20 up to 30	9	12	15	10	18	16	80
30 up to 40	6	7	17	9	31	6	76
40 and above	2	13	8	4	42	29	98
Total	33	36	56	27	201	91	444

Source: COR returns

CHAPTER 6

Local government pay and workforce

6.0.1 This chapter provides an overview of local government pay and workforce figures. It is divided into the following sections:

- | | |
|---|--------------------|
| • Summary of local government employment | section 6.1 |
| • Local government expenditure and pay | section 6.2 |
| • Workforce numbers | section 6.3 |

6.1 Summary of local government employment

6.1.1 Local government is collectively one of the largest employers in England, employing nearly 1.6m full time equivalent staff (FTEs). Of all local authority employees, 0.3m FTEs work in education, 0.25m work in protection, law and order: police, traffic wardens, police civilians and firefighters, and almost 1.0m work in administration and other support services.

6.1.2 The main pay negotiating groups in local government employment in England are:

- Teachers
- Police
- Police Support Staff
- Firefighters; and
- Other Local Government Staff.

6.1.3 These pay negotiating groups cover the majority of local government employees. For the purposes of this publication, police and police support staff are treated as one group. Each pay negotiating group is responsible for negotiating, amongst other aspects, the pay rewards for employees in their group.

6.1.4 The group classified as 'Other Local Government Staff' is covered by a number of separate negotiating bodies and includes fire support staff, all non-teachers working in education including teaching assistants, and all other local government employees such as social workers, planners, chief executives, chief officers and other administrative staff.

6.2 Local government expenditure and pay

6.2.1 In 2012-13, local government employee expenditure accounted for 47 per cent of all local government service expenditure (gross of income) and was the single largest area of spending for local government. Employee expenditure includes pay, employers' National Insurance and pensions contributions, location allowances and other employee related costs such as training and recruitment.

6.2.2 A large number of schools left local authority control to become academies in 2011-12 and 2012-13, which reduced the number of teachers being counted as local authority employees, but not necessarily the number of teachers in schools.

6.2.3 **Table 6.2a** shows employee expenditure as a proportion of service expenditure for each of the service areas for 2012-13. Employee expenditure accounted for 62 per cent of education service expenditure and Police and Fire services employee expenditure accounted for 82 per cent and 75 per cent of service expenditure, respectively.

- In 2012-13, 47 per cent of Local Government **service expenditure** (gross of income) was spent on employees. This is a slight decrease from 48 per cent in 2011-12.

Table 6.2a: Employee expenditure as a proportion of total service expenditure for 2012 13

	£ billion		Employees as %
	Employee expenditure	Total service expenditure	of total service expenditure
Education services	26.0	41.6	62%
Highways, roads and transport services	1.2	7.6	16%
Children Social Care	2.6	7.1	37%
Adult Social Care	3.7	19.6	19%
Housing services ^(a)	0.7	3.0	23%
Cultural and related services	1.5	4.2	36%
Environmental services	1.6	6.7	24%
Planning and development services	1.0	2.4	42%
Police services	10.1	12.3	82%
Fire and rescue services	1.7	2.2	75%
Central services	5.9	12.8	46%
Other services	0.2	0.5	32%
Total service expenditure	56.1	120.0	47%

Source: RSX form (2012-13) on a non-IAS19 basis.
(a) Expenditure on the General Fund Revenue Account only.

6.2.4 **Table 6.2b** illustrates levels of local government pay since 2008-09 for each of the main pay negotiating groups, based on data collected and validated from the Subjective Analysis Return which is completed by a sample of authorities in England (136 out of a total of 444 authorities were selected to complete the SAR return in 2012-13, of which 128 submitted a completed return).

- Employee expenditure decreased from £60.2bn to £56.1bn between 2011-12 and 2012-13. The majority of this expenditure was on pay (77 per cent), which totalled £43.3bn in 2012-13.

Table 6.2b: Local government pay by pay negotiating group 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ billion 2012-13
Teachers	16.9	17.3	16.9	15.0	13.2
Police and Police Support Staff	7.6	7.8	7.8	7.5	7.3
Firefighters	1.1	1.1	1.1	1.1	1.1
Other Local Government Staff	23.9	24.8	24.7 (R)	22.5	21.7
Total pay ^(a)	49.6	51.0	50.6 (R)	46.2	43.3
Total non-pay for all groups ^(b)	11.7	12.0	12.2	11.4	10.7
Other pay related costs ^(c)	1.7	2.5	2.8	2.6	2.2
Total employee expenditure ^(d)	62.9	65.5	65.5	60.2	56.1

Source: Revenue Outturn - Subjective Analysis Return (SAR).

(a) Includes overtime, bonuses, severance payments, etc.

(b) Includes employers' National Insurance, pensions contributions and location allowances.

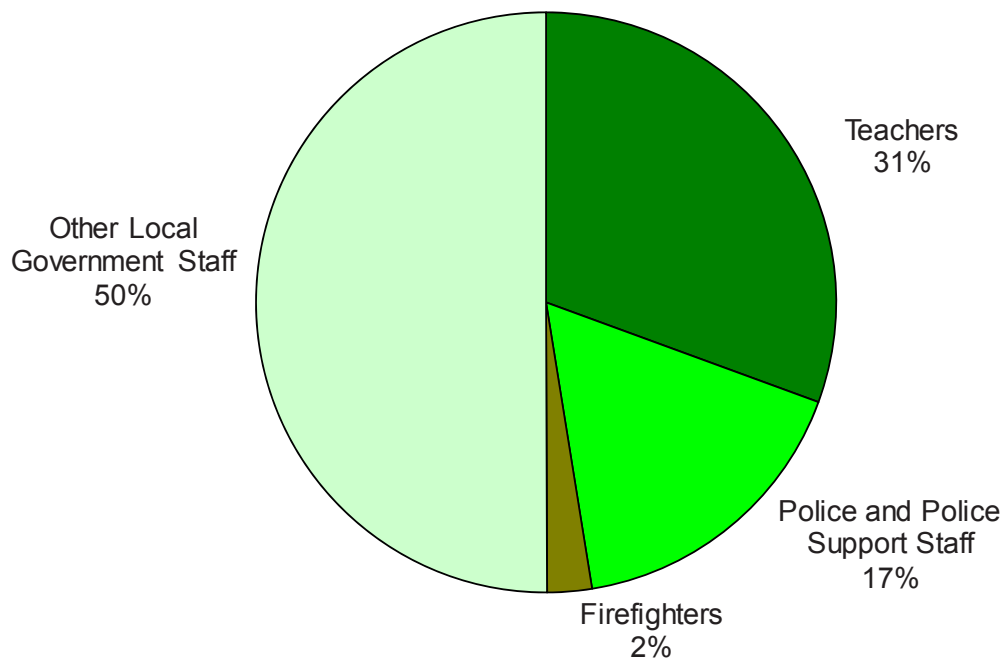
(c) Includes recruitment, retention and training

(d) Includes pay, non-pay and other pay related costs such as recruitment, retention and training, which are not included elsewhere above.

6.2.5 Chart 6.2c shows the proportion of local government pay accounted for by each pay negotiating group in 2012-13.

- Half (50 per cent) of total pay was accounted for by Other Local Government staff, with a further 31 per cent accounted for by Teachers.

Chart 6.2c: Proportion of local government pay by pay negotiating group in 2012 13



6.2.6 **Table 6.2d** illustrates how pay has decreased across all pay negotiating groups since 2008-09.

- Total employee expenditure decreased by 6.7 per cent between 2011-12 and 2012-13, with pay costs decreasing by 6.3 per cent and non-pay costs decreasing by 6.5 per cent.
- Between 2011-12 and 2012-13, the largest change was in expenditure on Teachers' pay which decreased by 11.7 per cent, and the smallest in Police and Police Support Staff which decreased by 3.0 per cent.

Table 6.2d: Annual percentage change in pay by negotiating group 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	% change 2012-13
Teachers	1.7	2.3	-2.0	-11.5	-11.7
Police and Police Support Staff	4.5	2.1	-0.1	-3.3	-3.0
Fire	-1.1	1.6	-0.6	-0.4	-4.7
Other Local Government Staff	5.9	3.8	-0.3	-8.8	-3.8
Total pay ^(a)	4.1	2.9	-0.9	-8.7	-6.3
Total non-pay across all groups ^(b)	4.3	2.8	1.7	-6.6	-6.5
Other pay related costs ^(c)	-41.8	48.8	9.9	-5.5	-16.5
Total employee expenditure ^(d)	2.0	4.1	0.0	-8.1	-6.7

Source: Revenue Outturn - Subjective Analysis Return (SAR).

(a) Includes overtime, bonuses, etc.

(b) Includes employers' National Insurance, pensions contributions and location allowances.

(c) Includes recruitment, retention and training etc.

(d) Includes pay, non-pay and other pay related costs such as recruitment, retention and training, which are not included elsewhere above.

6.3 Workforce numbers

6.3.1 **Table 6.3a** shows the number of FTE staff in local government between 2008-09 and 2012-13 in England.

- In 2012-13, there were nearly 1.6m FTE staff in local government, of which almost 1.0m were Other Local Government Staff and 0.3m were teachers.
- The numbers of teachers employed by local government fell by 38,000 in the year to 2012-13. This was largely due to the large number of formerly local authority maintained schools converting to academy status, and so falling outside local government control (the number of teachers in academies rose by 42,000 over the same period).

Table 6.3a: Number of full time equivalent employees ^(a) 2008-09 to 2012 13

	2008-09	2009-10	2010-11	2011-12	thousand 2012-13	% change 2008-09 to 2012-13	% of total 2012-13
Teachers ^(b)	433	433	425	359	321	-25.9	21
Police ^(c)	136	136	132	127	126	-7.8	8
Police Support Staff ^(d)	94	96	89	81	81	-14.2	5
Firefighters ^(e)	43	43	43	41	40	-8.4	3
Other Local Government Staff ^(f)	1,088	1,086 (R)	1,096	1,060	994	-8.6	64
Total	1,795	1,794 (R)	1,785	1,668	1,562	-13.0	100

(a) Full-time equivalent figures including those on maternity/paternity leave.

(b) Source: Department for Education

(c) Source: Home Office. Includes ACPO ranks, Chief Superintendents, Superintendents, Chief Inspectors, Inspectors, Sergeants and Constables.

(d) Source: Home Office. Includes Traffic Wardens, Police Community Support Officers and Designated Officers. Also includes staff on career breaks.

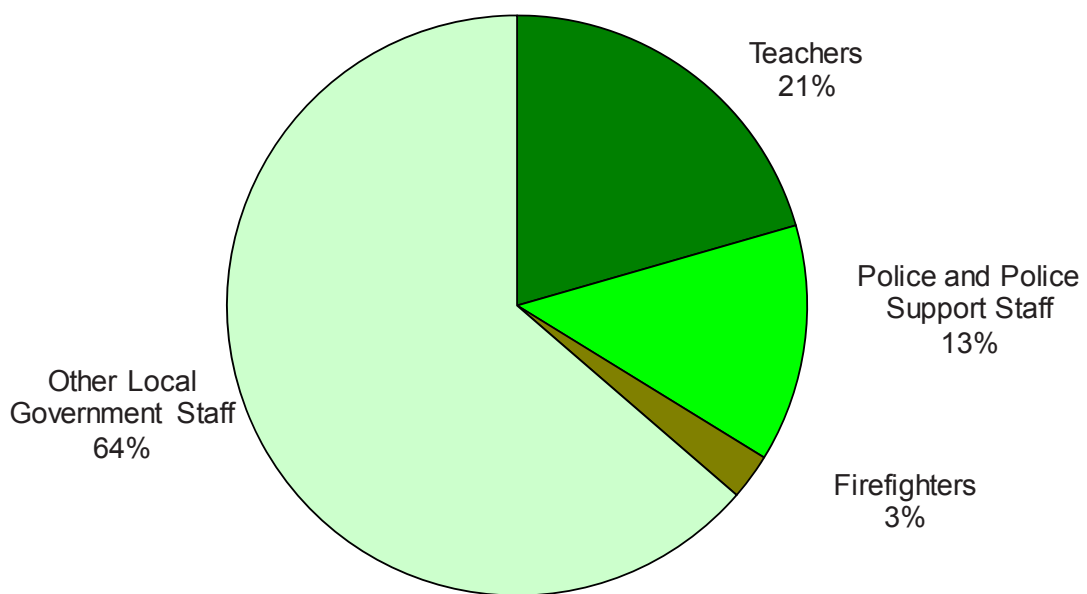
(e) Source: DCLG

(f) Source: Office for National Statistics

6.3.2 **Chart 6.3b** illustrates the proportion of FTE staff working in each area of local government in 2012-13.

- In 2012-13, other local government staff accounted for the majority of all local government employees, making up 64 per cent. The next largest group of employees was teachers who accounted for 21 per cent.

Chart 6.3b: Proportion of full-time equivalent employees in 2012-13



CHAPTER 7

Local authority pension funds

7.0.1 This chapter describes the pensions for local authority employees. It is divided into the following sections:

- **Pensions for local authority employees** **section 7.1**
- **The Local Government Pension Scheme** **section 7.2**
- **The Firefighters' Pension Schemes** **section 7.3**

7.1 Pensions for local authority employees

7.1.1 The Local Government Pension Scheme is operated in England via 81 **pension funds** at local authority level to provide pensions for most local authority employees. These authorities have the responsibility to meet pension liabilities as and when they fall and the income stream from the assets held assist in amortising liabilities and stabilising employer contribution rates to the Scheme over the medium and long term. The assets of the pension funds are part of the financial corporations sector in the National Accounts, not part of the local government sector. Pensions paid out under the scheme are therefore part of the expenditure of the pension funds, not of the local authorities that administer them. Employers' and employees' contributions, part of the income of the funds, are recorded as expenditure by local authorities in their revenue accounts, either directly or indirectly under employees' expenses.

7.1.2 Separate arrangements apply for the pensions of the police, fire fighters and teachers. The police and fire fighters' pensions are provided through unfunded schemes administered locally, and the cost of police and fire fighters' pensions are therefore included in local authority expenditure. Teachers' pensions are provided through a notionally funded scheme administered by the Department for Education (DfE). There is no fund of assets, and teachers' pensions are paid by the DfE. Employers' and employees' contributions are paid by local authorities to the DfE and are recorded as expenditure in their revenue accounts.

7.2 The Local Government Pension Scheme

7.2.1 The following tables, charts and commentary provide information and statistics on Local Government Pension Scheme expenditure, income, the number of Local Government Pension Scheme members, the market value of the fund and the number and type of retirees from the scheme.

- Local Government Pension Scheme expenditure on benefits in 2012-13 was £7.5 billion, almost the same as in 2011-12. Total expenditure was £8.5 billion, some £103 million, or 1.2% less than 2011-12.
- In 2012-13, 88% of Local Government Pension Scheme expenditure in England was on benefits in the form of pensions and annuities or lump sums, for retired members and their dependants.
- Expenditure on lump sums paid on retirement in 2012-13 was £1.2 billion. This compares with £1.7 billion in 2011-12.

Table 7.2a: Local Government Pension Scheme expenditure 2003-04 to 2012-13

							£ million
	Expenditure on benefits ^(a)	Disposal of liabilities			Costs charged to the funds ^(c)	Other expenditure	Total expenditure
		Transfer values	Pensions Act premiums	Refunds of contributions ^(b)			
2003-04	3,770	645	31	27	218	18	4,709
2004-05	4,014	768	28	24	251	16	5,101
2005-06	4,272	853	29	14	290	15	5,473
2006-07	4,757	598	26	5	349	19	5,754
2007-08	<u>5,230</u>	540	10	4	375	27	<u>6,185</u>
2008-09	<u>5,611</u>	502	11	-	359	19	<u>6,502</u>
2009-10	6,317	846	12	-	384	19	7,578
2010-11	6,730	818	12	-	437	10	8,007
2011-12	7,534	551	0	-	468	38	8,592
2012-13	7,504	476	0	-	492	17	8,490

Source: SF3 returns

(a) A breakdown of expenditure on benefits is shown in Table 7.2b

(b) The rules on refunds changed as at 1 April 2008

(c) Administration and fund management costs

Table 7.2b: Local Government Pension Scheme expenditure on benefits 2003-04 to 2012-13

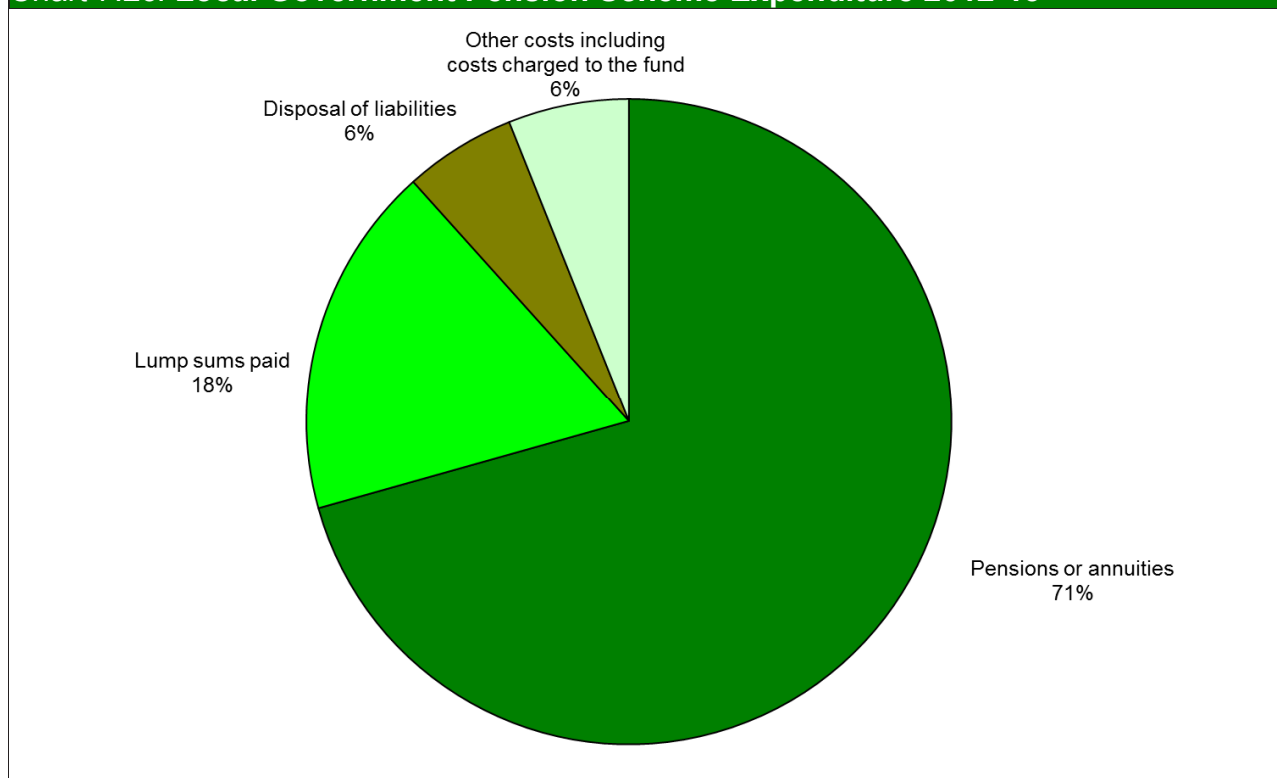
		£ million				
	Pensions or annuities paid to retired employees or dependants	Lump sums paid		Optional lump sum ^(c)	Other benefits	Total benefits
		On retirement ^(a)	On death ^(b)			
2003-04	3,215	483	69	-	3	3,770
2004-05	3,404	540	69	-	2	4,014
2005-06	3,611	581	78	-	2	4,272
2006-07	3,816	<u>859</u>	81	-	1	<u>4,757</u>
2007-08	4,100	<u>1,038</u>	<u>84</u>	-	1	<u>5,230</u>
2008-09	4,398	1,048	123	41	1	5,611
2009-10	4,774	1,323	137	82	1	6,317
2010-11	5,021	1,441	153	114	1	6,730
2011-12	5,503	1,706	164	161	1	7,534
2012-13	5,998	1,241	163	98	4	7,504

Source: SF3 returns

(a) The rules governing the payment of lump sums on retirement changed in 2006-07 and now allow beneficiaries to take some of their pension as a lump sum and less as a continuing pension.

(b) The rules changed from 1 April 2008. Prior to this date death benefit was twice salary, after this date it is three times salary.

(c) This was introduced in April 2008

Chart 7.2c: Local Government Pension Scheme Expenditure 2012-13

- The overall Local Government Pension Scheme income in 2012-13 fell by £449 million, or 3.9% when compared with the figure for 2011-12.
- Income from employees' contributions to the Local Government Pension Scheme in 2012-13 was £1.8 billion, a decrease of £54 million or 2.9% on 2011-12. Income from employers' contributions to the scheme also decreased in the same period by £188 million or 3.2%.
- In 2012-13, 68% of Local Government Pension Scheme income came from employers' and employees' contributions (up from 67% in 2011-12) whilst income from investments provided 27% of the total.
- Income from investments decreased by £62 million, or 2%, when compared with 2011-12 to below £3.0 billion.

Table 7.2d: Local Government Pension Scheme income 2003-04 to 2012-13

	Contributions (including those from admitted authorities)		Investment income (gross)	Transfer values	Other income	Total income
	Employees ^(a)	Employers ^(b)				
2003-04	1,334	3,217	2,145	840	37	7,573
2004-05	1,431	3,544	2,322	987	40	8,325
2005-06	1,576	4,124	2,639	1,044	43	9,426
2006-07	1,605	4,626	3,019	754	59	10,063
2007-08	1,680	5,009	3,165	707	50	10,610
2008-09	1,926	5,400	2,873	557	50	10,806
2009-10	1,974	5,759	2,572	800	58	11,163
2010-11	1,966	5,947	2,696	791	96	11,496
2011-12	1,839	5,920	3,045	662	82	11,547
2012-13	1,785	5,732	2,983	519	79	11,098

Source: SF3 returns

(a) The rate of employee's contribution to the scheme changed from 1 April 2008 from a flat rate for all employees to a variable rate dependent on salary.

(b) Includes employers' secondary contributions

Chart 7.2e: Local Government Pension Scheme income 2012-13

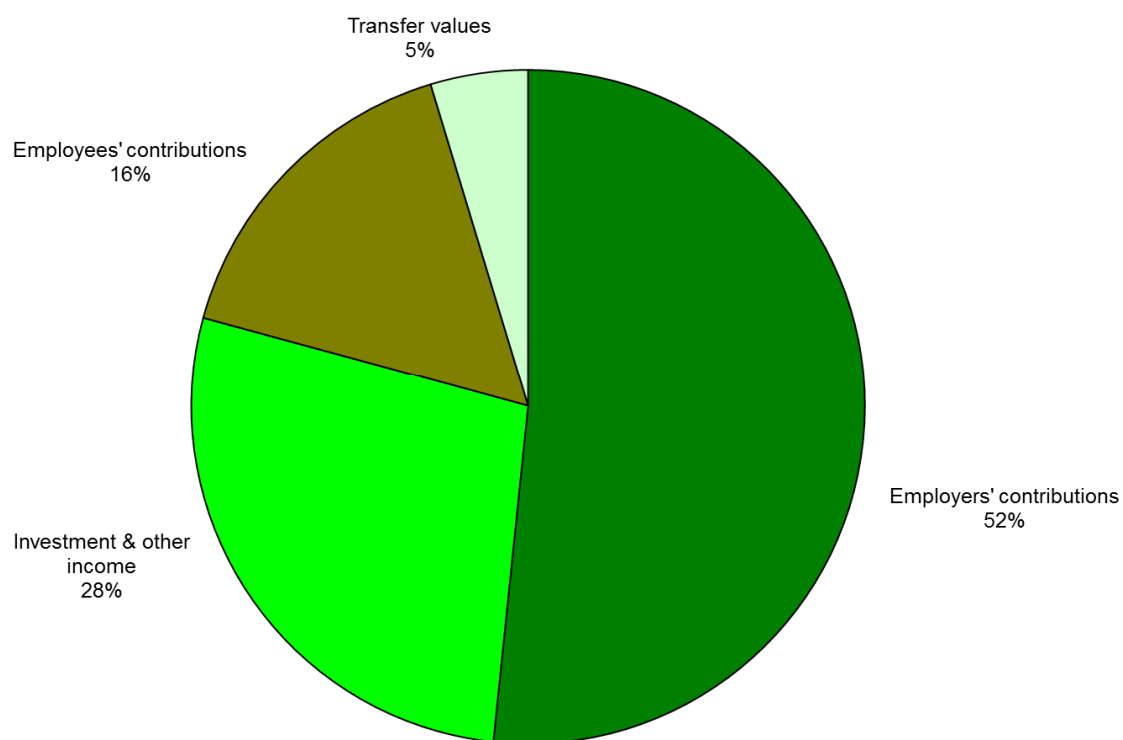
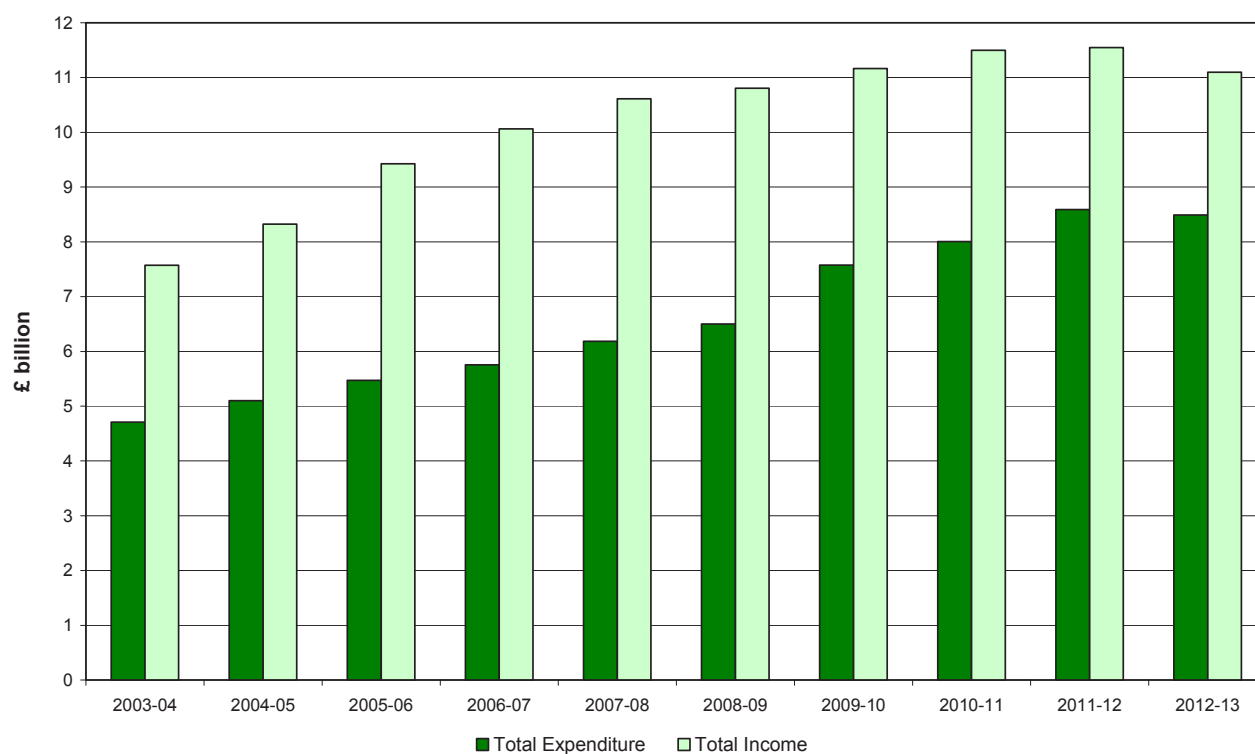


Chart 7.2f: Local Government Pension Scheme total expenditure and income 2003-04 to 2012-13



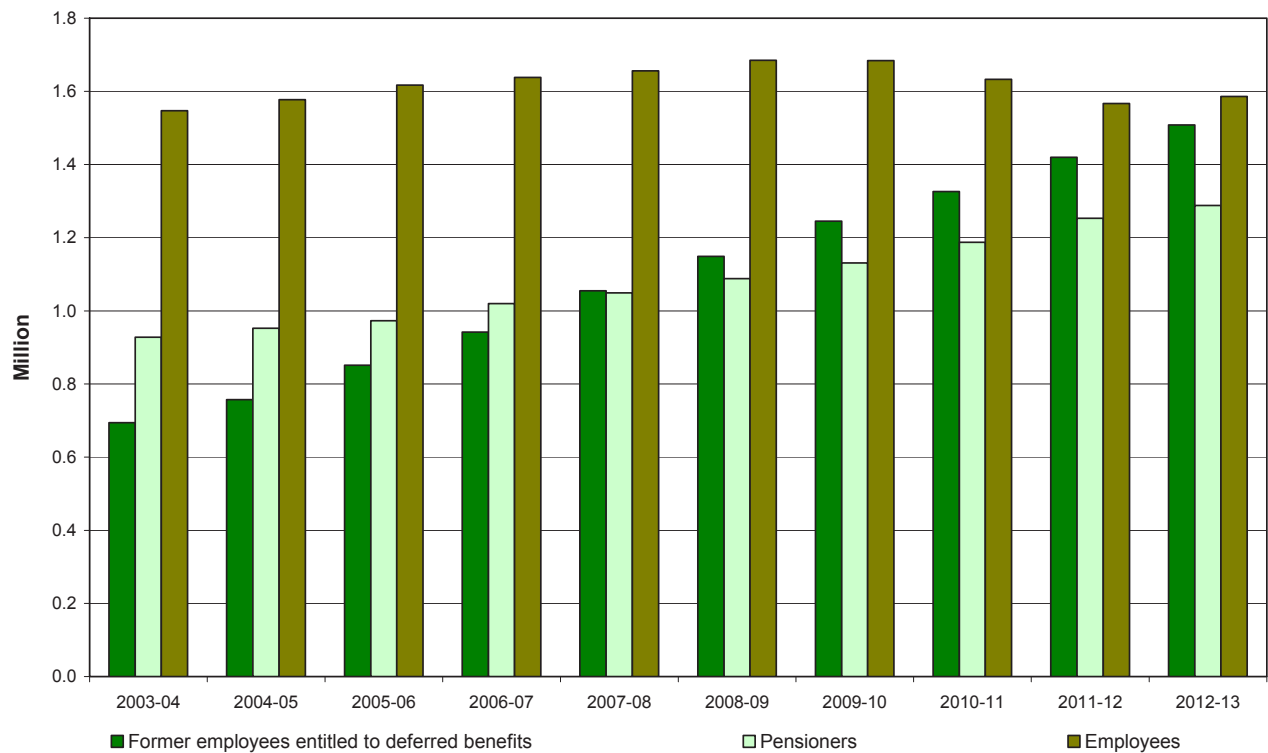
- For the first time in a number of years there was an increase in the number of employees in the Local Government Pension Scheme. At the end of March 2013 there were just under 1.6 million members, an increase of 19 thousand, or 1.2%, over the figure for March 2012. A contributory factor to this increase may be that authorities are now required to auto-enrol staff into pension schemes. This came into effect from October 2012. Staff may opt out of the scheme if they wish.
- During 2012-13 the number of pensioners rose by 35 thousand to nearly 1.3 million, an increase of 3% over the figure for the end of 2011-12.
- In 2012-13, the number of former employees entitled to deferred benefits rose by 88 thousand to 1.5 million, an increase of 6% over 2011-12, and an increase of 31% over 2008-09.
- The market value of the funds at end of March 2013 was £167 billion. This represents an increase of more than 13% on March 2012 and an increase of 72% on March 2009.

Table 7.2g: Number of Local Government Pension Scheme members and market value of funds 2003-04 to 2012-13

	Number of scheme members at end of each year (thousand)				Market value of funds at end of year (£ million)
	Employees	Pensioners	Former employees entitled to deferred benefits	Former employees to whom Reg. 18 applies (a)	
2003-04	1,547	928	694	-	79,382
2004-05	1,577	952	757	-	89,530
2005-06	1,617	973	851	-	112,967
2006-07	1,638	1,019	942	0	122,402
2007-08	1,656	1,049	1,055	1	119,959
2008-09	1,685	1,088	1,149	2	97,272
2009-10	1,684	1,131	1,245	4	132,012
2010-11	1,633	1,187	1,326	9	142,716
2011-12	1,567	1,253	1,420	9	147,719
2012-13	1,586	1,288	1,508	10	167,171

Source: SF3 returns
(a) Former members to whom Regulation 18 of the 2007 Benefit Regulations (flexible retirees) applies.

Chart 7.2h: Local Government Pension Scheme membership 2003-04 to 2012-13



- The number of people leaving the Local Government Pension Scheme in 2012-13 because of redundancy decreased by 52% over the 2011-12 figure to just over 13,100.
- The number of people leaving the Local Government Pension Scheme in 2012-13 because of normal retirement decreased by 14% over 2011-12.

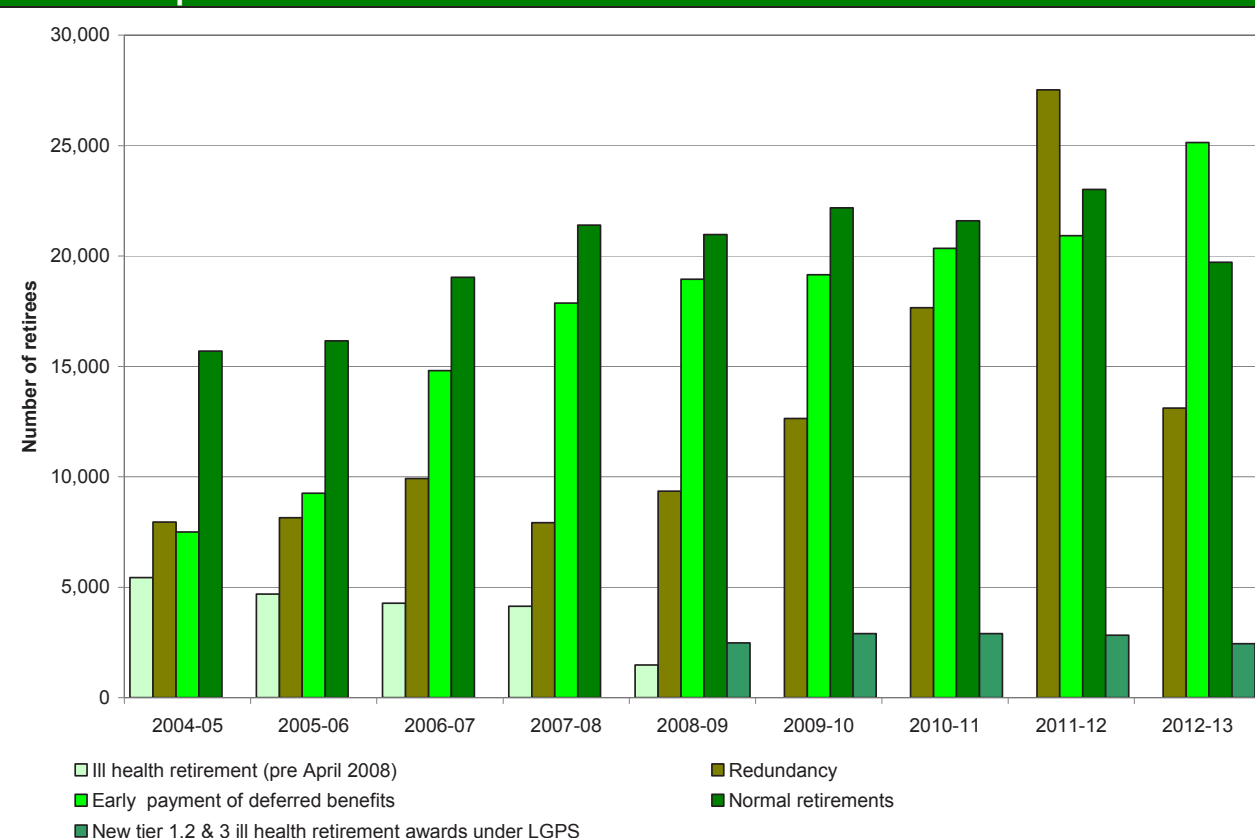
Table 7.2i: Type of retirements from the Local Government Pension Scheme 2004-05 to 2012-13

	Redundancy	Ill health retirement (pre April 2008)	New tier 1, 2 & 3 ill health retirement under LGPS ^(a)	Early payment of deferred benefits ^(b)	Normal retirements	Total retirements
2004-05	7,949	5,440	-	7,506	15,689	36,584
2005-06	8,146	4,687	-	9,255	16,151	38,238
2006-07	9,923	4,279	-	14,804	19,038	48,044
2007-08	7,927	4,134	-	17,867	21,393	51,321
2008-09	9,346	1,470	2,475	18,952	20,967	53,210
2009-10	12,637	-	2,898	19,150	22,180	56,865
2010-11	17,657	-	2,903	20,344	21,585	62,489
2011-12	27,525	-	2,820	20,923	23,016	74,284
2012-13	13,110	-	2,441	25,139	19,717	60,407

Source: SF3 forms

a) Under the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and the Local Government Pension Scheme (Administration) Regulations 2008 which came into effect on 1 April 2008, there are now three levels of ill-health retirement pension payable. These levels depend on the extent to which the incapacitating condition which gave rise to the termination of employment in local government prevents the scheme member from obtaining gainful employment in the general workforce.

b) Members who leave the scheme having completed the minimum period of service but who are not entitled to the immediate payment of a pension benefit, are awarded a deferred benefit which, under normal circumstances, becomes payable when the person reaches their normal retirement age.

Chart 7.2j: Type of retirement from the Local Government Pension Scheme Membership 2004-05 to 2012-13


7.3 The Firefighters' Pension Schemes

7.3.1 The following tables provide information on the expenditure and income streams for the two firefighter pension schemes currently operating in England: the Firefighters' Pension Scheme 1992, which was available to regular firefighters and which closed to new membership on 5 April 2006, and the New Firefighters Pension Scheme (NFPS), which was introduced for both regular and retained firefighters employed after 5 April 2006.

7.3.2 Both the employer and employee pension contributions together with other sources of pension income, including transfer-in payments, ill-health charges etc, are paid into a locally managed pension fund account. Any authorised expenditure, to include pension payments, commutation lump sums and transfer-out payments, are paid out of the pension account. The annual shortfall (cashflow deficit) between the total annual pensions income received and the total annual pension expenditure paid is reimbursed to each employing Fire and Rescue Authority through the mechanism of the annual Firefighters' Pension Top Up grant, which is paid by the Department for Communities and Local Government under Annually Managed Expenditure arrangements.

- The Firefighters Pension Schemes' expenditure rose by 3% from £644m in 2011-12 to £666m in 2012-13, which surpassed the previous high of £645m in 2009-10.

Table 7.3a: Firefighters Pension Schemes Expenditure 2008 09 to 2012 13

	£ million					%change
	2008-09	2009-10	2010-11	2011-12	2012-13 ¹	2012-13
Pension outgoings	588.3	633.6	599.7	640.6	659.1	3%
of which:						
Commutation payments	166.4	170.9	126.9	132.2	116.1	-12%
Recurring outgoing payments	422.1	462.7	472.8	508.4	543.0	7%
Transfers out ²	2.5	9.1	4.7	3.4	7.1	-
Miscellaneous	0.5	2.0	0.1	0.1	0.3	-
Total	591.3	644.8	604.5	644.1	666.4	3%

¹2012-13 figures are unaudited, previous years' are audited.

²This only includes transfers out of FPS and NFPS to other pension schemes.

- Both employee and employer contributions to the Firefighters Pension Schemes have fallen over the last four years.

Table 7.3b: Firefighters Pension Schemes Income 2008 09 to 2012 13

	£ million					%change
	2008-09	2009-10	2010-11	2011-12	2012-13 ¹	2012-13
Employee contributions	108.7	107.5	106.0	102.9	106.0	3%
Employer contributions	203.5	198.5	194.7	188.0	182.1	-3%
Ill Health	6.5	4.3	3.7	4.8	5.2	9%
Miscellaneous	5.1	23.8	0.0	0.0	0.6	-
<i>of which:</i>						
<i>Special second commutation payment</i>	-	23.8	-	-	-	-
Transfers	8.8	9.1	6.2	2.7	2.7	0%
Total	332.7	342.9	310.6	298.4	296.6	-1%
¹ 2012-13 figures are unaudited, previous years' are audited.						

ANNEX A

Local government geography and history

This annex contains the following geographical and historical information:

- **Maps of local authority areas in England** **section A1**
- **English local authority structure** **section A2**
- **Parish and town councils** **section A3**
- **Changes in English local authority functions and structure** **section A4**

A1 Maps of local authority areas in England

Chapter 1.3 describes the structure of local government. The following maps show all the individual shire counties and districts, metropolitan districts, unitary authorities, London boroughs and single purpose authorities from whom the Department of Communities and Local Government collects local government finance data. **Map A1a** shows all English county boundaries, which are broken down to districts on **Maps A1b to A1f**.

- **All England** **Map A1a**
- **Northern England** **Map A1b**
- **Central England** **Map A1c**
- **South Western England** **Map A1d**
- **South Eastern England** **Map A1e**
- **London** **Map A1f**
- **Fire (and passenger transport) authorities** **Map A1g**
- **Police commissioners** **Map A1h**
- **Parks and waste authorities** **Map A1i**
- **Rural/urban classification at lower tier level** **Map A1j**
- **Rural/urban classification at higher geographies levels** **Map A1k**

Legend:

- County Councils (Green)
- Greater London Authority (Red)
- Metropolitan Districts (Purple)
- Unitary Authorities (Yellow)

Map Labels:

North: Northumberland, Newcastle-upon-Tyne, North Tyneside, South Tyneside, Sunderland, Gateshead, Durham, Darlington, Hartlepool, Stockton-on-Tees, Redcar & Cleveland, Middlesbrough.

East: North Yorkshire, East Riding of Yorkshire, North Lincolnshire, North East Lincolnshire, Lincolnshire, Norfolk, Suffolk, Essex, Kent, East Sussex, West Sussex, Brighton & Hove, Southend-on-Sea, Thurrock, Medway.

West: Lancashire, Blackpool, Blackburn, Bolton, Bury, Rochdale, Oldham, Tameside, Stockport, Wigan, St. Helens, Salford, Trafford, Wirral, Halton, Cheshire West & Chester, Cheshire East, Stoke-on-Trent, Derbyshire, Nottinghamshire, Nottingham, Derby, Leicestershire, Rutland, Leicester, Peterborough, Northamptonshire, Cambridgeshire, Bedford, Milton Keynes, Central Bedfordshire, Luton, Hertfordshire, Bedfordshire, Essex, Kent, East Sussex, West Sussex, Brighton & Hove, Southend-on-Sea, Thurrock, Medway.

South: Devon, Cornwall, Plymouth, Torbay, Dorset, Bournemouth, Poole, Southampton, Portsmouth, Isle of Wight, Hampshire, Surrey, Windsor & Maidenhead, Slough, West Berkshire, Reading, Bracknell, Wycombe, Oxfordshire, Swindon, Wiltshire, Bath & North East Somerset, North Somerset, Bristol, Gloucestershire, South Gloucestershire, Somerset, Devon, Cornwall, Plymouth, Torbay.

Isles of Scilly: Isles of Scilly

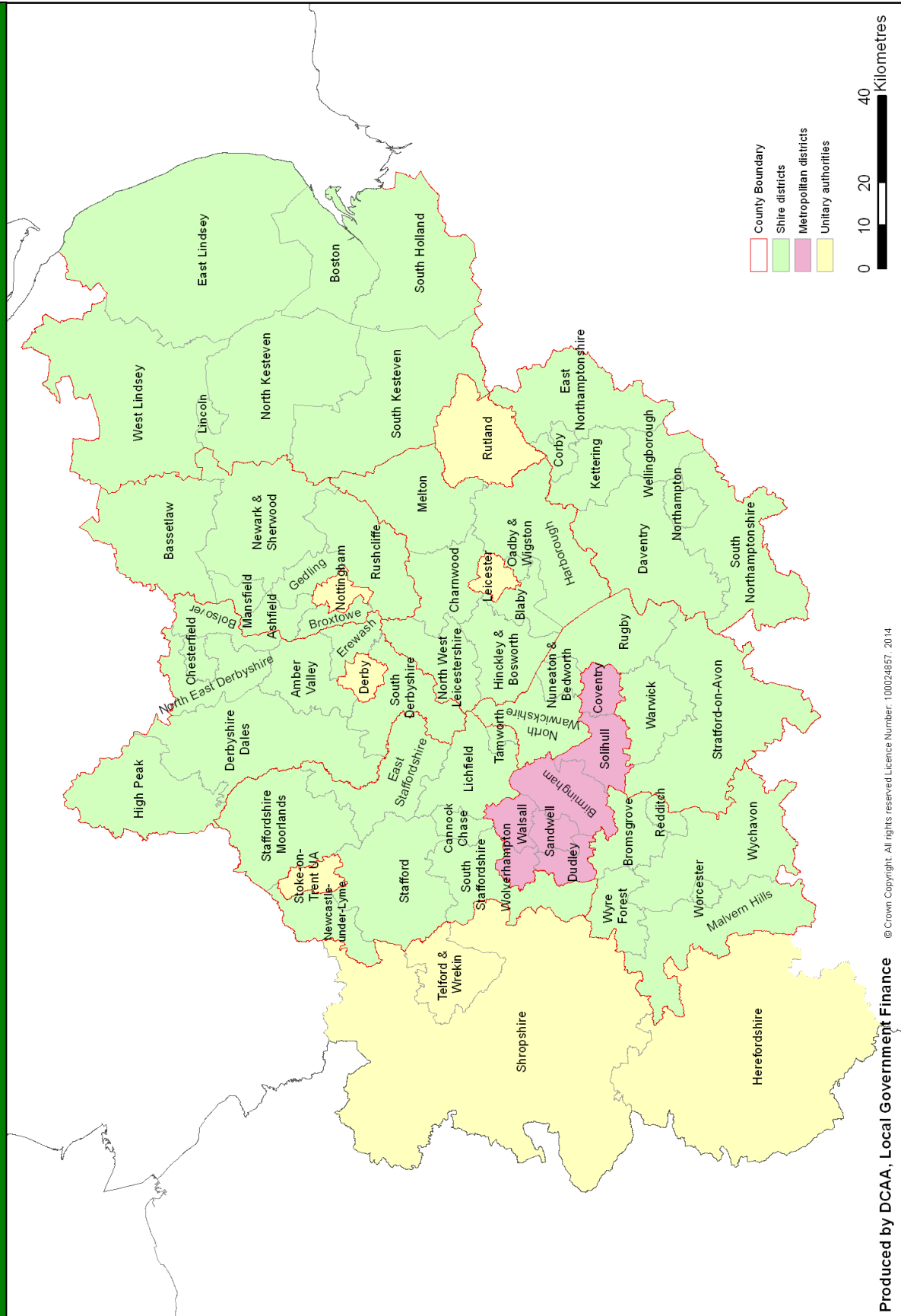
Scale: 0 25 50 100 Kilometres

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Map A1b: Local authority lower tier boundaries as at 1 April 2013, Northern



Map A1c: Local authority lower tier boundaries as at 1 April 2013, Central England



Map A1d: Local authority lower tier boundaries as at 1 April 2013, South Western England



Map A1e: Local authority lower tier boundaries as at 1 April 2013, South Eastern England



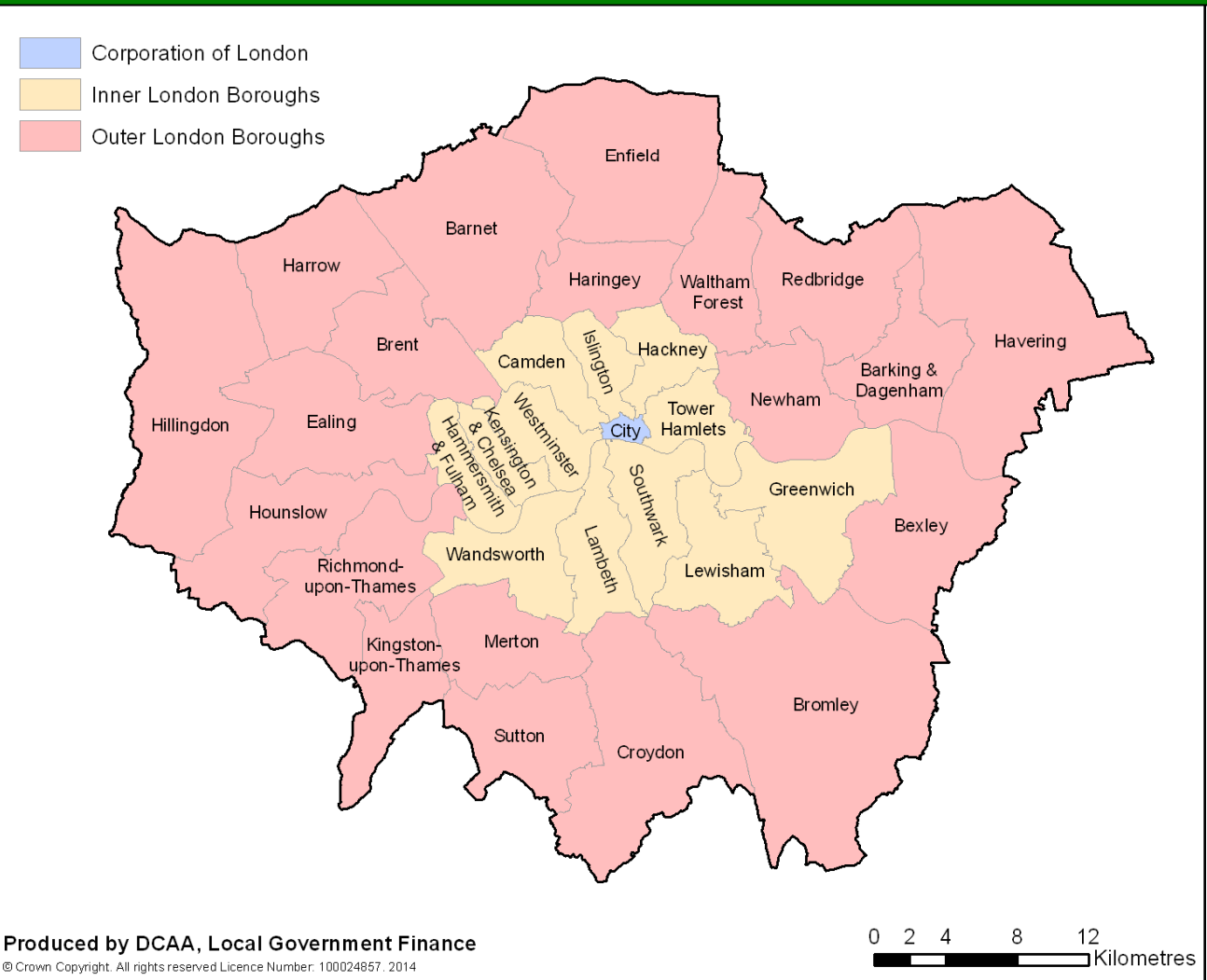
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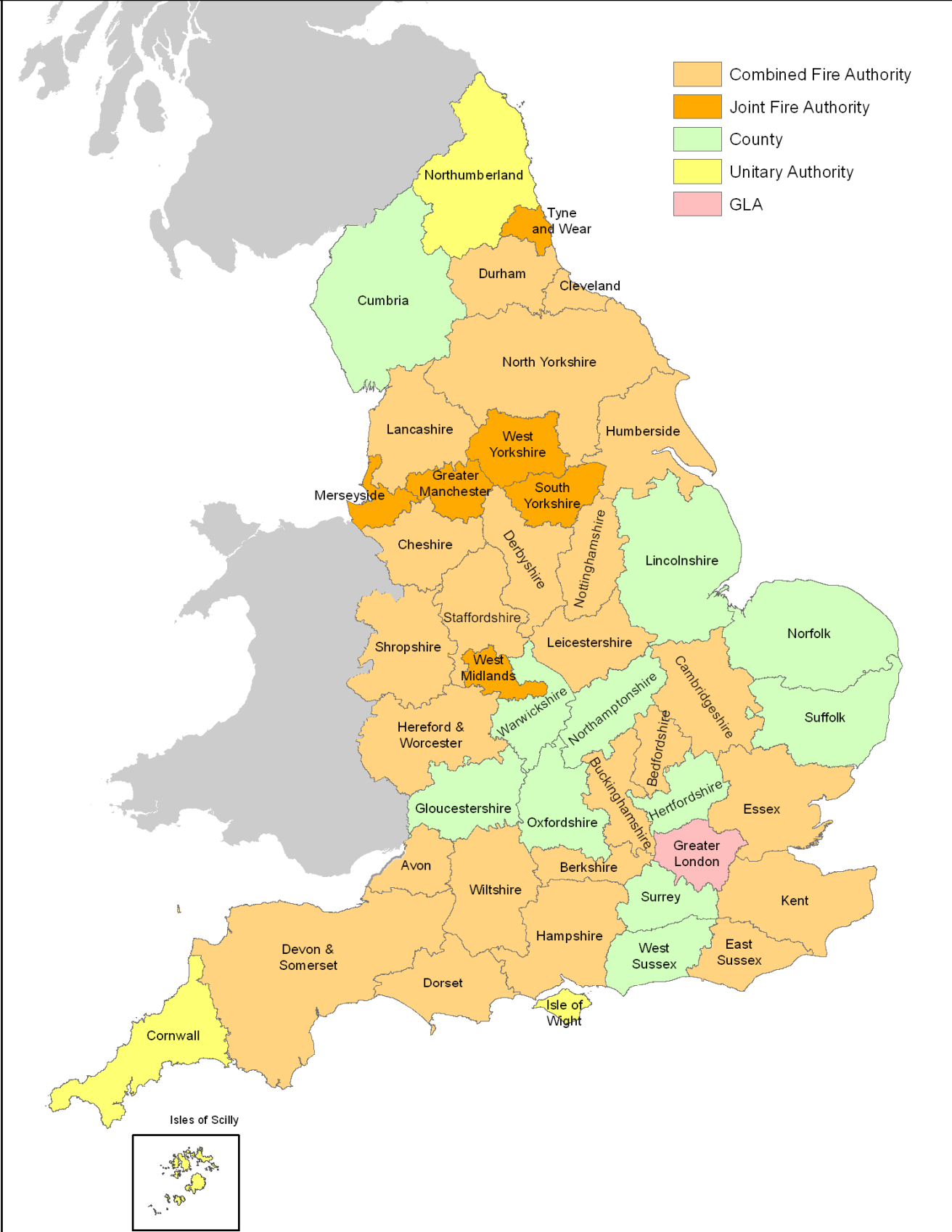
- This map shows how the London boroughs are grouped into Inner and Outer London areas for the purposes of the local government finance system, as classified by the London Government Act, 1963. The City of London is normally included within statistics for Inner London.

Map A1f: Local authority lower tier boundaries as at 1 April 2013 – Greater London



- This map also effectively shows **Passenger Transport Authority** areas, which share the same boundaries and names as joint fire authorities.

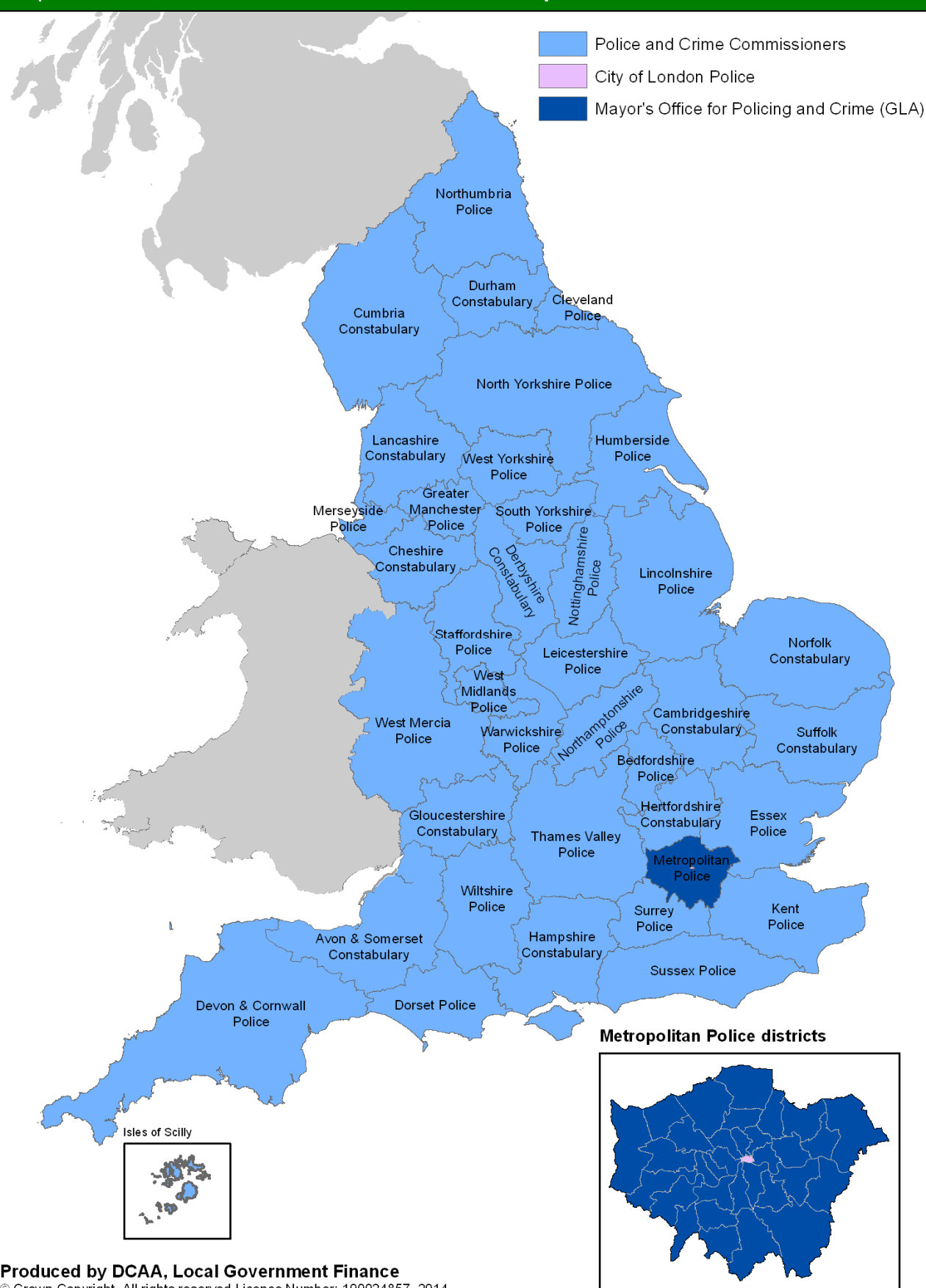
Map A1g: Fire and rescue authorities as at 1 April 2013



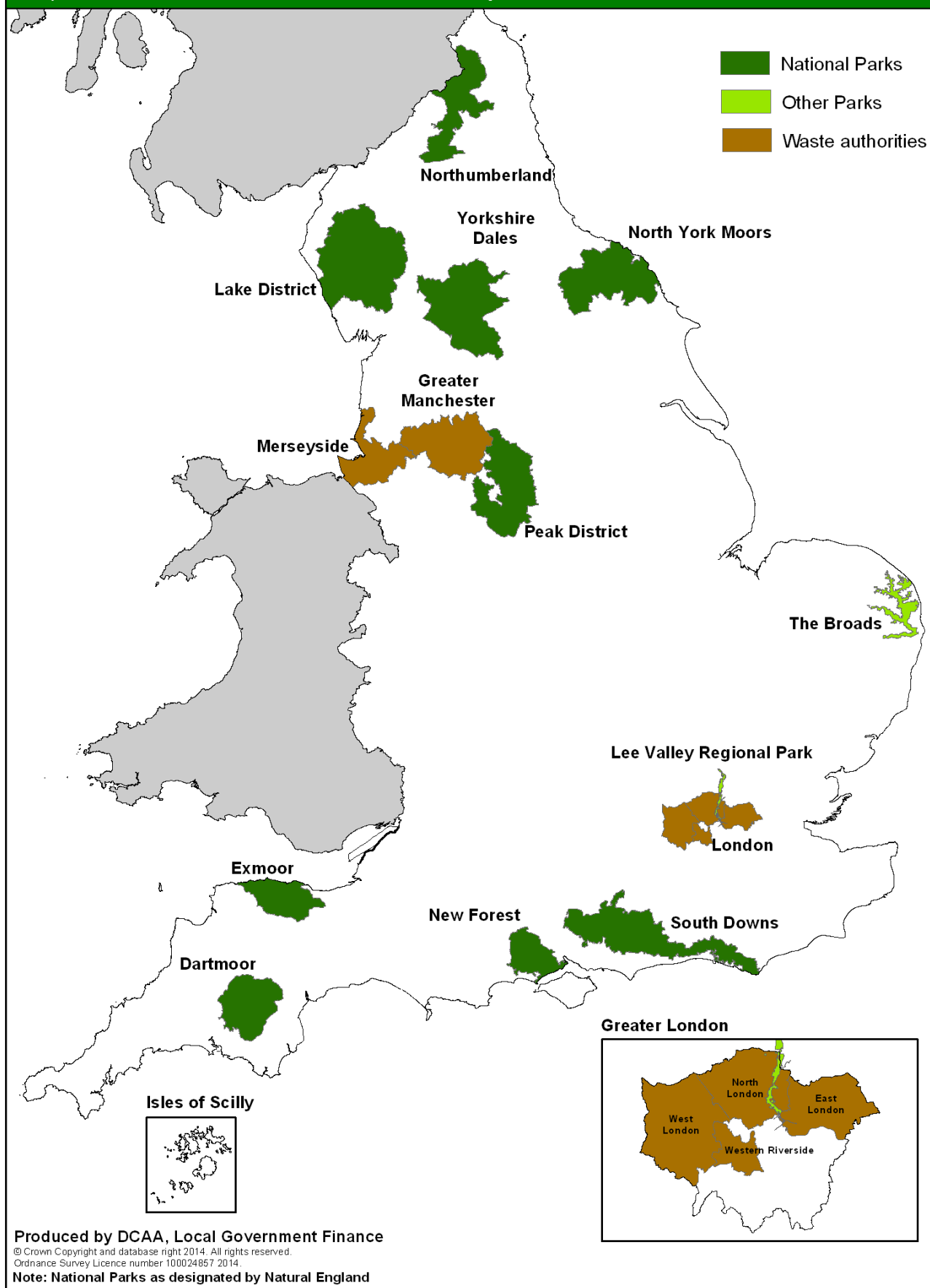
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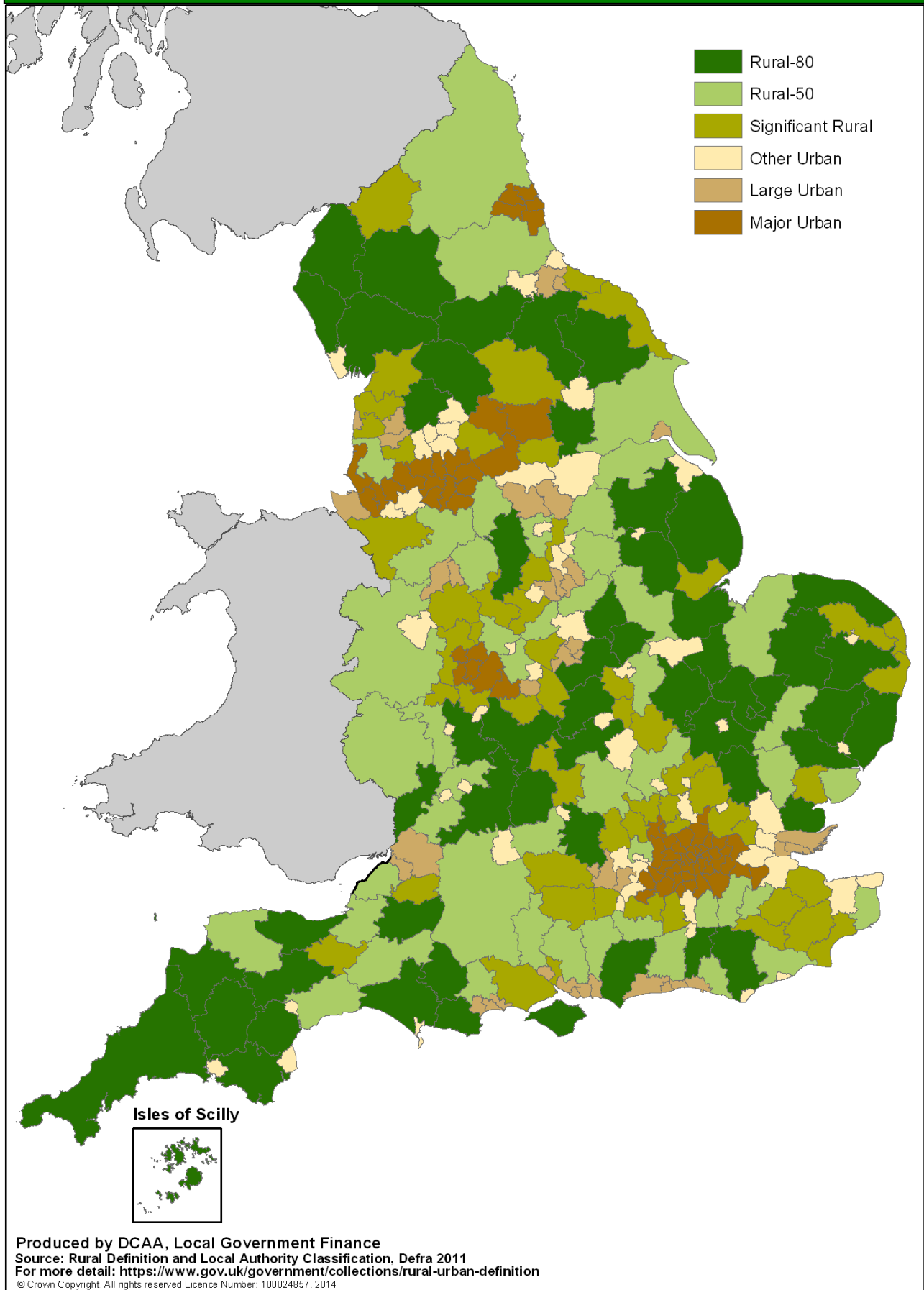
Map A1h: Police and Crime Commissioners as at 1 April 2013



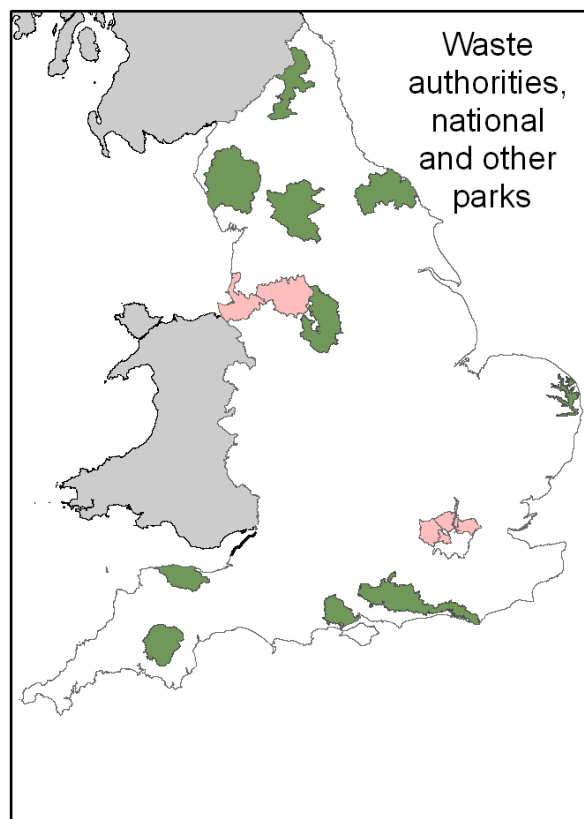
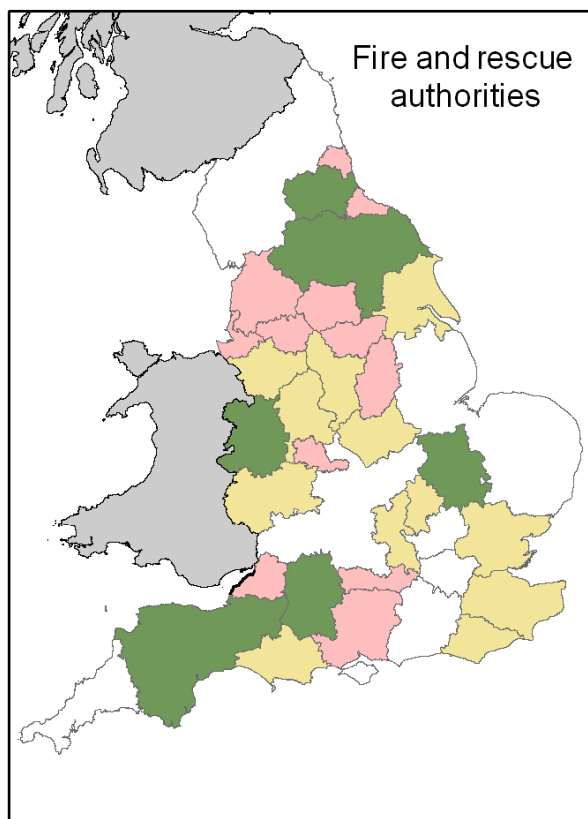
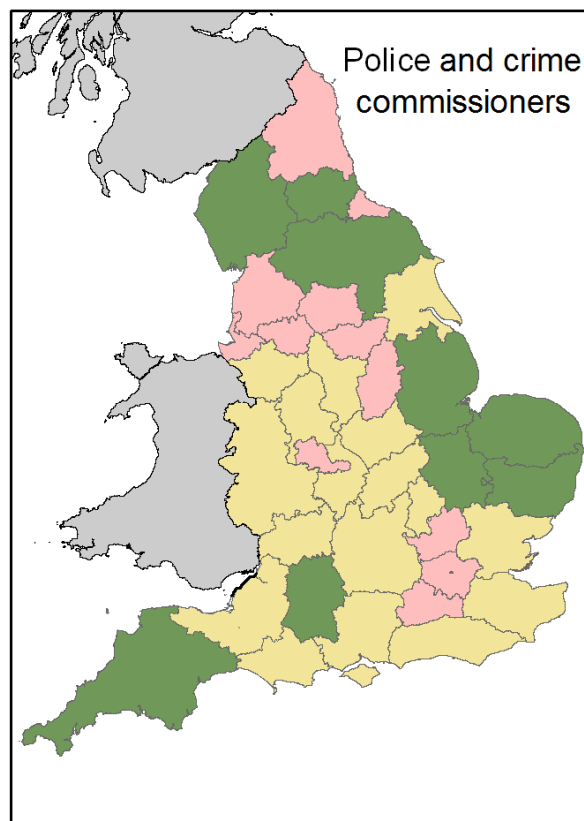
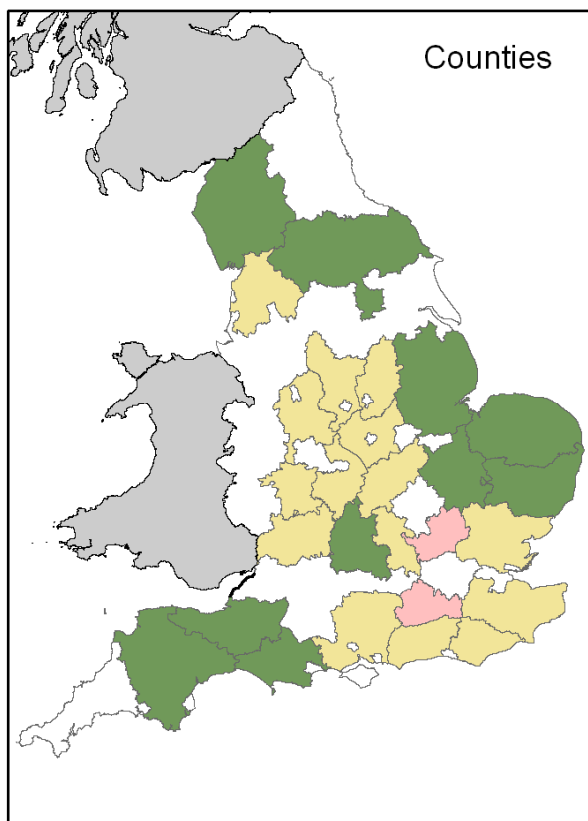
Map A1i: Parks and waste authorities as at 1 April 2013



Map A1j: Rural/urban classification at lower tier level



Map A1k: Rural/urban classification at higher geography levels



Produced by DCAA, Local Government Finance

Notes: Based on higher geographies datasets from the Rural Definition and Local Authority Classification defined by Defra and updated in 2011.

For more detail see: <https://www.gov.uk/government/collections/rural-urban-definition>

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NAME

	England ex-London
	Predominantly Rural
	Predominantly Urban
	Significant Rural

Rural/urban classification at lower tier level

Local Authority Classification	Description
Major Urban	Local authorities with either 100,000 people or 50% of their population in urban areas with a population of more than 750,000
Large Urban	Local authorities with either 50,000 people or 50% of their population in one of 17 urban areas with a population between 250,000 and 750,000
Other Urban	Local authorities that have less than 26% of their population in rural settlements (including larger market towns) and do not have a substantial quantity or proportion of their population living within major or large urban areas
Significant Rural	Local authorities with more than 26% but less than 50% of their population in rural settlements and larger market towns
Rural-50	Local authorities with at least 50% but less than 80% of their population in rural settlements and larger market towns
Rural-80	Local authorities with at least 80% of their population in rural settlements and larger market towns

Rural/urban classification at higher geography levels (using similar criteria to the LA classification):

Classification	% Urban	% Rural
Predominantly Urban	>=74%	<26%
Predominantly Rural	<50%	>=50%
Significant Rural	<74%	>=26%

See: <https://www.gov.uk/government/collections/rural-urban-definition>

A2 English local authority structure

This annex shows each billing authority as at 1 April 2013 and its relationship with other tiers of local government.

Table A2a: English local authority structure as at 1 April 2013 - Shire Districts			
Billing Authority	Upper Tier (County Council)	Police and Crime Commissioner	Fire & Rescue Authority
Adur	West Sussex	Sussex	West Sussex CC
Allerdale	Cumbria	Cumbria	Cumbria CC
Amber Valley	Derbyshire	Derbyshire	Derbyshire Fire
Arun	West Sussex	Sussex	West Sussex CC
Ashfield	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Ashford	Kent	Kent	Kent Fire
Aylesbury Vale	Buckinghamshire	Thames Valley	Buckinghamshire Fire
Babergh	Suffolk	Suffolk	Suffolk CC
Barrow-in-Furness	Cumbria	Cumbria	Cumbria CC
Basildon	Essex	Essex	Essex Fire
Basingstoke & Deane	Hampshire	Hampshire	Hampshire Fire
Bassetlaw	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Blaby	Leicestershire	Leicestershire	Leicestershire Fire
Bolsover	Derbyshire	Derbyshire	Derbyshire Fire
Boston	Lincolnshire	Lincolnshire	Lincolnshire CC
Braintree	Essex	Essex	Essex Fire
Breckland	Norfolk	Norfolk	Norfolk CC
Brentwood	Essex	Essex	Essex Fire
Broadland	Norfolk	Norfolk	Norfolk CC
Bromsgrove	Worcestershire	West Mercia	Hereford and Worcester Fire
Broxbourne	Hertfordshire	Hertfordshire	Hertfordshire CC
Broxtowe	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Burnley	Lancashire	Lancashire	Lancashire Fire
Cambridge	Cambridgeshire	Cambridgeshire	Cambridgeshire Fire
Cannock Chase	Staffordshire	Staffordshire	Staffordshire Fire
Canterbury	Kent	Kent	Kent Fire
Carlisle	Cumbria	Cumbria	Cumbria CC
Castle Point	Essex	Essex	Essex Fire
Charnwood	Leicestershire	Leicestershire	Leicestershire Fire
Chelmsford	Essex	Essex	Essex Fire
Cheltenham	Gloucestershire	Gloucestershire	Gloucestershire CC
Cherwell	Oxfordshire	Thames Valley	Oxfordshire CC
Chesterfield	Derbyshire	Derbyshire	Derbyshire Fire
Chichester	West Sussex	Sussex	West Sussex CC
Chiltern	Buckinghamshire	Thames Valley	Buckinghamshire Fire
Chorley	Lancashire	Lancashire	Lancashire Fire
Christchurch	Dorset	Dorset	Dorset Fire
Colchester	Essex	Essex	Essex Fire
Copeland	Cumbria	Cumbria	Cumbria CC
Corby	Northamptonshire	Northamptonshire	Northamptonshire CC
Cotswold	Gloucestershire	Gloucestershire	Gloucestershire CC
Craven	North Yorkshire	North Yorkshire	North Yorkshire Fire
Crawley	West Sussex	Sussex	West Sussex CC
Dacorum	Hertfordshire	Hertfordshire	Hertfordshire CC
Dartford	Kent	Kent	Kent Fire
Daventry	Northamptonshire	Northamptonshire	Northamptonshire CC
Derbyshire Dales	Derbyshire	Derbyshire	Derbyshire Fire
Dover	Kent	Kent	Kent Fire
East Cambridgeshire	Cambridgeshire	Cambridgeshire	Cambridgeshire Fire
East Devon	Devon	Devon & Cornwall	Devon and Somerset Fire
East Dorset	Dorset	Dorset	Dorset Fire
East Hampshire	Hampshire	Hampshire	Hampshire Fire
East Hertfordshire	Hertfordshire	Hertfordshire	Hertfordshire CC
East Lindsey	Lincolnshire	Lincolnshire	Lincolnshire CC
East Northamptonshire	Northamptonshire	Northamptonshire	Northamptonshire CC
East Staffordshire	Staffordshire	Staffordshire	Staffordshire Fire
Eastbourne	East Sussex	Sussex	East Sussex Fire
Eastleigh	Hampshire	Hampshire	Hampshire Fire
Eden	Cumbria	Cumbria	Cumbria CC
Elmbridge	Surrey	Surrey	Surrey CC
Epping Forest	Essex	Essex	Essex Fire
Epsom & Ewell	Surrey	Surrey	Surrey CC
Erewash	Derbyshire	Derbyshire	Derbyshire Fire
Exeter	Devon	Devon & Cornwall	Devon and Somerset Fire

Table A2a: English local authority structure as at 1 April 2013 - Shire Districts (continued)

Billing Authority	Upper Tier (County Council)	Police and Crime Commissioner	Fire & Rescue Authority
Fareham	Hampshire	Hampshire	Hampshire Fire
Fenland	Cambridgeshire	Cambridgeshire	Cambridgeshire Fire
Forest Heath	Suffolk	Suffolk	Suffolk CC
Forest of Dean	Gloucestershire	Gloucestershire	Gloucestershire CC
Fylde	Lancashire	Lancashire	Lancashire Fire
Gedling	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Gloucester	Gloucestershire	Gloucestershire	Gloucestershire CC
Gosport	Hampshire	Hampshire	Hampshire Fire
Gravesham	Kent	Kent	Kent Fire
Great Yarmouth	Norfolk	Norfolk	Norfolk CC
Guildford	Surrey	Surrey	Surrey CC
Hambleton	North Yorkshire	North Yorkshire	North Yorkshire Fire
Harborough	Leicestershire	Leicestershire	Leicestershire Fire
Harlow	Essex	Essex	Essex Fire
Harrogate	North Yorkshire	North Yorkshire	North Yorkshire Fire
Hart	Hampshire	Hampshire	Hampshire Fire
Hastings	East Sussex	Sussex	East Sussex Fire
Havant	Hampshire	Hampshire	Hampshire Fire
Hertsmere	Hertfordshire	Hertfordshire	Hertfordshire CC
High Peak	Derbyshire	Derbyshire	Derbyshire Fire
Hinckley & Bosworth	Leicestershire	Leicestershire	Leicestershire Fire
Horsham	West Sussex	Sussex	West Sussex CC
Huntingdonshire	Cambridgeshire	Cambridgeshire	Cambridgeshire Fire
Hyndburn	Lancashire	Lancashire	Lancashire Fire
Ipswich	Suffolk	Suffolk	Suffolk CC
Kettering	Northamptonshire	Northamptonshire	Northamptonshire CC
King's Lynn & West Norfolk	Norfolk	Norfolk	Norfolk CC
Lancaster	Lancashire	Lancashire	Lancashire Fire
Lewes	East Sussex	Sussex	East Sussex Fire
Lichfield	Staffordshire	Staffordshire	Staffordshire Fire
Lincoln	Lincolnshire	Lincolnshire	Lincolnshire CC
Maidstone	Kent	Kent	Kent Fire
Maldon	Essex	Essex	Essex Fire
Malvern Hills	Worcestershire	West Mercia	Hereford and Worcester Fire
Mansfield	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Melton	Leicestershire	Leicestershire	Leicestershire Fire
Mendip	Somerset	Avon & Somerset	Devon and Somerset Fire
Mid Devon	Devon	Devon & Cornwall	Devon and Somerset Fire
Mid Suffolk	Suffolk	Suffolk	Suffolk CC
Mid Sussex	West Sussex	Sussex	West Sussex CC
Mole Valley	Surrey	Surrey	Surrey CC
New Forest	Hampshire	Hampshire	Hampshire Fire
Newark & Sherwood	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Newcastle-under-Lyme	Staffordshire	Staffordshire	Staffordshire Fire
North Devon	Devon	Devon & Cornwall	Devon and Somerset Fire
North Dorset	Dorset	Dorset	Dorset Fire
North East Derbyshire	Derbyshire	Derbyshire	Derbyshire Fire
North Hertfordshire	Hertfordshire	Hertfordshire	Hertfordshire CC
North Kesteven	Lincolnshire	Lincolnshire	Lincolnshire CC
North Norfolk	Norfolk	Norfolk	Norfolk CC
North Warwickshire	Warwickshire	Warwickshire	Warwickshire CC
North West Leicestershire	Leicestershire	Leicestershire	Leicestershire Fire
Northampton	Northamptonshire	Northamptonshire	Northamptonshire CC
Norwich	Norfolk	Norfolk	Norfolk CC
Nuneaton & Bedworth	Warwickshire	Warwickshire	Warwickshire CC
Oadby & Wigston	Leicestershire	Leicestershire	Leicestershire Fire
Oxford	Oxfordshire	Thames Valley	Oxfordshire CC
Pendle	Lancashire	Lancashire	Lancashire Fire
Preston	Lancashire	Lancashire	Lancashire Fire
Purbeck	Dorset	Dorset	Dorset Fire
Redditch	Worcestershire	West Mercia	Hereford and Worcester Fire
Reigate & Banstead	Surrey	Surrey	Surrey CC
Ribble Valley	Lancashire	Lancashire	Lancashire Fire
Richmondshire	North Yorkshire	North Yorkshire	North Yorkshire Fire
Rochford	Essex	Essex	Essex Fire
Rossendale	Lancashire	Lancashire	Lancashire Fire
Rother	East Sussex	Sussex	East Sussex Fire
Rugby	Warwickshire	Warwickshire	Warwickshire CC
Runnymede	Surrey	Surrey	Surrey CC
Rushcliffe	Nottinghamshire	Nottinghamshire	Nottinghamshire Fire
Rushmoor	Hampshire	Hampshire	Hampshire Fire

Table A2a: English local authority structure as at 1 April 2013 - Shire Districts (continued)

Billing Authority	Upper Tier (County Council)	Police and Crime Commissioner	Fire & Rescue Authority
Scarborough	North Yorkshire	North Yorkshire	North Yorkshire Fire
Sedgemoor	Somerset	Avon & Somerset	Devon and Somerset Fire
Selby	North Yorkshire	North Yorkshire	North Yorkshire Fire
Sevenoaks	Kent	Kent	Kent Fire
Shepway	Kent	Kent	Kent Fire
South Bucks	Buckinghamshire	Thames Valley	Buckinghamshire Fire
South Cambridgeshire	Cambridgeshire	Cambridgeshire	Cambridgeshire Fire
South Derbyshire	Derbyshire	Derbyshire	Derbyshire Fire
South Hams	Devon	Devon & Cornwall	Devon and Somerset Fire
South Holland	Lincolnshire	Lincolnshire	Lincolnshire CC
South Kesteven	Lincolnshire	Lincolnshire	Lincolnshire CC
South Lakeland	Cumbria	Cumbria	Cumbria CC
South Norfolk	Norfolk	Norfolk	Norfolk CC
South Northamptonshire	Northamptonshire	Northamptonshire	Northamptonshire CC
South Oxfordshire	Oxfordshire	Thames Valley	Oxfordshire CC
South Ribble	Lancashire	Lancashire	Lancashire Fire
South Somerset	Somerset	Avon & Somerset	Devon and Somerset Fire
South Staffordshire	Staffordshire	Staffordshire	Staffordshire Fire
Spelthorne	Surrey	Surrey	Surrey CC
St Albans	Hertfordshire	Hertfordshire	Hertfordshire CC
St Edmundsbury	Suffolk	Suffolk	Suffolk CC
Stafford	Staffordshire	Staffordshire	Staffordshire Fire
Staffordshire Moorlands	Staffordshire	Staffordshire	Staffordshire Fire
Stevenage	Hertfordshire	Hertfordshire	Hertfordshire CC
Stratford-on-Avon	Warwickshire	Warwickshire	Warwickshire CC
Stroud	Gloucestershire	Gloucestershire	Gloucestershire CC
Suffolk Coastal	Suffolk	Suffolk	Suffolk CC
Surrey Heath	Surrey	Surrey	Surrey CC
Swale	Kent	Kent	Kent Fire
Tamworth	Staffordshire	Staffordshire	Staffordshire Fire
Tandridge	Surrey	Surrey	Surrey CC
Taunton Deane	Somerset	Avon & Somerset	Devon and Somerset Fire
Teignbridge	Devon	Devon & Cornwall	Devon and Somerset Fire
Tendring	Essex	Essex	Essex Fire
Test Valley	Hampshire	Hampshire	Hampshire Fire
Tewkesbury	Gloucestershire	Gloucestershire	Gloucestershire CC
Thanet	Kent	Kent	Kent Fire
Three Rivers	Hertfordshire	Hertfordshire	Hertfordshire CC
Tonbridge & Malling	Kent	Kent	Kent Fire
Torridge	Devon	Devon & Cornwall	Devon and Somerset Fire
Tunbridge Wells	Kent	Kent	Kent Fire
Uttlesford	Essex	Essex	Essex Fire
Vale of White Horse	Oxfordshire	Thames Valley	Oxfordshire CC
Warwick	Warwickshire	Warwickshire	Warwickshire CC
Watford	Hertfordshire	Hertfordshire	Hertfordshire CC
Waveney	Suffolk	Suffolk	Suffolk CC
Waverley	Surrey	Surrey	Surrey CC
Wealden	East Sussex	Sussex	East Sussex Fire
Wellingborough	Northamptonshire	Northamptonshire	Northamptonshire CC
Welwyn Hatfield	Hertfordshire	Hertfordshire	Hertfordshire CC
West Devon	Devon	Devon & Cornwall	Devon and Somerset Fire
West Dorset	Dorset	Dorset	Dorset Fire
West Lancashire	Lancashire	Lancashire	Lancashire Fire
West Lindsey	Lincolnshire	Lincolnshire	Lincolnshire CC
West Oxfordshire	Oxfordshire	Thames Valley	Oxfordshire CC
West Somerset	Somerset	Avon & Somerset	Devon and Somerset Fire
Weymouth & Portland	Dorset	Dorset	Dorset Fire
Winchester	Hampshire	Hampshire	Hampshire Fire
Woking	Surrey	Surrey	Surrey CC
Worcester	Worcestershire	West Mercia	Hereford and Worcester Fire
Worthing	West Sussex	Sussex	West Sussex CC
Wychavon	Worcestershire	West Mercia	Hereford and Worcester Fire
Wycombe	Buckinghamshire	Thames Valley	Buckinghamshire Fire
Wyre	Lancashire	Lancashire	Lancashire Fire
Wyre Forest	Worcestershire	West Mercia	Hereford and Worcester Fire

Table A2b: English local authority structure as at 1 April 2013 - Metropolitan Districts

Billing Authority	Police and Crime Commissioner	Fire & Rescue Authority	Waste Disposal Authority	Passenger Transport Authority
Barnsley	South Yorkshire	South Yorkshire Fire	Barnsley	South Yorkshire PTA
Birmingham	West Midlands	West Midlands Fire	Birmingham	West Midlands PTA
Bolton	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Bradford	West Yorkshire	West Yorkshire Fire	Bradford	West Yorkshire PTA
Bury	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Calderdale	West Yorkshire	West Yorkshire Fire	Calderdale	West Yorkshire PTA
Coventry	West Midlands	West Midlands Fire	Coventry	West Midlands PTA
Doncaster	South Yorkshire	South Yorkshire Fire	Doncaster	South Yorkshire PTA
Dudley	West Midlands	West Midlands Fire	Dudley	West Midlands PTA
Gateshead	Northumbria	Tyne and Wear Fire	Gateshead	Tyne and Wear PTA
Kirklees	West Yorkshire	West Yorkshire Fire	Kirklees	West Yorkshire PTA
Knowsley	Merseyside	Merseyside Fire	Merseyside WDA	Merseyside PTA
Leeds	West Yorkshire	West Yorkshire Fire	Leeds	West Yorkshire PTA
Liverpool	Merseyside	Merseyside Fire	Merseyside WDA	Merseyside PTA
Manchester	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Newcastle-upon-Tyne	Northumbria	Tyne and Wear Fire	Newcastle-upon-Tyne	Tyne and Wear PTA
North Tyneside	Northumbria	Tyne and Wear Fire	North Tyneside	Tyne and Wear PTA
Oldham	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Rochdale	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Rotherham	South Yorkshire	South Yorkshire Fire	Rotherham	South Yorkshire PTA
Salford	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Sandwell	West Midlands	West Midlands Fire	Sandwell	West Midlands PTA
Sefton	Merseyside	Merseyside Fire	Merseyside WDA	Merseyside PTA
Sheffield	South Yorkshire	South Yorkshire Fire	Sheffield	South Yorkshire PTA
Solihull	West Midlands	West Midlands Fire	Solihull	West Midlands PTA
South Tyneside	Northumbria	Tyne and Wear Fire	South Tyneside	Tyne and Wear PTA
St Helens	Merseyside	Merseyside Fire	Merseyside WDA	Merseyside PTA
Stockport	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Sunderland	Northumbria	Tyne and Wear Fire	Sunderland	Tyne and Wear PTA
Tameside	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Trafford	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Wakefield	West Yorkshire	West Yorkshire Fire	Wakefield	West Yorkshire PTA
Walsall	West Midlands	West Midlands Fire	Walsall	West Midlands PTA
Wigan	Greater Manchester	Greater Manchester Fire	Greater Manchester WDA	Greater Manchester PTA
Wirral	Merseyside	Merseyside Fire	Merseyside WDA	Merseyside PTA
Wolverhampton	West Midlands	West Midlands Fire	Wolverhampton	West Midlands PTA

Table A2c: English local authority structure as at 1 April 2013 - Unitary Authorities

Billing Authority	Police and Crime Commissioner	Fire & Rescue Authority
Bath & North East Somerset UA	Avon & Somerset	Avon Fire
Bedford UA	Bedfordshire	Bedfordshire Fire
Blackburn with Darwen UA	Lancashire	Lancashire Fire
Blackpool UA	Lancashire	Lancashire Fire
Bournemouth UA	Dorset	Dorset Fire
Bracknell Forest UA	Thames Valley	Berkshire Fire
Brighton & Hove UA	Sussex	East Sussex Fire
Bristol UA	Avon & Somerset	Avon Fire
Central Bedfordshire UA	Bedfordshire	Bedfordshire Fire
Cheshire East UA	Cheshire	Cheshire Fire
Cheshire West and Chester UA	Cheshire	Cheshire Fire
Cornwall	Devon & Cornwall	Cornwall UA
Darlington UA	Durham	Durham Fire
Derby UA	Derbyshire	Derbyshire Fire
Durham UA	Durham	Durham Fire
East Riding of Yorkshire UA	Humberside	Humberside Fire
Halton UA	Cheshire	Cheshire Fire
Hartlepool UA	Cleveland	Cleveland Fire
Herefordshire UA	West Mercia	Hereford and Worcester Fire
Isle of Wight Council UA	Hampshire	Isle of Wight Council UA
Isles of Scilly	Devon & Cornwall	Isles of Scilly
Kingston-upon-Hull UA	Humberside	Humberside Fire
Leicester UA	Leicestershire	Leicestershire Fire
Luton UA	Bedfordshire	Bedfordshire Fire
Medway UA	Kent	Kent Fire
Middlesbrough UA	Cleveland	Cleveland Fire
Milton Keynes UA	Thames Valley	Buckinghamshire Fire
North East Lincolnshire UA	Humberside	Humberside Fire
North Lincolnshire UA	Humberside	Humberside Fire
North Somerset UA	Avon & Somerset	Avon Fire
Northumberland UA	Northumbria	Northumberland UA
Nottingham UA	Nottinghamshire	Nottinghamshire Fire
Peterborough UA	Cambridgeshire	Cambridgeshire Fire
Plymouth UA	Devon & Cornwall	Devon and Somerset Fire
Poole UA	Dorset	Dorset Fire
Portsmouth UA	Hampshire	Hampshire Fire
Reading UA	Thames Valley	Berkshire Fire
Redcar & Cleveland UA	Cleveland	Cleveland Fire
Rutland UA	Leicestershire	Leicestershire Fire
Shropshire UA	West Mercia	Shropshire Fire
Slough UA	Thames Valley	Berkshire Fire
South Gloucestershire UA	Avon & Somerset	Avon Fire
Southampton UA	Hampshire	Hampshire Fire
Southend-on-Sea UA	Essex	Essex Fire
Stockton-on-Tees UA	Cleveland	Cleveland Fire
Stoke-on-Trent UA	Staffordshire	Staffordshire Fire
Swindon UA	Wiltshire	Wiltshire Fire
Telford & Wrekin UA	West Mercia	Shropshire Fire
Thurrock UA	Essex	Essex Fire
Torbay UA	Devon & Cornwall	Devon and Somerset Fire
Warrington UA	Cheshire	Cheshire Fire
West Berkshire UA	Thames Valley	Berkshire Fire
Wiltshire UA	Wiltshire	Wiltshire Fire
Windsor & Maidenhead UA	Thames Valley	Berkshire Fire
Wokingham UA	Thames Valley	Berkshire Fire
York UA	North Yorkshire	North Yorkshire Fire

Table A2d: English local authority structure as at 1 April 2013 - Inner & Outer London Boroughs

		Police and Crime		
Billing Authority	Upper Tier	Commissioner	Fire & Rescue Authority	Waste Disposal Authority
Inner London Boroughs				
Camden	GLA	Mayor's Office	GLA	North London WDA
City of London	GLA	City of London	GLA	City of London
Greenwich	GLA	Mayor's Office	GLA	Greenwich
Hackney	GLA	Mayor's Office	GLA	North London WDA
Hammersmith & Fulham	GLA	Mayor's Office	GLA	Western Riverside WDA
Islington	GLA	Mayor's Office	GLA	North London WDA
Kensington & Chelsea	GLA	Mayor's Office	GLA	Western Riverside WDA
Lambeth	GLA	Mayor's Office	GLA	Western Riverside WDA
Lewisham	GLA	Mayor's Office	GLA	Lewisham
Southwark	GLA	Mayor's Office	GLA	Southwark
Tower Hamlets	GLA	Mayor's Office	GLA	Tower Hamlets
Wandsworth	GLA	Mayor's Office	GLA	Western Riverside WDA
Westminster	GLA	Mayor's Office	GLA	Westminster
Outer London Boroughs				
Barking & Dagenham	GLA	Mayor's Office	GLA	East London WDA
Barnet	GLA	Mayor's Office	GLA	North London WDA
Bexley	GLA	Mayor's Office	GLA	Bexley
Brent	GLA	Mayor's Office	GLA	West London WDA
Bromley	GLA	Mayor's Office	GLA	Bromley
Croydon	GLA	Mayor's Office	GLA	Croydon
Ealing	GLA	Mayor's Office	GLA	West London WDA
Enfield	GLA	Mayor's Office	GLA	North London WDA
Haringey	GLA	Mayor's Office	GLA	North London WDA
Harrow	GLA	Mayor's Office	GLA	West London WDA
Havering	GLA	Mayor's Office	GLA	East London WDA
Hillingdon	GLA	Mayor's Office	GLA	West London WDA
Hounslow	GLA	Mayor's Office	GLA	West London WDA
Kingston-upon-Thames	GLA	Mayor's Office	GLA	Kingston-upon-Thames
Merton	GLA	Mayor's Office	GLA	Merton
Newham	GLA	Mayor's Office	GLA	East London WDA
Redbridge	GLA	Mayor's Office	GLA	East London WDA
Richmond-upon-Thames	GLA	Mayor's Office	GLA	West London WDA
Sutton	GLA	Mayor's Office	GLA	Sutton
Waltham Forest	GLA	Mayor's Office	GLA	North London WDA

Table A2e: English local authority structure as at 1 April 2013 - Parks

National park authorities	
Dartmoor	
Exmoor	
Lake District	
New Forest	
North York Moors	
Northumberland	
Peak District	
South Downs	
Yorkshire Dales	
Other park authorities	
The Broads	
Lee Valley Regional Park	

Table A2f: English local authority structure as at 1 April 2013 - Former Shire Districts

Billing Authority	Upper Tier (County Council)	Police and Crime Commissioner	Fire & Rescue Authority
BEDFORD UA			
Bedford	Bedfordshire	Bedfordshire	Bedfordshire Fire
CENTRAL BEDFORDSHIRE UA			
Mid Bedfordshire	Bedfordshire	Bedfordshire	Bedfordshire Fire
South Bedfordshire	Bedfordshire	Bedfordshire	Bedfordshire Fire
CHESHIRE EAST UA			
Congleton	Cheshire	Cheshire	Cheshire Fire
Crewe & Nantwich	Cheshire	Cheshire	Cheshire Fire
Macclesfield	Cheshire	Cheshire	Cheshire Fire
CHESHIRE WEST AND CHESTER UA			
Chester	Cheshire	Cheshire	Cheshire Fire
Ellesmere Port & Neston	Cheshire	Cheshire	Cheshire Fire
Vale Royal	Cheshire	Cheshire	Cheshire Fire
CORNWALL UA			
Caradon	Cornwall	Devon & Cornwall	Cornwall CC
Carrick	Cornwall	Devon & Cornwall	Cornwall CC
Kerrier	Cornwall	Devon & Cornwall	Cornwall CC
North Cornwall	Cornwall	Devon & Cornwall	Cornwall CC
Penwith	Cornwall	Devon & Cornwall	Cornwall CC
Restormel	Cornwall	Devon & Cornwall	Cornwall CC
DURHAM UA			
Chester-le-Street	Durham	Durham	Durham Fire
Derwentside	Durham	Durham	Durham Fire
Durham City	Durham	Durham	Durham Fire
Easington	Durham	Durham	Durham Fire
Sedgefield	Durham	Durham	Durham Fire
Teesdale	Durham	Durham	Durham Fire
Wear Valley	Durham	Durham	Durham Fire
NORTHUMBERLAND UA			
Alnwick	Northumberland	Northumbria	Northumberland CC
Berwick-upon-Tweed	Northumberland	Northumbria	Northumberland CC
Blyth Valley	Northumberland	Northumbria	Northumberland CC
Castle Morpeth	Northumberland	Northumbria	Northumberland CC
Tynedale	Northumberland	Northumbria	Northumberland CC
Wansbeck	Northumberland	Northumbria	Northumberland CC
SHROPSHIRE UA			
Bridgnorth	Shropshire	West Mercia	Shropshire Fire
North Shropshire	Shropshire	West Mercia	Shropshire Fire
Oswestry	Shropshire	West Mercia	Shropshire Fire
Shrewsbury & Atcham	Shropshire	West Mercia	Shropshire Fire
South Shropshire	Shropshire	West Mercia	Shropshire Fire
WILTSHIRE UA			
Kennet	Wiltshire	Wiltshire	Wiltshire Fire
North Wiltshire	Wiltshire	Wiltshire	Wiltshire Fire
Salisbury	Wiltshire	Wiltshire	Wiltshire Fire
West Wiltshire	Wiltshire	Wiltshire	Wiltshire Fire

A3 Local Precepting Authorities in England (parishes and Charter trustees)

There are more than 10,000 parishes in England. A parish may be represented by a parish council, a town council or a community council. In the case of small parishes, the parish meeting (an annual meeting of all electors in a parish) can take on the role of parish council. Parishes represent the most local level of Government in England - the third tier of local government.

In a small number of the unparished areas bodies called “charter trustees” exist. These bodies exist to administer ceremonial functions, such as the appointment of a mayor, where there is no parish to administer them. There are currently 16 such bodies in England. This is one less than in 2012-13 after Crewe in Cheshire became a parish council on 4 April 2013.

There are two further local precepting authorities: the Inner and Middle Temples of London (“the Temples”) situated within the Temple area of the City of London. The Temples differ from parishes and charter trustees in that they perform the functions within their boundaries that are performed by the City of London authority (“the City”) in the rest of the City of London. In exchange for performing these functions the City pays the Temples an annual precept from the council tax it raises.

Parish or village councils need funds to support their activities. These funds are raised by adding an extra cost known as a “precept” to each householder's council tax bill. Parishes (together with charter trustees and the two Temples of London as described above) are collectively known as “local precepting authorities”. This means that they have the power to raise a precept on properties in their area in order to finance the functions they perform. Parish precepts are detailed separately on council tax bills and are collected by the billing authority on behalf of the parish. The amounts collected for parishes vary considerably, from as much as £2m to as little as £20.

Some smaller parishes may group together for precepting purposes and will perform this function as one local precepting authority.

Parishes vary widely both in the size of the populations they represent and the functions they perform. Some have a very limited, local role while others are more active, carrying out activities similar to that of a smaller district council. Typical parish responsibilities include village halls, war memorials, cemeteries, allotments, open spaces, leisure facilities, playgrounds, maintenance of public footpaths and cultural projects.

Table A3a shows the number, taxbase and average Band D local precept within the area of the local precepting authority that is charging a non-zero precept in 2013-14. These have been split out by class of billing authority and show the Temples of London and charter trustees separately.

In England in 2013-14, 8,805 local precepting authorities set a precept (non-zero) or apportioned council tax, the total amounting to £367m, paid across a tax base of 7.3 million Band D equivalent properties. The average Band D council tax for local precepting authorities was £50.19.

Table A3a: Summary of non zero local precepting authorities in England 2013 14 (a)				
	Number	Taxbase ^(b) (thousands)	Local Precept ^(c) (£ thousands)	Average Band D (£)
England	8,805	7,307.1	366,763	50.19
<i>Class of authority</i>				
London Boroughs	2	0.1	322	2,165.77
Metropolitan Areas	231	411.1	15,095	36.72
Unitary Authorities	2,079	2,018.6	109,013	54.01
Shire Districts	6,493	4,877.4	242,333	49.69
<i>Type of local precept</i>				
Precepting Parishes	8,789	7,103.0	365,778	51.50
Charter Trustees	14	221.6	663	2.99
Temples of London	2	0.1	322	2,165.77
Source: CTR1 form 2013-14 (a) Figures exclude council tax support grant (b) The sum of the taxbase for local precepting authorities by type does not total to the England figure because the taxbase for the Charter Trustees for the City of Durham overlaps with other parishes. (c) This is the total amount to be collected by billing authorities on behalf of the local precepting authorities				

There are wide variations in size between parishes in terms of the population they serve, the precepts they raise and the functions they perform.

Local precepting authorities do not exist in all areas of England. For example, London is almost entirely unparished. However, the Local Government and Public Involvement in Health Act 2007 made provision for the setting up of new local councils, and Queen's Park established a parish council following a referendum in 2012. Many other Local Authorities in England also do not have any parishes. Out of the 326 billing authorities in England, only 241 have local precepting authorities that raise a local precept.

The tax bases of individual local precepting authorities also vary significantly. The smallest local precepting authority which raised council tax in 2013-14 has a tax base of 1.38 Band D equivalent dwellings while the largest has a taxbase of nearly 29,000 Band D equivalents.

Table A3b shows the percentage of total tax base covered by parishes, charter trustees and Temples by class of authority.

The tax base covered by local precepting authorities represents 45% of the total tax base for England. However the proportion of the Council Tax base paying a parish precept varies considerably across different classes of authority. In Shire Districts 68% of the tax base is parished compared to just 15% in Metropolitan Districts.

Table A3b: Tax base and coverage of local precepting parishes compared to England by Class of local authority, 2013-14 (a)

	Parish Tax Base (thousands)	Class Tax Base (thousands)	Parish precept tax base (% of total)
England	7,307.1	16,056.0	45%
<i>Class of authority</i>			
London Boroughs	0.1	2,574.3	0%
Metropolitan Areas	411.1	2,797.7	15%
Unitary Authorities	2,018.6	3,535.6	57%
Shire Districts	4,877.4	7,148.4	68%

Source: CTR1 form 2013-14
(a) Figures exclude council tax support grant

A4 Changes in English local authority functions and structure

This annex should be read in conjunction with the sections at the end of **Annexes C** and **D**, which summarise changes in the local government revenue and capital finance systems in recent years respectively.

Changes in the volume of local authority activity (and hence in expenditure and employment) may be associated with the addition or removal of functions, as detailed below; changes in demand for obligatory functions (for example, changes in the number of school-age children); policy changes in relation to discretionary functions (for example, the provision of new leisure centres); or changes in ways of providing the same services (for example, the introduction of computers).

BEFORE THE 1970s

Before the nineteenth century, local government provided few nationwide services: the poor law and highway maintenance (administered mainly by parishes) and the local courts and prisons (administered mainly by county quarter sessions) were the main ones. Other local services were provided as a result of local initiative, based mainly on local Acts of Parliament.

In the nineteenth century, there was a gradual development of systematic, nationwide provision of local government services. Some of these were the result of initiatives by central government (such as most of the public health services) whilst others were developed by local initiatives (such as the municipal gas and electricity undertakings). Some were the result of the work of non-governmental organisations, later taken over by local government bodies (such as primary education).

As the nineteenth century progressed, the tendency to create new specialised agencies for each new service was replaced by a tendency to concentrate services, especially after the creation of county councils in 1888 and county district councils in 1894. At the same time, central government recognised increasingly the need to ensure uniform national standards and created the methods to do so, by guidance, conditional grants, inspectorate appeals systems and default powers.

The introduction of more and more local services was counterbalanced by the transfer of some services to central government (for example, prisons (1872), trunk roads (1930), gas and electricity (1947) and hospitals (1948)). In 1929, the abolition of the Boards of Guardians consolidated local government services in the hands of, in large towns, county borough councils and, in London and the metropolitan counties, the London County Council and metropolitan boroughs. Outside these areas the abolition of the Boards of Guardians consolidated local government services for county councils to county district councils and (in rural districts) parish councils and meetings. This structure endured until, in Greater London, the reform of 1965 (when the Greater London Council was formed) and elsewhere the reforms of 1974.

SINCE 1970

1973	Responsibility for upper-tier criminal courts (assizes and quarter sessions) transferred to central government.
1 April 1974	Local government reorganisation outside London: new structure of six metropolitan counties and 39 shire counties, divided into 36 metropolitan and 296 non-metropolitan districts, introduced. Responsibility for water and sewerage transferred to water authorities. Ambulance and some health services transferred to health authorities.
1 April 1985	London Regional Transport transferred from the local authority sector.
1 April 1986	Abolition of Greater London Council and metropolitan county councils. In London, functions transferred to City of London, London Boroughs, Inner London Education Authority (ILEA), the London Fire and Civil Defence Authority, the London Waste Regulation Authority, waste disposal authorities and other bodies such as the London Planning Advisory Committee. In metropolitan areas, functions passed to metropolitan districts, waste disposal authorities (in Merseyside and Greater Manchester) and joint authorities for police, fire and civil defence, and transport. Residuary bodies were set up to wind up the affairs of the abolished councils.
26 October 1986	Responsibility for municipal bus services transferred to public transport companies.
1986	Introduction of devolved budgets for schools, resulting in the creation of schools as semi-independent institutions.
1 April 1987	Responsibility for municipal airports (except Manchester) transferred to public airport companies.
1 April 1989	Funding of polytechnics and higher education colleges transferred to the Polytechnics and Colleges Funding Council (PCFC).
1 Sept 1989	The first Grant Maintained schools came into existence following the 1988 Education Reform Act. These schools were independent of local authority control. They were funded by central government through the Funding Agency for Schools. Part of local authority expenditure on education consisted of payments back to the government for the funding of these schools.
1 April 1990	Inner London Education Authority (ILEA) abolished. Responsibility for education in Inner London transferred to London boroughs.
1 July 1992	Local Government Commission set up to review the structure of local government in England.
1 April 1993	Local authorities became responsible for implementing new legislation on Community Care. Funding of colleges of further education and sixth form colleges transferred from local authorities to the Further Education Funding Council (FEFC).
1 April 1995	The Isle of Wight unitary authority replaced the county council and

	two district councils. New police authorities were set up in the shire areas taking all policing responsibilities away from county councils.
1 April 1996	Unitary authorities were created in Avon, Cleveland, Humberside and North Yorkshire, replacing both shire districts and Avon, Cleveland and Humberside county councils. New combined fire authorities were created in each of these four authorities. Waste regulation became the responsibility of the Environment Agency, resulting in the abolition of the London Waste Regulation Authority.
1 April 1997	Unitary authorities were created in Bedfordshire, Buckinghamshire, Derbyshire, Dorset, Durham, East Sussex, Hampshire, Leicestershire, Staffordshire and Wiltshire, replacing some of the shire districts in these areas. New combined fire authorities were also created in these areas.
1 April 1998	Unitary authorities were created in Berkshire, Cambridgeshire, Cheshire, Devon, Essex, Hereford and Worcester, Kent, Lancashire, Nottinghamshire and Shropshire, replacing some shire districts and Berkshire County Council. New combined fire authorities were also created in each of these areas.
1 April 1999	Funding of Grant Maintained schools transferred to local authorities.
3 July 2000	<p>A new Greater London Authority (GLA) was created which consists of a directly elected Mayor, a separately elected Assembly and about 400 support staff, and four functional bodies. The four functional bodies are:</p> <ul style="list-style-type: none"> (i) The Metropolitan Police Authority (MPA) oversees policing in London (excluding the City). This was an entirely new local authority, the Receiver for the Metropolitan Police having been abolished. (ii) The London Fire and Emergency Planning Authority (LFEPA) is essentially a reconstitution of the old London Fire and Civil Defence Authority (LFCDA). (iii) Transport for London (TfL) has strategic responsibility for transport in London; TfL also has responsibility for London buses and it is also highway and traffic authority for certain major roads in London. (iv) The London Development Agency (LDA) promotes economic development and regeneration in London.
1 April 2001	Magistrates' courts in London became the responsibility of the Greater London Magistrates' Court Authority.
1 April 2002	Funding of sixth form education transferred from local authorities to the Learning and Skills Council (LSC).
15 July 2003	Control of London Underground was transferred from the Department for Transport to Transport for London.
1 April 2004	Combined fire authorities in shire areas become major precepting authorities, having previously been financed by payments from the county or unitary councils in their area.

1 March 2005	The New Forest National Park came into existence.
1 April 2005	Responsibility for magistrates' courts transferred from local authorities to Her Majesty's Courts Service.
1 April 2006	The New Forest National Park became fully functional. New financial arrangements for police and firefighter pensions took effect.
1 April 2009	Unitary authorities created in Cornwall, Durham, Northumberland, Shropshire and Wiltshire. Cheshire split into two new unitary authorities, 'Cheshire East' and 'Cheshire West and Chester'; Bedfordshire split into two new unitary authorities, 'Bedford UA' and 'Central Bedfordshire'.
1 April 2010	The South Downs National Park came into existence.
1 April 2011	South Downs National Park became a full authority.
16 January 2012	The Metropolitan Police Authority was replaced by the Mayor's Office for Policing and Crime.
15 November 2012	Police authorities (except for the City of London) were replaced by elected Police and Crime Commissioners

ANNEX B

Council tax exemptions

This annex gives detailed information about council tax exemptions relating to **Chapter 2**.

Table B1 gives figures for each class of exemption. The totals for each year are consistent with those given in **Table 2.2j** in **Chapter 2**.

Table B1: Number of dwellings exempt from council tax by class of exemption 2009 to 2013						
Class of exemption	Dwellings (thousands) ^(a)					As % of exemptions
	2009	2010	2011	2012	2013	
Class A ^(b)	32.0	32.9	34.9	33.6	-	-
Class B	1.9	1.6	2.3	4.4	21.0	4.1
Class C ^(b)	281.3	266.1	268.6	277.9	-	-
Class D	1.9	2.0	2.0	1.9	1.9	0.4
Class E	32.7	33.5	34.6	33.7	33.5	6.5
Class F	69.6	70.5	69.9	72.2	74.6	14.5
Class G	11.7	10.7	10.3	10.1	8.9	1.7
Class H	1.1	1.0	1.0	0.9	1.0	0.2
Class I	3.3	3.5	3.6	3.3	3.5	0.7
Class J	0.8	0.9	0.9	0.9	0.9	0.2
Class K	0.6	0.5	0.4	0.3	0.2	0.0
Class L	15.5	11.8	11.1	9.4	7.8	1.5
Class M	33.3	37.9	42.6	46.6	50.3	9.7
Class N	167.5	171.5	173.2	173.6	174.2	33.7
Class O	46.0	45.4	45.0	44.9	45.1	8.7
Class P	11.0	10.8	10.9	10.3	10.4	2.0
Class Q	1.8	2.1	2.2	1.8	1.7	0.3
Class R	4.3	4.5	4.5	4.6	4.8	0.9
Class S	7.5	7.0	6.4	5.8	5.4	1.0
Class T	4.3	4.8	5.1	5.5	6.1	1.2
Class U	45.1	46.5	47.8	49.2	53.5	10.4
Class V	3.9	3.9	3.9	3.9	3.9	0.8
Class W	7.1	7.2	7.3	7.5	7.6	1.5
Total	784.2	776.6	788.1	802.2	516.1	100.00
Source: CTB(Supplementary) return						
(a) As at 14 September 2009, 13 September 2010, 12 September 2011, 10 September 2012 & 9 September 2013						
(b) Exemption classes A & C were abolished with effect from 1 April 2013.						

Table B2 gives the definition for each class of council tax exemption.

Table B2: Definitions of the council tax exemption classes	
Class B	Unoccupied dwellings owned by a charity (up to six months).
Class D	A dwelling left unoccupied by people who are in prison.
Class E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
Class F	Dwellings left unoccupied by deceased persons from the date of death until up to six months after probate or letters of administration have been signed.
Class G	An unoccupied dwelling where the occupation is prohibited by law.
Class H	Unoccupied clergy dwellings.
Class I	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and has moved to receive personal care.
Class J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person.
Class K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
Class L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
Class M	A hall of residence provided predominantly for the accommodation of students.
Class N	A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.
Class O	Armed forces' accommodation. (Included as exempt dwellings rather than chargeable dwellings because contributions in lieu will be paid in respect of them, allowed for in line 20 of the CTB form).
Class P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Class Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in bankruptcy.
Class R	Unoccupied caravan pitches and boat moorings.
Class S	A dwelling occupied only by a person, or persons, aged under 18.
Class T	An unoccupied dwelling which forms part of a single property which includes another dwelling and may not be let separately from that dwelling, without a breach of planning control.
Class U	A dwelling occupied only by a person, or persons, who is or are severely mentally impaired who would otherwise be liable to pay the council tax or only by one or more severely mentally impaired persons and one or more students, students' foreign spouses and school and college leavers.
Class V	A dwelling in which at least one person who would otherwise be liable is a diplomat.
Class W	A dwelling which forms part of a single property, including at least one or other dwelling, and which is the sole or main residence of a dependent relative of a person who is resident in the other dwelling.

Former exemption class A (vacant dwellings where major repair works or structural alterations are required, under way or recently completed (up to twelve months)) and class C (a dwelling vacant (i.e. empty and substantially unfurnished) for up to six months) were abolished from 1 April 2013.

ANNEX C

General fund revenue accounts

This annex gives detailed information about local authority **General Fund Revenue Account** expenditure relating to **Chapter 3**. The information is represented in the same way as it is returned to Department for Communities and Local Government and, generally, at the same level of detail. It forms the basis of many of the summary tables in the main part of this publication.

Some notes on the figures in the tables are given in this annex, but the more extensive notes, which accompany each form sent to local authorities, have not been reproduced here. The most recent year's forms and notes are available from the Department's internet site at:

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

Annex C is divided into the following sections:

- **Detailed revenue outturn data** **section C1**
 - from **RO**, **TSR** and **SAR** forms 2012-13
- **Revenue outturn summary and grants** **section C2**
 - from **RS** and **RG** forms 2012-13
- **Revenue account net expenditure summaries** **section C3**
 - by **LA class** 2012-13
- **Revenue account budget estimates** **section C4**
 - from **RA** and **SG** forms 2013-14
- **Changes to English local government revenue finance systems** **section C5**

C1 Detailed revenue outturn data

This section gives 2012-13 **General Fund Revenue Account** and **Trading Services Revenue Account** outturn information from the *Revenue Outturn (RO)* returns:

	source	tables
Education services	RO1	C1a
Highways, roads and transport services	RO2	C1b
Social care	RO3	C1c
Housing services (excluding Housing Revenue Account)	RO4	C1d
Cultural, environmental and planning services	RO5	C1e
Protective, central and other services	RO6	C1f
Trading services Revenue Account	TSR	C1g
Subjective analysis	SAR	C1h

Important note

In this section all of the data in the tables were collected on a **non International Accounting Standard 19 (IAS19)** basis. Figures in these tables may therefore be inconsistent with those in **chapter 3**. More information on IAS19 can be found in **Section 3.1**.

DEFINITIONS OF COLUMN HEADINGS IN REVENUE OUTTURN TABLES

The column headings in **Tables C1a to C1h** are standard subjective headings which are defined, subject to DCLG requirements, in accordance with the *Service Reporting Accounting Code of Practice (SeRCOP) Recommended Standard Subjective Analysis (Section 4)* where full details will be found. Grants inside and outside **AEF** are not regarded as income and are not included in total income figures (see **Table C2b**).

SUBJECTIVE ANALYSIS

The subjective analysis in **Table C1h** shows the labour, goods and services purchased by local authorities, what the expenditure was on rather than what it was for. **Table C1h** is based on the results of the **Subjective Analysis Return (SAR)**, a sample survey of 136 local authorities in 2012-13. The sample results are grossed up to the local authority population using information from the **Revenue Outturn** forms. See also **section 3.4**.

Table C1a: Revenue Outturn Education services (RO1) 2012-13

	EXPENDITURE					INCOME			Net Total Cost (excluding specific grants)
	Running expenses		Total expenditure		Sales, fees & charges	Other income	Total income	Net current expenditure	Capital Charges
	Employees								
Schools									
10 Early Years	823,432	1,939,144	2,762,576		116,817	128,981	245,798	2,516,777	96,325
20 Primary schools	13,861,338	5,404,945	19,266,284		734,329	1,105,729	1,840,056	17,426,227	1,874,438
30 Secondary schools	7,684,238	4,198,862	11,883,099		434,857	679,621	1,114,473	10,768,624	1,761,432
40 Special schools	1,607,140	1,149,402	2,756,544		89,832	205,614	295,447	2,461,096	253,140
Services to Young People									
51 Adult and Community Learning	288,183	262,423	550,606		60,157	63,124	123,281	427,326	31,494
52 Other services to young people	423,024	486,753	909,776		32,435	91,805	124,239	785,535	90,361
Other School-related Education Functions									
61 Special Education	265,789	462,944	728,732		28,199	93,974	122,173	606,558	11,019
62 Learner Support	397,189	947,948	1,345,138		85,221	104,009	189,230	1,155,906	32,159
63 Access	159,631	218,333	377,961		65,672	84,028	149,700	228,263	187,038
64 Local authority education functions	441,199	573,623	1,014,824		65,049	192,453	257,503	757,321	220,256
90 TOTAL EDUCATION SERVICES	25,951,163	15,644,375	41,595,538		1,712,565	2,749,339	4,461,904	37,133,633	4,557,663
									41,691,294

£ thousand

Table C1b: Revenue Outturn Highways and Transport services (RO2) 2012 13

	EXPENDITURE					INCOME			Net Total Cost (excluding Charges specific grants)	£ thousand	
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	Net current expenditure	Capital Charges			
Transport planning, policy and strategy											
11	126,991	156,658	283,648	74,843	71,423	146,264	137,382	55,868	193,249		
12	184,242	105,195	289,437	15,713	38,171	53,884	235,555	831,110	1,066,664		
20	0	0	0	0	0	0	0	562,408	562,408		
Highways and roads - maintenance											
31	17,709	141,132	158,840	7,928	64,802	72,728	86,110	155,248	241,358		
of which:											
101	...	...	...	...	65	...	...	...	...
32	56,749	248,285	305,036	20,629	45,603	66,232	238,804	158,104	396,906		
of which:											
102	...	...	...	...	0	...	...	...	...
130	356	8,985	9,341	294	41	335	9,006	0	9,006		
Structural maintenance (all local roads): third party liability claims in lines 31+32											
33	10,117	54,885	65,001	4,791	5,956	10,748	54,253	24,704	78,956		
41	63,281	347,975	411,256	20,045	39,546	59,589	351,665	193,034	544,699		
of which:											
103	...	...	...	...	544	...	...	...	...
141	...	2,349	...	...	...	...	...	...	...
44	107,561	579,103	686,667	55,804	55,255	111,061	575,607	80,647	656,252		
Environmental, safety and routine maintenance - other LA roads											
of which:											
104	...	...	...	...	646	...	...	...	...
144	...	21,408	...	...	...	...	...	...	...
48	16,816	189,817	206,632	3,918	5,103	9,020	197,613	14,482	212,095		
49	29,628	508,267	537,895	12,066	28,901	40,968	496,927	45,601	542,529		
Winter service											
Street lighting (including energy costs)											
(continued)											

(continued)

Table C1b: Revenue Outturn Highways and Transport services (RO2) 2012/13 (continued)

	EXPENDITURE					INCOME			£ thousand	
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	Net current expenditure	Capital Charges	Net Total Cost (excluding specific grants)	
Traffic management and road safety										
51 Congestion charging	9,900	118,999	128,899	267,480	0	267,480	-138,581	0	-138,581	
54 Road safety education and safe routes (including school crossing patrols)	60,435	79,082	139,517	32,787	18,593	51,380	88,136	7,404	95,540	
58 Other traffic management	98,304	157,707	256,010	56,225	51,740	107,965	148,047	57,610	205,656	
Parking services										
61 On-street parking	106,102	347,497	453,597	721,358	49,031	770,389	-316,792	27,130	-289,663	
of which:										
161 Penalty Charge Notice income	...	...	...	352,843	...	...	...	...	...
162 Other sales, fees and charges	...	...	...	368,515	...	...	...	...	...
62 Off-street parking	62,599	284,283	346,881	585,681	33,115	618,797	-271,914	104,242	-167,672	
Public transport										
71 Statutory Concessionary fares	8,930	1,038,966	1,047,896	14,433	45,970	60,402	987,495	2,870	990,363	
72 Discretionary Concessionary fares	887	153,414	154,301	3,822	11,455	15,277	139,024	281	139,304	
73 Support to operators - bus services	18,072	934,477	952,549	36,171	85,213	121,384	831,165	11,463	842,627	
of which:										
172 Payment to operators in respect of depreciation (GLA only)	0	21,017	21,017	0	0	0	21,017	0	21,017	
74 Support to operators - rail services	821	488,125	488,946	303	15,103	15,406	473,540	20,996	494,536	
of which:										
173 Payment to operators in respect of depreciation (GLA only)	0	219,061	219,061	0	0	0	219,061	0	219,061	
75 Support to operators - other	8,376	84,582	92,958	9,822	11,187	21,009	71,949	8,250	80,198	
of which:										
174 Payment to operators in respect of depreciation (GLA only)	0	19,105	19,105	0	0	0	19,105	0	19,105	
76 Public transport co-ordination	223,817	313,206	537,025	29,936	65,190	95,129	441,895	332,598	774,495	
80 Airports, harbours and toll facilities	13,549	22,317	35,866	37,500	2,985	40,485	-4,619	22,092	17,473	
90 TOTAL HIGHWAYS AND TRANSPORT SERVICES	1,224,883	6,353,971	7,578,854	2,011,255	744,342	2,755,594	4,823,256	2,716,139	7,539,393	

Table C1c: Revenue Outturn Social Care (RO3) 2012 13

	EXPENDITURE				INCOME			Net Total Cost (excluding specific grants)	
	Running expenses		Total	Sales, fees & charges	Other income	Total income	Net current expenditure		Capital Charges
	Employees								
Children's social care									
11 Children's social care - Service Strategy	231,215	202,631	433,846	7,451	28,789	36,240	397,606	8,257	405,863
12 Childrens social care - Commissioning and Social Work	884,709	488,820	1,373,530	14,581	72,339	86,921	1,286,608	14,849	1,301,456
21 Children's social care - Children Looked After	589,751	2,486,167	3,075,918	25,044	91,682	116,726	2,959,194	56,604	3,015,796
22 Children's social care - Family Support Services	377,663	546,359	924,022	13,049	79,991	93,041	830,981	17,506	848,489
23 Children's social care - Youth Justice	200,614	118,428	319,043	31,627	87,840	119,466	199,574	7,470	207,044
24 Children's social care - Children And Young People's Safety	119,497	91,250	210,746	4,715	17,636	22,352	188,392	3,926	192,319
25 Children's social care - Asylum Seekers	17,474	79,409	96,883	3,563	5,156	8,719	88,162	624	88,786
28 Children's social care - Other children's and families services	218,557	494,070	712,624	19,107	31,736	50,842	661,784	8,476	670,259
30 TOTAL CHILDREN SOCIAL CARE	2,639,478	4,507,135	7,146,611	119,136	415,173	534,310	6,612,299	117,710	6,730,009
of which:									
98 Supporting people ancillary expenditure included within children social care									
	207	5,786	5,993	4	74	78	5,915	3	5,918
Social care strategy - Adults									
31 Social care strategy - Adults	52,116	61,284	113,398	3,346	44,768	48,114	65,284	2,088	67,372
Older people (aged 65 or over) including older mentally ill									
35 Older people (aged 65 or over) including older mentally ill	1,932,284	7,900,398	9,832,684	2,127,737	1,049,015	3,176,753	6,655,933	135,128	6,791,062
Adults aged under 65 with physical disability or sensory impairment									
41 Adults aged under 65 with physical disability or sensory impairment	266,963	1,479,067	1,746,031	128,931	151,360	280,291	1,465,740	21,763	1,487,502
Adults aged under 65 with learning disabilities									
42 Adults aged under 65 with learning disabilities	957,318	4,908,071	5,865,387	280,163	623,186	903,350	4,962,040	75,978	5,038,018
Adults aged under 65 with mental health needs									
43 Adults aged under 65 with mental health needs	336,777	1,038,973	1,375,749	66,454	241,906	308,359	1,067,388	14,625	1,082,013
Other adult Social care - asylum seekers - lone adults									
51 Other adult Social care - asylum seekers - lone adults	4,917	29,719	34,635	1,928	10,480	12,408	22,227	463	22,690
Other adult social care - other									
52 Other adult social care - other	113,896	511,154	625,050	19,361	320,234	339,594	285,455	16,308	301,764
60 TOTAL ADULT SOCIAL CARE	3,664,272	15,928,663	19,592,935	2,627,920	2,440,948	5,068,867	14,524,068	266,354	14,790,422
of which:									
99 Supporting people ancillary expenditure included within adult social care									
	5,619	102,704	108,323	1,490	2,099	3,589	104,734	48	104,782
90 TOTAL SOCIAL CARE	6,303,747	20,435,795	26,739,542	2,747,056	2,856,120	5,603,175	21,136,366	384,064	21,520,432

£ thousand

Table C1d: Revenue Outturn Housing Services (RO4) 2012-13

	EXPENDITURE				INCOME			Net Total Cost (excluding specific grants)	£ thousand	
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	Net current expenditure			Capital Charges
10	Housing strategy, advice and enabling	122,185	161,613	283,795	40,994	54,471	95,464	188,331	726,435	914,766
20	Housing advances	2,093	3,814	5,908	876	1,943	2,818	3,090	1,651	4,740
Private sector housing renewal										
31	Administration of financial support for repairs and improvements	41,661	39,386	81,048	11,469	26,850	38,319	42,730	99,861	142,591
38	Other private sector housing renewal	44,250	40,995	85,246	10,044	20,213	30,257	54,987	82,449	137,436
Homelessness										
39	Other nightly paid, privately managed accommodation	710	33,253	33,963	31,298	439	31,737	2,226	0	2,226
40	Private managed accommodation leased by the authority	2,211	150,045	152,256	142,974	6,497	149,472	2,786	111	2,897
41	Hostels (non-HRA support)	14,696	23,812	38,507	27,972	5,701	33,673	4,834	6,764	11,598
42	Bed/breakfast accommodation	5,144	145,991	151,136	83,077	20,105	103,182	47,954	146	48,100
43	Private managed accommodation leased by RSLs	1,319	33,540	34,859	25,310	3,489	28,799	6,060	442	6,502
44	Directly with a private sector landlord	1,143	68,510	69,653	47,098	21,820	68,918	735	29	764
45	Accommodation within the authority's own stock (non-HRA)	1,827	9,614	11,441	6,734	1,086	7,820	3,621	949	4,570
46	Other temporary accommodation	6,702	73,234	79,936	43,340	18,393	61,733	18,203	3,789	21,992
47	Homelessness: Administration	89,871	116,942	206,815	23,379	20,817	44,196	162,619	6,305	168,924
48	Accommodation within RSL stock	5,697	6,325	12,022	5,657	732	6,389	5,633	449	6,082
49	Homelessness: Prevention	23,017	47,041	70,058	3,398	8,581	11,979	58,079	2,427	60,506
50	Homelessness: Support	11,220	23,384	34,604	384	5,084	5,468	29,136	215	29,351
Housing benefits										
51	Rent allowances - discretionary payments	1,245	32,569	33,814	9,288	7,738	17,026	16,788	0	16,788
52	Non-HRA rent rebates - discretionary payments	50	2,129	2,179	421	3,765	4,186	-2,008	0	-2,008
53	Rent rebates to HRA tenants - discretionary payments	120	2,976	3,096	801	4,024	4,825	-1,729	1	-1,728
57	Housing benefits administration	232,012	314,864	546,874	29,812	67,472	97,284	449,589	4,919	454,508
60	Other council property (Non-HRA)	12,467	45,607	58,073	36,107	16,479	52,586	5,489	42,657	48,145
Housing welfare										
75	Supporting People	33,862	878,909	912,771	9,870	27,916	37,786	874,983	3,096	878,079
78	Other welfare services	19,371	25,406	44,777	10,050	12,579	22,629	22,147	4,794	26,941
90	TOTAL HOUSING SERVICES (GFRA only)	672,875	2,279,954	2,952,829	600,352	356,192	956,543	1,996,285	987,490	2,983,774
(continued)										

(continued)

Table C1d: Revenue Outturn Housing Services (RO4) 2012-13 (continued)

	Net total cost	£ thousand
HOUSING REVENUE ACCOUNT (HRA) - 2012-13		
Income		
101 Dwelling rents (gross)	6,742,737	
102 Non-dwelling rents (gross)	173,544	
103 Tenants' leaseholders' and other charges for services and facilities	636,203	
104 Contributions towards expenditure (other than government grants and assistance)	140,313	
105 Government grants and assistance (including downward adjustments)	230,748	
106 Interest on investments credited direct to the HRA	29,887	
107 Transfers from GF or MRR and other transfers permitted or required by legislation	211,440	
108 HRA - Appropriation to/from Accumulated Absences Account	-33	
115 TOTAL HOUSING REVENUE ACCOUNT (HRA) INCOME (total of lines 101 to 108)	8,164,839	
121 Repairs and maintenance	1,719,653	
122 Supervision and management (including CDC)	1,761,000	
123 Special services	486,522	
124 Rents, rates, taxes and other charges	121,347	
125 Interest payable and similar charges including amortisation of premiums and discounts, where charged direct to the HRA	1,154,031	
126 Charges to the HRA for debt repayment or non-interest charges in respect of credit arrangements (including on balance sheet PFI schemes)	1,068,734	
127 HRA - Capital expenditure charged to the GF Revenue Account (CERA)	427,938	
128 Debt management costs	38,237	
129 Transfers to GF or MRR and other transfers permitted or required by legislation	1,022,103	
130 HRA - Provision for bad debts (+/-)	53,975	
135 TOTAL HOUSING REVENUE ACCOUNT (HRA) EXPENDITURE (total of lines 121 to 130)	7,853,540	
140 SURPLUS OR DEFICIT FOR THE YEAR ON HRA SERVICES (line 115 minus 135)	311,299	
146 Housing Revenue Account (HRA) Reserves		
	1 Apr 2012	31 Mar 2013
	1,388,931	1,700,230

Table C1e: Revenue Outturn Cultural, Environmental, Regulatory and Planning services (ROs) 2012/13

	EXPENDITURE			INCOME					£ thousand
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	Net current expenditure	Capital Charges	Net Total Cost (excluding specific grants)
CULTURAL AND RELATED SERVICES									
Culture and heritage									
111 Archives	31,655	22,765	54,421	4,905	6,266	11,173	43,249	9,267	52,515
112 Arts development and support	28,675	115,933	144,608	15,305	13,911	29,215	115,394	13,205	128,599
113 Heritage	25,059	45,017	70,077	19,916	11,831	31,749	38,328	9,116	47,444
114 Museums and galleries	87,982	156,019	244,000	31,941	27,115	59,056	184,942	77,446	262,388
115 Theatres and public entertainment	81,183	250,334	331,515	152,740	21,479	174,219	157,296	79,669	236,965
Recreation and sport									
121 Community centres and public halls	29,806	67,201	97,008	22,103	12,425	34,528	62,477	46,026	108,504
122 Foreshore	6,700	17,029	23,729	15,190	5,800	20,990	2,739	6,685	9,424
123 Sports development and community recreation	103,036	229,225	332,262	39,553	55,544	95,096	237,165	30,434	267,598
128 Sports and recreation facilities, including golf courses	304,095	568,618	872,714	359,136	65,580	424,717	447,999	363,774	811,771
130 Open spaces	350,769	669,271	1,020,041	126,987	152,408	279,395	740,646	159,136	899,783
140 Tourism	39,325	94,494	133,819	31,869	16,463	48,332	85,487	16,892	102,379
150 Library service	439,210	475,157	914,366	52,562	37,315	89,876	824,490	135,778	960,267
190 TOTAL CULTURAL AND RELATED SERVICES	1,527,499	2,711,066	4,238,563	872,208	426,139	1,298,349	2,940,218	947,429	3,887,647
ENVIRONMENTAL AND REGULATORY SERVICES									
210 Cemetery, cremation and mortuary services	70,354	151,716	222,071	248,168	13,168	261,336	-39,265	28,635	-10,630
Regulatory services									
219 Trading standards	100,424	59,989	160,412	14,889	11,789	26,679	133,732	1,582	135,314
220 Water safety	2,072	2,735	4,807	791	133	924	3,883	249	4,132
221 Food safety	70,887	44,390	115,273	6,389	5,844	12,235	103,041	672	103,712
222 Environmental protection	100,975	78,900	179,876	14,472	19,087	33,558	146,318	4,247	150,564
223 Private rented housing standards	26,697	17,234	43,930	6,621	3,056	9,677	34,253	12,073	46,326
224 Health and safety	27,543	19,392	46,934	3,065	4,396	7,461	39,474	623	40,096
225 Port health (excluding levies)	8,855	6,655	15,510	14,199	1,193	15,392	118	148	266
226 Port health levies	411	1,090	1,501	198	186	384	1,117	2	1,119
227 Pest control	22,315	24,538	46,853	12,929	3,863	16,793	30,060	2,796	32,856
228 Public conveniences	17,919	62,623	80,541	3,007	2,349	5,355	75,187	16,250	91,435
229 Animal and public health; infectious disease control	66,996	64,316	131,313	18,152	19,997	38,148	93,165	6,213	99,378
230 Licensing - Alcohol and entertainment licensing; taxi licensing	69,794	91,354	161,148	116,474	36,213	152,686	8,460	1,828	10,288
Community Safety									
231 Crime Reduction	85,833	177,892	263,727	11,810	62,818	74,629	189,098	5,605	194,702
232 Safety Services	79,171	78,769	157,940	11,354	26,654	38,007	119,933	3,768	123,701
233 CCTV	29,933	51,096	81,031	11,402	14,909	26,311	54,718	10,351	65,069
(continued)									

(continued)

Table C1e: Revenue Outturn Cultural, Environmental Regulatory and Planning Services (RO5) 2012/13 (continued)

ENVIRONMENTAL AND REGULATORY SERVICES (continued)									
EXPENDITURE				INCOME			Net current expenditure	Capital Charges	Net Total Cost (excluding specific grants)
Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income				
Flood defence, land drainage and coast protection									
241 Defences against flooding	6,585	20,614	27,199	1,196	3,381	4,577	22,624	8,051	30,676
243 Land drainage and related work	4,070	20,522	24,592	642	2,442	3,084	21,508	964	22,472
244 Land drainage and related work - levy / special levies	33	16,549	16,582	0	5	5	16,577	54	16,631
247 Coast protection	3,038	13,364	16,403	1,710	2,123	3,833	12,571	22,431	35,002
250 Agricultural and fisheries services	3,212	13,231	16,443	15,453	9,146	24,599	-8,156	5,880	-2,276
270 Street cleansing (not chargeable to Highways)	300,537	532,856	833,392	22,099	91,631	113,731	719,659	30,107	749,768
Waste management									
281 Waste collection	289,175	833,548	1,122,721	96,014	122,942	218,955	903,767	82,930	986,698
282 Waste disposal	54,383	1,942,696	1,997,080	128,263	87,853	216,116	1,780,963	153,586	1,934,551
283 Trade waste	19,617	127,299	146,916	160,431	11,494	171,926	-25,011	633	-24,378
284 Recycling	118,588	668,080	786,668	127,800	97,415	225,215	561,456	45,274	606,729
285 Waste minimisation	4,559	21,003	25,562	1,284	1,667	2,952	22,611	836	23,447
286 Climate change costs	8,911	8,648	17,560	1,172	1,993	3,165	14,395	1,222	15,617
290 TOTAL ENVIRONMENTAL AND REGULATORY SERVICES	1,592,888	5,151,097	6,743,986	1,049,986	657,747	1,707,731	5,036,251	447,005	5,483,255
PLANNING AND DEVELOPMENT SERVICES									
310 Building control	111,755	87,276	199,030	105,890	19,945	125,833	73,201	11,530	84,731
320 Development control	306,692	277,674	584,368	262,682	35,733	298,413	285,954	16,337	302,292
Planning policy									
335 Conservation and listed buildings planning policy	21,579	18,561	40,140	2,408	5,495	7,903	32,237	1,385	33,621
338 Other planning policy	137,183	135,703	272,885	16,963	27,694	44,658	228,227	12,592	240,819
340 Environmental initiatives	49,118	61,640	110,760	14,930	28,087	43,017	67,741	23,363	91,104
350 Economic development	229,125	473,703	702,826	167,377	158,276	325,653	377,172	436,831	814,004
351 Economic research	5,215	8,161	13,376	5,724	2,406	8,130	5,246	4,998	10,244
352 Business support	29,930	67,139	97,070	41,326	28,199	69,525	27,545	10,944	38,488
360 Community development	125,267	259,261	384,527	9,329	42,182	51,510	333,018	1,445,146	1,778,165
390 TOTAL PLANNING AND DEVELOPMENT SERVICES	1,015,865	1,389,121	2,404,986	626,628	348,016	974,643	1,430,341	1,963,127	3,393,467
400 TOTAL CULTURAL, ENVIRONMENTAL, REGULATORY AND PLANNING SERVICES									
	4,136,250	9,251,281	13,387,532	2,548,820	1,431,906	3,980,727	9,406,808	3,357,562	12,764,368

Table C1f: Revenue Outturn Protective, Central and Other services (RO6) 2012/13

	£ thousand						
	EXPENDITURE			INCOME			Net Total Cost (excluding specific grants)
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	
PROTECTIVE SERVICES							
100 TOTAL POLICE SERVICES	10,120,124	2,186,377	12,306,501	445,786	523,261	969,047	11,910,876
FIRE AND RESCUE SERVICES							
210 Community fire safety	186,331	71,216	257,547	6,838	8,967	15,805	304,843
220 Fire fighting and rescue operations	1,462,718	466,819	1,929,537	22,155	42,571	64,726	1,975,565
230 Fire and rescue service emergency planning and civil defence	9,974	4,463	14,437	309	2,014	2,323	12,815
290 TOTAL FIRE AND RESCUE SERVICES	1,659,023	542,498	2,201,521	29,302	53,552	82,854	2,293,223
CENTRAL SERVICES							
410 CORPORATE AND DEMOCRATIC CORE	532,627	1,254,217	1,786,842	120,080	255,715	375,795	1,479,067
CENTRAL SERVICES TO THE PUBLIC							
Local tax collection							
421 Council tax collection	160,429	300,151	460,580	79,515	79,653	159,166	304,910
422 Council tax discounts for prompt payment	248	331	579	0	23	23	557
423 Council tax discounts locally funded	33	3,139	3,172	108	190	298	2,874
425 Council tax benefits administration	98,226	181,542	279,767	4,244	33,580	37,825	244,024
426 Non-domestic rates collection	28,873	66,284	95,156	14,688	65,776	80,463	15,257
428 BID ballots	184	2,352	2,536	1,254	297	1,551	988
430 Registration of births, deaths and marriages	79,410	44,747	124,160	95,987	7,321	103,309	23,889
Elections							
441 Registration of electors	31,963	44,685	76,646	2,212	4,608	6,821	70,339
442 Conducting elections	23,719	71,208	94,926	8,110	19,217	27,327	68,903
450 Emergency planning	30,259	24,849	55,109	2,516	7,236	9,752	46,023
460 Local land charges	20,583	39,774	60,356	71,164	2,212	73,376	-11,689
470 General grants, bequests and donations	4,880	91,578	96,459	3,111	13,886	16,997	62,650

(continued)

Table C1f: Revenue Outturn Protective, Central and Other services (RO6) 2012/13 (continued)

	EXPENDITURE				INCOME			Net Total Cost (excluding specific grants)	£ thousand	
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	Net current expenditure			Capital Charges
CENTRAL SERVICES TO THE PUBLIC (continued)										
475 Coroners' court services	20,451	73,874	94,324	2,436	22,080	24,517	69,808	2,576	72,383	
476 Other court services	3,095	4,041	7,136	178	5,422	5,600	1,536	1,800	3,336	
NON-DISTRIBUTED COSTS										
481 Retirement benefits	579,693	57,014	636,707	6,950	37,728	44,678	592,029	23,733	615,762	
482 Costs of unused shares of IT facilities and other assets	8,282	26,406	34,688	1,894	6,566	8,460	26,228	32,247	58,475	
483 Depreciation / impairment of surplus assets etc	0	0	0	0	0	0	0	165,212	165,212	
484 Revenue expenditure on surplus assets	746	22,451	23,197	4,064	7,743	11,807	11,389	11,474	22,863	
489 MANAGEMENT AND SUPPORT SERVICES	4,286,092	4,548,056	8,834,147	750,770	8,025,602	8,776,371	57,777	441,325	499,101	
490 TOTAL CENTRAL SERVICES	5,909,788	6,856,695	12,766,483	1,169,278	8,594,854	9,764,133	3,002,355	742,570	3,744,924	
MANAGEMENT AND SUPPORT SERVICES										
491 Recharges within central services					1,914,557					
492 Recharges to general fund revenue account (excluding central services)					4,898,473					
493 Recharges to central government					31,368					
494 Recharges to other accounts					713,451					
495 Other management and support services income (excluding recharges)					467,753					
500 TOTAL OTHER SERVICES	158,338	343,887	502,225	51,491	333,215	384,707	117,520	64,783	182,301	
501 Public health setting up cost	10,761	19,188	29,949	1,167	21,147	22,314	7,635	6,387	14,022	

Table C1g: Trading Services Revenue Account (TSR) 2012-13

	EXPENDITURE			INCOME			£ thousand
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	
External Trading Accounts							
260 Car Parks	1,399	9,850	11,249	18,085	258	18,343	
281 Airports	670	564	1,234	2,223	1,685	3,908	
282 Ports	1,410	1,707	3,117	2,922	69	2,991	
283 Piers	0	0	0	0	0	0	
284 Toll bridges and roads	4,858	34,155	39,013	57,588	625	58,213	
514 Museums	89	1,763	1,852	76	341	417	
515 Theatres	4,733	15,147	19,880	16,267	1,401	17,668	
521 Civic halls	1,777	5,640	7,417	2,938	2,108	5,046	
525 Civic restaurants	4,169	8,851	13,020	6,445	1,754	8,198	
528 Sports facilities	2,924	2,920	5,844	5,140	78	5,218	
535 Crematoria	2,017	3,182	5,199	5,606	359	5,965	
550 Fishery harbours	800	4,840	5,640	5,416	6	5,422	
580 Trade waste	1,923	9,143	11,066	12,766	1,012	13,778	
591 Building control	10,725	6,655	17,380	14,074	770	14,844	
594 Corporation estates	1,923	24,611	26,534	46,381	19,001	65,382	
595 Industrial estates	4,814	44,709	49,523	89,007	42,139	131,146	
596 Investment properties	4,177	57,419	61,596	161,996	42,263	204,259	
597 Market undertakings	17,412	53,196	70,608	76,091	10,117	86,208	
691-695 Other External Trading Accounts	55,889	384,768	440,655	362,203	83,138	445,341	
698 TOTAL EXTERNAL TRADING ACCOUNTS	121,708	669,119	790,829	885,224	207,124	1,092,348	
of which:							
931 Depreciation							71,167
933 Loss on impairment of assets							75,220
935 Credit for capital grants							634
936 Revenue Expenditure funded from Capital by Statute (RECS)							3,449
939 Total capital charges (total of lines 931 to 935)							150,470
							(continued)

Table C1g: Trading Services Revenue Account (TSR) 2012-13 (continued)

	EXPENDITURE				INCOME			£ thousand		
	Employees	Running expenses	Total expenditure	Total	Sales, fees & charges	Other income	Total income	Gross surplus (-)/ deficit (+)	Capital Charges	Net Surplus (-)/ Deficit (+)
Internal Trading Accounts										
716 Administrative Education support services	8,064	5,346	13,410		7,292	4,729	12,021	1,389	279	1,668
717 Specialist Education support services	24,999	14,078	39,077		12,808	25,001	37,809	1,268	153	1,421
723 Highways maintenance	116,996	295,070	412,066		171,510	242,868	414,378	-2,312	2,084	-228
726 On-street parking	1,974	2,536	4,510		5,745	617	6,362	-1,852	55	-1,797
733 Social Services: residential homes	14,086	3,335	17,421		15,873	0	15,873	1,548	458	2,006
734 Social Services: home care services	3,918	1,435	5,353		6,239	0	6,239	-886	72	-814
741 Housing management	2,786	6,534	9,320		5,049	7,220	12,269	-2,949	4,663	1,714
752 Leisure management	73	201	274		219	82	301	-27	6	-21
757 Environmental cleaning and sweeping	7,088	3,990	11,078		3,037	8,773	11,810	-732	287	-445
810 Construction and property services	87,546	126,147	213,693		41,291	183,970	225,260	-11,567	6,531	-5,036
821 Building cleaning	157,484	44,931	202,415		72,460	136,199	208,659	-6,245	349	-5,896
825 Building maintenance	115,491	181,239	296,730		119,128	189,024	308,152	-11,422	1,236	-10,186
830 Grounds maintenance	61,532	60,965	122,497		21,777	79,220	100,997	21,500	2,223	23,723
841 Vehicle maintenance	42,496	147,250	189,746		54,239	152,908	207,147	-17,401	19,907	2,506
845 Vehicle management and transport	59,618	163,233	222,851		130,977	125,902	256,879	-34,028	24,115	-9,913
850 Refuse collection	11,173	10,349	21,522		2,218	21,177	23,395	-1,873	1,576	-297
860 Catering services (staff, welfare, education etc)	268,683	269,711	538,394		301,877	227,318	529,195	9,199	864	10,063
871 Office services (printing, security, etc)	17,354	26,040	43,394		17,462	29,806	47,268	-3,874	1,707	-2,167
872 Information Technology	27,381	67,333	94,715		18,879	78,968	97,847	-3,132	3,117	-15
873 Finance services	33,879	17,073	50,952		8,294	43,848	52,142	-1,190	1,221	31
874 Legal services	39,084	26,452	65,536		16,330	53,487	69,817	-4,281	31	-4,250
875 Personnel services	23,625	15,544	39,169		9,972	22,866	32,838	6,331	25	6,356
891-895 Other Internal Trading Accounts	174,149	267,839	441,988		146,570	302,897	449,467	-7,479	23,912	16,433
898 TOTAL INTERNAL TRADING ACCOUNTS	1,299,480	1,756,631	3,056,111		1,189,247	1,936,878	3,126,126	-70,015	94,871	24,856
<i>of which:</i>										
931 Depreciation									68,208	
933 Loss on impairment of assets									9,074	
934 Revaluations taken to surplus or deficit on the provision of services									11,660	
935 Credit for capital grants									11	
936 Revenue Expenditure funded from Capital by Statute (RECS)									5,917	
939 Total capital charges (total of lines 931 to 936)									94,871	
899 TOTAL EXTERNAL+ INTERNAL TRADING ACCOUNTS	1,421,189	2,425,749	3,846,940		2,074,470	2,144,002	4,218,473	-371,533	191,615	-179,919

Table C1h: Subjective Analysis (SAR) (grossed up all England) 2012 13

of which:										£ thousand
	TOTAL ALL SERVICES	Education services	Highways and transport services	Social Care	Housing services (excluding HRA)	Cultural, environmental and planning services	Police services	Fire & Central and other rescue services	other services	
PART A - PAY ESTIMATES										
1 Teacher salary	13,245,544	13,201,324	194	41,378	0	631	0	0	2,018	
2 Employers' National Insurance contributions	1,032,704	1,029,395	4	3,227	0	44	0	0	34	
3 Employers' Pension contributions	1,692,175	1,669,684	14	6,748	0	69	0	0	15,661	
4 Location allowance	27	19	0	8	0	0	0	0	0	
5 TOTAL TEACHERS GROUP (Total of lines 1 to 4)	15,970,451	15,900,422	212	51,360	0	745	0	0	17,712	
6 Police & Fire salary	6,290,551	2	0	2	0	547	5,176,576	1,076,731	36,694	
7 Employers' National Insurance contributions	567,504	0	0	0	0	50	474,396	89,481	3,577	
8 Employers' Pension contributions	1,644,935	9	0	0	0	91	1,422,914	200,428	21,493	
9 Location allowance	251,431	0	0	0	0	11	218,414	32,966	40	
10 TOTAL POLICE & FIRE GROUP (Total of lines 6 to 9)	8,754,422	11	0	2	0	699	7,292,301	1,399,605	61,804	
11 All Other Staff salary	23,772,464	7,763,957	944,801	4,927,449	527,388	3,286,495	2,132,286	143,315	4,046,772	
12 Employers' National Insurance contributions	1,666,932	446,562	74,242	369,319	43,511	237,393	159,706	10,966	325,233	
13 Employers' Pension contributions	3,710,582	1,060,116	158,842	736,461	78,045	463,494	334,990	34,220	844,415	
14 Location allowance	90,363	12,985	1,004	6,174	5,225	11,497	47,773	874	4,830	
15 TOTAL ALL OTHER STAFF GROUP (Total of lines 11 to 14)	29,240,341	9,283,620	1,178,890	6,039,403	654,169	3,998,878	2,674,755	189,375	5,221,251	
16 Other Pay Related Costs	2,170,974	767,110	45,779	212,983	18,706	135,929	153,068	70,043	767,357	
17 TOTAL Part A (Total of lines 5, 10, 15, 16a & 16b)	56,136,187	25,951,163	1,224,881	6,303,748	672,875	4,136,251	10,120,124	1,659,023	6,068,124	
										(continued)

Table C1h: Subjective Analysis (SAR) (grossed up all England) 2012 13 (continued)

£ thousand				
		of which:		
	TOTAL ALL SERVICES	Social Care	Police services	All other services
PART B - RUNNING EXPENSES				
18 Repairs, Alterations and Maintenance of Buildings	1,705,875	51,320	176,371	1,478,184
19 Energy Costs - Electricity, Gas and Other	1,113,194	43,169	82,085	987,940
21 Rents	821,280	60,261	78,725	682,294
22 Rates	1,033,296	19,409	119,595	894,292
23 Water Services	220,805	9,628	8,291	202,885
24 Fixtures & Fittings	50,841	2,725	598	47,518
25 Cleaning and Domestic Supplies	524,774	29,230	34,705	460,839
26 Grounds Maintenance Costs	413,676	4,057	1,856	407,763
27 Premises Insurance	143,074	3,233	3,250	136,592
28 Other Premises Related Expenditure	688,742	49,374	52,716	586,652
29 TOTAL PREMISES EXPENSES (Total of lines 18 to 28)	6,715,557	272,407	558,192	5,884,958
30 Direct Transport Costs - Vehicle Running Costs, Repair & Maintenance	677,068	40,726	171,718	464,624
32 Contract Hire and Operating Leases	936,195	120,221	21,921	794,053
33 Car Allowances for Travelling Expenses	333,157	131,831	29,317	172,009
34 Public Transport Allowances for Travelling Expenses	209,559	28,564	17,253	163,742
35 Transport Insurance	69,127	6,476	19,631	43,020
36 Other Transport Related Expenditure	515,455	50,611	48,477	416,366
37 TOTAL TRANSPORT EXPENSES (Total of lines 30 to 36)	2,740,561	378,429	308,318	2,053,815
38 Equipment, Furniture & Materials	1,504,277	227,759	68,410	1,208,109
39 Catering	807,824	60,341	14,681	732,802
40 Clothing, Uniforms & Laundry	77,202	5,752	30,034	41,417
41 Printing, Stationery and General Office Expenses	506,422	34,476	26,592	445,353
42 Communications and Computing - Postage, Telephone, Computer Costs and Other	2,095,021	93,449	469,495	1,532,078
46 Subsistence and Conference Expenses	121,848	15,303	15,328	91,217
47 Subscriptions	241,852	25,878	2,729	213,245
48 Insurance	364,991	12,746	27,073	325,172
49 Schools' Non ICT Learning Resources	508,387	1,971	0	506,417
50 Schools' ICT Learning Resources	183,709	99	0	183,609
51 Exam Fees	140,875	303	370	140,202
52 Other Supplies and Services Expenditure	10,954,474	1,804,848	461,524	8,688,102
53 TOTAL SUPPLIES & SERVICES EXPENDITURE (Total of lines 38 to 52)	17,506,882	2,282,923	1,116,236	14,107,723
54 Joint Authorities and Other Local Authorities	2,257,447	813,794	62,237	1,381,417
55 Grants to Voluntary Bodies	1,097,722	373,316	3,946	720,460
56 Private Contractors and Other Agencies - Professional Services	5,094,294	2,918,775	41,171	2,134,348
57 Private Contractors and Other Agencies - Agency Staff	1,360,969	437,471	19,674	903,824
58 Private Contractors and Other Agencies - Other	17,413,727	10,728,032	73,887	6,611,809
59 Internal Trading Organisations	1,780,790	262,545	0	1,518,245
60 TOTAL THIRD PARTY PAYMENTS (Total of lines 54 to 59)	29,004,951	15,533,933	200,915	13,270,103
61 Total Transfer Payments (Discretionary)	1,113,855	723,482	0	390,373
62 Expenditure on Management and Support Services	6,813,030	1,244,624	2,716	5,565,690
63 TOTAL Part B (Total of lines 29, 37, 53, 60, 61 & 62)	63,894,836	20,435,797	2,186,377	41,272,662
PART C - INCOME				
64 Rental Income	1,006,529			
65 Recharges	10,089,104			
66 All Other Income	17,863,046			
67 TOTAL Part C (Lines 64 to 66)	28,958,679			

C2 Revenue outturn summary and grants

Table C2a gives 2012-13 **General Fund Revenue Account** outturn information from the *Revenue Summary (RS)* return. The expenditure recorded on each of the service lines of this return is on the basis of **Net Current Expenditure** as defined in **section 3.1**. The *RS* return gives a summary of the information collected on individual *RO* returns as well as a detailed breakdown of income and expenditure not recorded on *RO* returns, including items which cannot be allocated to any single service. **Table C2c** gives a subjective summary of Total Service Expenditure across all the *RO* returns.

The data in **Tables C2a** and **C2c** were collected on a non-International Accounting Standard (IAS19) basis. More information on IAS19 can be found in **section 3.1**.

Table C2b gives 2012-13 specific and special grants outturn information from the *Revenue Grants (RG)* return.

With the exception of table **C1h** Subjective Analysis (SAR) which is only a sample survey, the individual local authority data in tables C1 and C2, are published on the DCLG web site at:

<https://www.gov.uk/government/publications/local-authority-revenue-expenditure-and-financing-england-2012-to-2013-individual-local-authority-data-outturn>

Table C2a: Revenue Outturn Summary (RS) 2012-13

			£ thousand
	Net current expenditure	Capital Items	Net total cost excluding specific grants
190 Education services	37,133,633	4,557,663	41,691,294
290 Highways and transport services	4,823,256	2,716,139	7,539,395
390 Children's Social Care	6,612,300	117,710	6,730,010
399 Adult Social Care	14,524,067	266,354	14,790,422
490 Housing services (GFRA only)	1,996,285	987,491	2,983,774
509 Cultural and related services	2,940,218	947,429	3,887,648
590 Environmental and regulatory services	5,036,249	447,004	5,483,253
599 Planning and development services	1,430,341	1,963,127	3,393,467
601 Police services	11,337,454	573,421	11,910,876
602 Fire and rescue services	2,118,667	174,556	2,293,223
690 Central services	3,002,354	742,570	3,744,924
698 Other services	117,521	64,783	182,303
699 TOTAL SERVICE EXPENDITURE (TOTAL OF LINES 190 TO 698)	91,072,348	13,558,245	104,630,590
711 Housing benefits: rent allowances - mandatory payments	15,900,577		
712 Housing benefits: non-HRA rent rebates - mandatory payments	558,795		
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	4,287,675		
714 Housing benefits: subsidy limitation transfers from HRA	-8,339		
718 Contribution to the HRA re items shared by the whole community	9,137		
721 Parish precepts	384,416		
722 Integrated Transport Authority levy	0		
724 Waste Disposal Authority levy	0		
727 London Pensions Fund Authority levy	25,297		
728 Other levies	24,041		
731 External Trading Accounts net surplus(-)/ deficit(+)	-204,775		
732 Internal Trading Accounts net surplus(-)/ deficit(+)	24,856		
741 Capital charges accounted for in External Trading Accounts	-96,744		
742 Capital charges accounted for in Internal Trading Accounts	-94,871		
747 Appropriations to(+) / from (-) Accumulated Absences Account	21,652		
748 Adjustments to net current expenditure	37,424		
749 NET CURRENT EXPENDITURE (TOTAL OF LINES 699 TO 748)	111,941,485		
754 Local tax collection: Council tax benefit paid to the Collection Fund	4,151,944		
757 Local tax collection: Non-domestic rate relief - discretionary payments	30,407		
759 Levy: Environment Agency flood defence	32,452		
765 Capital expenditure charged to the GF Revenue Account (CERA)	1,307,199		
771 Provision for bad debts	121,743		
773 Provision for repayment of principal	2,100,603		
776 Leasing payments	62,879		
781 Interest payable and similar charges	2,735,970		
783 Interest: HRA item 8 payments and receipts	-551,202		
785 SUB-TOTAL (total of lines 749 to 783)	121,933,480		
786 Interest and investment income (-): external receipts and dividends	-815,071		
788 Private Finance Initiative (PFI) schemes - difference from service charge	50,867		
789 Appropriations to(+) / from(-) financial instruments adjustment account	6,816		
790 Appropriations to(+) / from(-) unequal pay back pay account	15,553		
791 Specific and special revenue grants outside AEF	-26,829,318		
793 Business Rates Supplement	-235,455		
794 Community Infrastructure Levy	-6,135		
795 Carbon Reduction Commitment transactions (expenditure) (+)	29,679		
796 Carbon Reduction Commitment transactions (income) (-)	-2,578		
800 REVENUE EXPENDITURE (TOTAL OF LINES 785 TO 796)	94,147,843		

(continued)

Table C2a: Revenue Outturn Summary (RS) 2012 13 (continued)

		£ thousand	
	Net current expenditure		
803 Local Services Support Grant (LSSG)	-223,073		
804 Specific and special revenue grants inside AEF	-41,819,662		
805 NET REVENUE EXPENDITURE (TOTAL OF LINES 800 TO 804)	52,105,109		
806 Inter-authority transfers in respect of reorganisation	-133		
811 Appropriations to(+)/ from(-) schools' reserves	-40,866		
815 Appropriations to(+)/ from(-) other earmarked financial reserves	2,351,421		
816 Appropriations to(+)/ from(-) unallocated financial reserves	281,653		
851 Revenue Support Grant	-448,158		
856 Police grant	-4,224,449		
858 General GLA grant	-49,895		
870 Redistributed non-domestic rates	-23,129,273		
880 Other items	-130,810		
890 COUNCIL TAX REQUIREMENT (TOTAL OF LINES 805 TO 880)	26,714,599		
Financial reserves levels at start and end of 2012-13	At 1 April 2012	At 31 March 2013	
911 Schools reserves level	2,413,033	2,372,167	
915 Other earmarked financial reserves level	12,534,218	14,885,639	
916 Unallocated financial reserves level	4,255,304	4,536,957	
920 Prior Year Adjustments	4,404		
Capital items	2012-13		
931 Depreciation	5,855,784		
933 Loss on impairment of assets	3,530,974		
934 Revaluations taken to surplus or deficit on the provision of services	1,525,631		
935 Credit for amortisation of capital grants and other capital contributions	-1,189,466		
936 Revenue Expenditure funded from Capital by Statute	3,332,506		
939 Total capital charges (TOTAL OF LINES 931 TO 936)	12,045,068		
Equal pay costs			
941 One off equal pay costs - falling on the schools budget	7,599		
942 One off equal pay costs - chargeable to any other revenue account	36,855		
Icelandic bank impairment			
951 Interest payable and similar charges ^(a)	-914		
952 Interest and investment income (-): external receipts and dividends ^(b)	-11,537		
979 Total service expenditure on non-IAS19 and PFI "On Balance Sheet" basis	88,439,960		
Housing Revenue Account (HRA) - 2012-13			
980 Total Housing Revenue Account (HRA) income	8,164,839		
981 Total Housing Revenue Account (HRA) expenditure	7,853,540		
982 Surplus or deficit for the year on HRA services (line 980 minus 981)	311,299		
	At 1 April 2012	At 31 March 2013	
983 Total Housing Revenue Account (HRA) reserves	1,388,932	1,700,230	

(a) Change to the impairment charge calculated in previous years

(b) Interest credited in respect of impaired Icelandic investments

Table C2b: Income from specific grants (RG) 2012-13

	£ thousand
Grants within Aggregate External Finance (AEF)	
102 Dedicated Schools Grant (DSG)	30,106,433
103 Pupil Premium Grant	945,399
158 Early Intervention Grant	2,317,104
221 GLA Transport Grant	2,122,728
231 Metropolitan Railway Passenger Services	59,741
232 Mersey Travel	113,935
235 Local Sustainable Transport Fund	93,695
312 Learning Disability and Health Reform Grant	1,279,534
405 Housing and Council Tax Benefit Administration Study	429,653
484 Right to Control Trailblazers	6,432
514 Housing Growth & Housing Market Renewal Transitional Fund	1,362
520 Neighbourhood Planning Front Runners	1,469
524 Greater London Authority Settlement	0
525 Preventing Repossessions Fund	1,563
526 Court Desk Revenue Grant	62
540 New Homes Bonus	394,676
541 Housing Mobility Demonstration pilot	1,211
543 Fire Revenue Grant	38,175
545 The Private Finance Initiative (PFI)	985,786
550 Council Tax Freeze Grant	571,521
552 Weekly Collection Support Scheme	14,309
553 Gurkha Support Fund	692
573 Commons Pioneer Authorities	0
574 Household Reward and Recognition Fund	659
575 SuDS Maintenance Costs	0
576 Isles of Scilly Waste	327
581 National Parks & Broads	52,536
611 Asylum Seekers	92,411
626 Olympic Safety and Security	122,174
631 Counter Terrorism	454,930
643 Neighbourhood Policing Fund	275,246
644 Ending Gang and Youth Violence	7,254
645 Royal Parks Policing Grant	7,051
647 Probation Loan Charges	1,217
698 Other grants within AEF ^(a)	1,320,376
699 TOTAL GRANTS INSIDE AEF (Total of Lines 102 to 698)	41,819,662
Grants outside Aggregate External Finance (AEF)	
708 Further Education funding from Skills Funding Agency	125,283
713 Higher Education Funding Council (HEFCE) Payments	20,143
715 Adult and Community Learning from Skills Funding Agency	237,026
716 Sixth Form Funding from Young People's Learning Agency (YPLA)	1,041,348
741 Council Tax Benefit: subsidy	4,166,860
744 Discretionary Housing Payments (DHPs)	41,747
745 Mandatory Rent Allowances: subsidy	15,769,272
746 Mandatory Rent Rebates outside HRA: subsidy	1,213,609
747 Rent Rebates Granted to HRA Tenants: subsidy	3,812,700
752 Housing Acts Urban Developments - contributions towards cost of loan charges	352
773 Rural Community Action Network (RCAN)	6,401
775 Areas of Outstanding Natural Beauty (AONB)	1,979
791 European Community Grants	38,111
798 Other grants outside AEF ^(a)	354,485
799 TOTAL GRANTS OUTSIDE AEF (total of lines 708 to 798)	26,829,318
800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)	68,648,976

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

Table C2c: Revenue Outturn Service Expenditure Summary (RSX) 2012-13

	EXPENDITURE				INCOME			Net Total Cost (excluding specific grants)
	Employees	Running expenses	Total expenditure	Sales, fees & charges	Other income	Total income	Net current expenditure	Capital Charges
190 Education services	25,951,163	15,644,373	41,595,537	1,712,565	2,749,339	4,461,904	37,133,633	4,557,663
290 Highways and transport services	1,224,881	6,363,971	7,578,851	2,011,255	744,339	2,755,593	4,823,256	2,716,139
390 Children Social Care	2,639,477	4,507,134	7,146,611	119,136	415,174	534,310	6,612,300	117,710
399 Adult Social Care	3,664,271	15,928,663	19,592,935	2,627,920	2,440,948	5,068,867	14,524,067	266,354
490 Housing services (GFRA only)	672,875	2,279,953	2,952,828	600,352	356,192	956,543	1,996,285	987,491
509 Cultural and related services	1,527,499	2,711,067	4,238,565	872,208	426,140	1,298,349	2,940,218	947,429
590 Environmental and regulatory services	1,592,887	5,151,096	6,743,985	1,049,986	657,748	1,707,732	5,036,249	447,004
599 Planning and development services	1,015,865	1,389,121	2,404,986	626,626	348,016	974,643	1,430,341	1,963,127
601 Police services	10,120,124	2,186,377	12,306,501	445,786	523,261	969,047	11,337,454	573,421
602 Fire and rescue services	1,659,023	542,498	2,201,521	29,302	53,552	82,854	2,118,667	174,556
690 Central services	5,909,786	6,856,696	12,766,483	1,169,278	8,594,854	9,764,132	3,002,354	742,570
698 Other services	158,338	343,887	502,225	51,491	333,215	384,707	117,519	64,783
699 Total service expenditure (total of lines 190 to 698)	56,136,187	63,894,836	120,031,022	11,315,899	17,642,778	28,958,679	91,072,346	13,558,245
								182,301
								104,630,588

(a) Does not include levies and transfers; see table C2a

C3 Revenue account net expenditure summaries

In this section all of the data in the tables were collected on a non-International Accounting Standard 19 (IAS19) basis. More information on IAS19 can be found in **section 3.1**. Table **C3a** below shows net current expenditure by service and how it is financed.

Table C3a: Revenue net current expenditure by service and financing and class of authority 2012 13							£ million
	London boroughs	Metropolitan districts	Unitary authorities	Shire counties	Shire districts	Other authorities	Total England
Education	6,716	9,140	8,105	13,168	0	4	37,134
Highways and transport	329	1,167	734	1,372	-124	1,345	4,823
Social care	3,641	4,765	4,935	7,784	10	2	21,136
of which:							
Children's Social Care	1,315	1,645	1,574	2,076	1	2	6,612
Adult Social Care	2,326	3,120	3,361	5,708	9	0	14,524
Housing (excluding Housing Revenue Account) ^(a)	6,508	5,025	4,852	170	6,175	15	22,744
Cultural, environmental and planning	1,605	2,030	2,115	1,616	1,801	240	9,407
of which:							
Cultural	472	706	665	419	551	127	2,940
Environmental	953	997	1,133	1,031	895	28	5,036
Planning and development	180	327	318	166	355	86	1,430
Police	78	0	0	0	0	11,259	11,337
Fire and rescue	0	0	50	297	0	1,771	2,119
Central services	488	769	680	292	982	201	3,412
Other Services	19	-15	-75	32	-131	-23	-193
Appropriations to (+) / from (-) accumulated absences accounts	-3	0	31	27	0	-34	22
Total net current expenditure	19,381	22,880	21,428	24,758	8,713	14,781	111,941
Capital financing ^(b)	425	1,101	807	1,141	125	750	4,348
Capital expenditure charged to Revenue Account	198	155	143	401	117	294	1,307
Other non-current expenditure ^(c)	804	1,076	996	20	1,437	3	4,337
Private Finance Initiative (PFI) schemes - difference from service charge	17	3	7	23	1	1	51
Appropriations to(+)/ from(-) financial instruments adjustment account ^(d)	3	-8	1	2	1	9	7
Appropriations to(+)/ from(-) unequal pay back pay account ^(e)	0	8	-2	8	0	0	16
less interest receipts	115	118	90	102	98	292	815
less specific grants outside AEF ^(f)	7,096	6,061	5,732	598	7,298	45	26,829
less Business Rates Supplement	9	0	0	0	0	226	235
less Community Infrastructure Levy	0	0	0	0	0	6	6
less Carbon Reduction Commitment	-4	-9	-6	-6	0	-1	-27
Revenue expenditure (non-IAS19)	13,612	19,045	17,564	25,659	2,996	15,271	94,148
Financed by:							
Reserves and Other	-359	-153	-200	-453	-80	-1,215	-2,462
Transfers and Adjustments ^(g)	0	0	0	-1	0	0	0
Appropriations to(+)/ from (-) revenue reserves (including school reserves)	-391	-160	-230	-489	-86	-1,237	-2,592
Other items	31	7	30	36	6	22	131
Total Government Funding	10,925	15,012	12,668	17,393	1,508	12,389	69,895
Specific grants inside AEF ^(f)	6,820	9,450	8,289	12,984	337	3,939	41,820
Local Services Support Grant (LSSG)	83	26	33	45	31	5	223
Formula grant	4,023	5,536	4,345	4,363	1,140	8,395	27,802
of which:							
Revenue Support Grant	76	105	83	83	22	80	448
Redistributed non-domestic rates	3,917	5,431	4,263	4,280	1,118	4,120	23,129
Police grant	30	0	0	0	0	4,194	4,224
General Greater London Authority (GLA) grant	0	0	0	0	0	50	50
Council tax requirement	3,047	4,186	5,096	8,718	1,569	4,097	26,715

Source: Revenue Outturn (RO) and Revenue Summary (RS) returns

(a) Includes rent allowances; rent rebates to non-HRA tenants; and rent rebates to HRA tenants.

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

(c) Includes council tax benefit; Discretionary Non-Domestic Rate relief; bad debt provision; and flood defence payments to Environment Agency.

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

(e) 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.

(f) Aggregate External Finance.

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

C4 Revenue account budget estimates

Table C4a gives full details of 2013-14 revenue budgets, from the *RA* return. The estimates are all at outturn prices. Detailed figures for budgeted service expenditure by individual local authorities are available from the DCLG web site at:

<https://www.gov.uk/government/publications/local-authority-revenue-expenditure-and-financing-england-2013-to-2014-individual-local-authority-data>

In **Table C4a** all of the data in the tables were collected on a non International Accounting Standard 19 (IAS19) basis. More information on IAS19 can be found in **section 3.1**.

Table C4b gives 2013-14 specific and special grants budget information from the *SG* return.

Table C4a: Revenue Account Budget Estimates (RA) 2013-14

			£ thousand
	Net current expenditure	Capital charges	Net Total Cost (excl. 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 school crossing patrols)	-154,271	908	-153,363
258 Traffic management and road safety: other	89,890	27,346	117,237
260 Parking services	230,888	46,108	276,996
271 Public transport: statutory concessionary fares	-634,575	80,686	-553,889
272 Public transport: discretionary concessionary fares	1,076,282	3,007	1,079,289
275 Public transport: support to operators	159,600	1,214	160,814
276 Public transport: co-ordination	1,355,931	42,869	1,398,799
280 Airports, harbours and toll facilities	551,104	434,509	985,613
290 TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280)	-3,327	11,016	7,689
	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
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

(continued)

Table C4a: Revenue Account Budget Estimates (RA) 2013-14 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net Total Cost (excl. specific grants)
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	2,761,566
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
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
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 benefits 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	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

(continued)

Table C4a: Revenue Account Budget Estimates (RA) 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
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
	(continued)

Table C4a: Revenue Account Budget Estimates (RA) 2013 14 (continued)

	£ thousand
	Net current expenditure
903 Local Services Support Grant	-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

Table C4a: Revenue Account Budget Estimates (RA) 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	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	
(a) Where capital expenditure has been financed by capital grant, the grant is credited to the income and expenditure account over the useful life of the asset in the line with the depreciation charge.		

Table C4a: Revenue Account Budget Estimates (RA) 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

Table C4b: Income from Specific and Special Grants - Budgets (SG) 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	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	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

C5 Changes to English local government revenue finance systems

Before 1900, most of the spending of local bodies was financed locally. With the exception of police forces (which were supported by a 50 percent Home Office grant) and some primary education grants, there were few grants from central government. Various rates were levied for specific services (for example highway rates, poor rates and school rates) and not all were assessed in the same way. Following the abolition of the separate poor rate in 1929, rates became a single unified tax. By then, sizeable central government grants were being paid to encourage different areas to provide services of a consistent standard. These were usually made for specific purposes, rather than as general (unhypothecated) financial support for local spending.

The position in 1945 Nearly 80 percent of central government grants were in the form of specific grants. The remaining 20 percent was an unhypothecated or block grant. Approximately equal amounts obtained from government grants and local rates.

1948	Transfer of responsibility for the setting of rateable values of all properties to the Inland Revenue Valuation Office. Previously, each local authority set its own rateable values, resulting in substantial differences between average rateable values for similar properties in different parts of the country.
1948	Block grant to be paid only to authorities whose means or rate resources were below the national average and renamed Exchequer Equalisation Grant.
1958	Many specific grants replaced by General Grant, a new form of unhypothecated block grant so specific grants accounted for less than 30% of government grants. Exchequer Equalisation Grant renamed Rate Deficiency Grant.
1966	General Grant, Rate Deficiency Grant and specific grants for school meals and milk incorporated into Rate Support Grant (RSG) with three elements: domestic, needs and resources.
1971	Rating revaluation. New rateable values came into effect from April 1972.
1974	Following structural reorganisation, proportions of resources and domestic elements of RSG increased. Needs element paid to upper tier, resources and domestic elements payable to lower tiers. More specific grants incorporated into RSG. About 20% of government grants were specific grants. Ratio of government grants: local rates approximately 17:10.
1981	Needs and resources elements of RSG became Block Grant - payable to both upper and lower tiers - and calculated to penalise high spending authorities for the first time. Its distribution was based on each authority's Grant-Related Expenditure (GRE) as calculated by the Department of the Environment.

1984	Rate limitation (capping) introduced. During the 1980s, the method of grant allocation was adjusted to provide a disincentive to over-spending.
1986	The government published a Green Paper, <i>Paying for Local Government</i> , which considered ways of improving the system.
1989	Non-domestic rating revaluation. New national rating system came into effect from April 1990.
1990	Domestic rates were abolished and community charge (poll tax) and nationally determined uniform non-domestic rate introduced. Revenue Support Grant replaced rate support grant. Aggregate external finance (AEF) replaced aggregate exchequer grant (AEG). Standard Spending Assessments (SSAs) replaced GREAs. Ring-fenced housing revenue account introduced. Districts collected RSG for the area and passed a portion of this and of community charge to county councils.
1991	An additional £140 per charge payer was provided in central government support, thereby increasing the proportion of local government spending funded by central government.
1993	Council tax replaced the community charge as the local domestic tax. RSG and non domestic rate entitlements were paid into the General Fund of each billing and major precepting authority rather than into the Collection Fund of billing (formerly charging) authorities.
1998	The White Paper <i>Modern Local Government - In Touch with the People</i> announced a 3-year review programme for Revenue Grant Distribution aimed at improving its fairness and equity.
1999	Pre-announced universal capping limits were discontinued to be replaced with reserve powers, which allowed local authorities budgets to be looked at over more than one year. Non-domestic rating revaluation. New rateable value came into effect from April 2000. Central Support Protection Grant introduced to ensure minimum levels of grant support for billing and precepting authorities.
2000	<i>Modernising Local Government Finance: A Green Paper</i> consulted on options for reform of the revenue grant distribution system. For authorities with education and social service responsibilities, damping of changes in grant support based on the floor and ceiling mechanism instead of through Central Support Protection Grant.
2001	The White Paper <i>Strong Local Leadership – Quality Public Services</i> published in December 2001.
2002	A new formula grant distribution system was introduced, based on Formula Spending Shares (FSS), instead of SSAs, from 2003-04.
2003	The Local Government Bill 2003 received Royal Assent on 18

September. The Act is a deregulatory measure which includes new borrowing freedoms, expenditure grants designed to allow all authorities more flexibility in the use of existing resources, the introduction of the new small business rate relief, powers to charge for discretionary services, new trading powers, the introduction of Business Improvement Districts, and the introduction of a fixed 10-yearly cycle for council tax revaluation.

From 2003-04 local authorities' final accounts were required to comply in full with Financial Reporting Standard 17 (FRS17) on retirement benefits. This requires future liabilities for retired benefits to be recognised in the accounts for all the main categories of local government employees (other than teachers).

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| 2006 | A new formula grant distribution system was introduced, based on the four-block model, from 2006-07. Funding for schools was transferred from formula grant to a new Dedicated Schools Grant . The first step in the move to three-year settlements took place, with the settlement announcement covering the two years 2006-07 and 2007-08. |
| 2008 | Area Based Grant (ABG) , a new non-ringfenced grant, was introduced from 2008-09 replacing a number of grants previously reported as specific grants. |
| 2009 | Since 2009-10 local authorities have accounted for PFI schemes in accordance with International Financial Reporting Standards (IFRS). This brought most PFI schemes 'on balance sheet' in the authorities' own accounts. However, for National Accounts purposes, the capital expenditure and financing of PFI schemes were attributed to an authority only where it held the economic ownership of the asset. |
| 2010 | From 2010-11 local authority accounts were prepared on the basis of International Financial Reporting Standards (IFRS). Much of the transition to IFRS had already been done as a result of the programme convergence between UK accounting standards (the previous basis of local authority accounts) and IFRS. The principal remaining issues of difference concerned the treatment of leases and the accrual of short term employee benefits such as holiday pay. |
| 2011 | The ABG ended on 31 March. A new grant called Local Services Support Grant (LSSG) started in April. This is a non-ring-fenced single revenue grant allocated by central government directly to local authorities. It draws together a small number of sources of funding for local services that are not funded through formula funding. |
| 2012 | The Localism Act 2011 abolished capping in England and replaced it with a provision for council tax referendums. From 2012-13 onwards, any authority setting a council tax increase which exceeds principles proposed by the Secretary of State and approved by the House of Commons is required to hold a binding referendum in which the local electorate can approve or reject the increase. |

2013

The business rates retention system was introduced on 1 April. Under the new system, 50 per cent of business rates revenue is designated as a local share, and changes in revenue from this share will have an impact on authorities' income, providing an incentive for them to generate business rates growth. Councils are able to pool their business rates with others. The scheme also enables local authorities to borrow money against future business rate growth to fund infrastructure projects in their area.

ANNEX D

Capital spending & financing

This annex contains information on capital spending and how it is financed relating to **Chapter 4**. It is divided into the following sections:

- **Capital outturn summaries : 2012-13** **section D1**
- **Changes to English local government capital finance systems: section D2**

D1 Capital outturn summaries

Tables D1a-c shows 2012-13 capital expenditure and receipts information from the Capital Outturn Returns (COR) for all service groups within the main service blocks. Figures for 2012-13 reflect the service category changes on the COR form consistent with Service Reporting Code of Practice (SERCOP). Information on acquisition of share and loan capital is not included in Total Capital Expenditure, and Disposal of Investments is not included in Total Capital Receipts.

Table D1d shows further details of gross expenditure on “new construction, conversion and renovation” of “roads (including structural maintenance), street lighting and road safety”.

Tables D1e shows a time series of local authority financed capital expenditure on social services. The data show the uneven nature of capital expenditure whereby in some years an authority will spend heavily on a specific project or purchase, whereas other years it will spend very little.

Table D1f shows a time series of expenditure that local authorities were allowed to finance from capital resources – capitalise – under section 16(2)(b) of the Local Government Act 2003.

DEFINITIONS OF COLUMN HEADINGS

Acquisition of land and existing buildings and works (including any road charges) - payments against the service for which the land is required for use rather than that appropriate to the powers used for acquisition; interest on purchase money is excluded, except where it is in connection with Slum Clearance Subsidy.

New construction and conversion - capital payments include the wages and salaries (including the employer’s share of national insurance and pension contributions) of employees engaged on direct labour schemes, and the cost of architectural, engineering and other services (including the authority’s own professional staff) in connection with these works and other overheads (including accommodation). Payments on demolition

and site clearance and the erection of bridges are also included, as well as civil engineering works, for example for the provision, laying or replacement of water mains and sewers, the laying or improvement of roads, the preparation of playing fields and hard playing areas.

Vehicles - acquisition, renewal or replacement of vehicles and vessels (including ships and aircraft) and the acquisition of vehicle assets by **Direct Labour and Service Organisations**.

Plant machinery and equipment - acquisition, renewal or replacement of plant machinery and equipment, including furniture and fittings, and the installation of street lighting, road signs, traffic signals and related equipment, where the payment for these can be identified separately. Also includes the acquisition of plant machinery assets by Direct Labour and Service Organisations.

Total expenditure on fixed assets - includes salaries of professional staff charged to the capital account.

Capital grants and advances - all grants and advances made for capital purposes, such as those for housing and industrial purposes.

Sales of fixed assets - amounts received by an authority in respect of the sale of any interest in a fixed asset, if, at the time of the sale, expenditure on the acquisition of that asset would have counted as expenditure for capital purposes. Also includes receipts from the sale of assets to other authorities.

Sales of intangible assets – covers receipts for intangible assets. This includes software licences and other intangible assets which are required by the **Statement of Recommended Practice** (SORP) to be capitalised on the balance sheet. Generally intangible assets are assets of value which do not have a physical shape e.g. purchased franchises, licences and patents. Goodwill is excluded.

Repayments of capital grants and advances - repayments of grants, advances and other financial assistance of a capital nature. Includes repayments of renovation grants, repayments of principal (regular and premature) of loans to private persons and repayments of sums left outstanding (regular and premature) on the sale of council dwellings, where the purchase was financed by a mortgage. Also includes repayments of principal of loans to registered social landlords. Receipts from health authorities are excluded.

Table D1a: Capital outturn summary: all services (COR) 2012-13

	£ thousand					
	Acquisition of land & existing buildings (1)	New construction conversion & renovation (2)	Vehicles (3)	Plant machinery & equipment (4)	Intangible assets (5)	Total expenditure on fixed & intangible assets (6) (1+2+3+4+5)
Pre-primary & Primary Education	27,717	1,664,076	3,540	65,112	2,511	1,762,956
Secondary Education	34,164	1,752,525	9,141	104,843	4,667	1,905,340
Special Education	1,018	231,819	657	8,999	174	242,667
Non-school funding	3,152	146,751	848	7,482	2,382	160,615
Education	66,051	3,795,171	14,186	186,436	9,734	4,071,578
Roads, Street Lights & Safety	34,951	2,197,387	10,761	14,217	11,485	2,268,801
Parking of Vehicles	16,011	41,214	146	4,985	556	62,912
Public Passenger Transport-Bus	6,487	248,169	4,390	9,946	358	269,350
Public Passenger Transport-Rail & Other	9,684	136,667	19,768	31,649	4,211	201,979
Airports	0	1,325	13	0	0	1,338
Local Authority Ports and Piers	0	14,802	102	692	10	15,606
Tolled Road bridges,tunnels,ferries, public transport companies	11,706	11,603	837	175	0	24,321
Highways & transport	78,839	2,651,167	36,017	61,664	16,620	2,844,307
Social services	6,927	129,397	3,611	25,709	11,774	177,418
Housing	157,117	2,448,139	2,198	35,628	5,835	2,648,917
Culture and heritage	2,701	168,092	-248	10,711	352	181,608
Recreation and sport	9,394	319,691	1,705	27,795	186	358,771
Open spaces	3,329	115,572	5,301	8,584	92	132,878
Tourism	31	6,238	0	958	5	7,232
Library Services	2,559	134,235	353	10,872	608	148,627
Total Culture and related services	18,014	743,828	7,111	58,920	1,243	829,116
Cemeteries, cremation and mortuary	2,758	34,490	176	13,828	0	51,252
Coast protection	0	17,514	59	138	1,181	18,892
Community safety	0	2,846	111	1,654	0	4,611
Community safety (CCTV)	0	2,568	11	7,559	0	10,138
Flood defence and land drainage	215	16,407	0	175	344	17,141
Agriculture and fisheries	794	6,487	44	0	0	7,325
Regulatory services (environmental health)	0	11,981	3,060	3,060	206	18,307
Regulatory services (trading standards)	0	171	57	20	33	281
Street cleaning (not chargeable to highways)	0	201	9,322	2,690	33	12,246
Waste collection	1,829	13,818	66,899	22,856	547	105,949
Waste disposal	11,202	75,501	3,629	2,077	28	92,437
Trade waste	0	452	952	132	0	1,536
Recycling	318	90,663	12,311	8,836	11	112,139
Waste minimisation	0	558	0	700	0	1,258
Climate change costs	0	13,943	2	11,424	1	25,370
Total environmental and regulatory services	17,116	287,600	96,633	75,149	2,384	478,882
Planning and development services	145,264	480,636	2,779	14,868	2,625	646,172
Police	22,826	190,447	104,419	156,018	26,197	499,907
Fire and rescue services	9,774	72,168	53,679	30,109	5,550	171,280
Central services	273,044	573,230	34,097	186,436	92,713	1,159,520
Industrial and commercial trading	27,070	103,546	559	2,830	2,787	136,792
Other trading	611	18,847	19,110	1,484	568	40,620
Total Trading	27,681	122,393	19,669	4,314	3,355	177,412
Total all services	822,653	11,494,176	374,399	835,251	178,030	13,704,509

Table D1b: Capital outturn summary: all services (COR) 2012-13

	£ thousand			
	Total expenditure on fixed & intangible assets (6) (1+2+3+4+5)	Expenditure on grants (7)	Expenditure on loans & other financial assistance (8)	Total Expenditure ^(a) (9) (6+7+8)
Pre-primary & Primary Education	1,762,955	110,671	399	1,874,026
Secondary Education	1,906,645	293,952	18,628	2,217,920
Special Education	241,362	5,193	0	247,860
Non-school funding	160,615	14,178	5,700	180,493
Total Education	4,071,578	423,994	24,727	4,520,299
Roads, Street Lights & Safety	2,268,801	35,254	830	2,304,885
Parking of Vehicles	62,912	2,901	0	65,813
Public Passenger Transport-Bus	269,350	19,184	0	288,534
Public Passenger Transport-Rail & Other	201,979	1,271,379	648,470	2,121,828
Airports	1,338	0	11,919	13,257
Local Authority Ports and Piers	15,606	0	800	16,406
Tolled Road bridges,tunnels,ferries, public transport companies	24,321	0	0	24,321
Total Transport	2,844,307	1,328,718	662,019	4,835,044
Social Services	177,418	29,009	218	206,645
Total Housing	2,648,917	1,036,311	45,554	3,730,782
Culture and heritage	181,608	19,687	1,392	202,687
Recreation and sport	358,771	17,393	853	377,017
Open spaces	132,878	5,544	181	138,603
Tourism	7,232	1,390	0	8,622
Library Services	148,627	1,348	0	149,975
Total Culture and related services	829,116	45,362	2,426	876,904
Cemeteries, cremation and mortuary	51,252	90	882	52,224
Coast protection	18,892	457	0	19,349
Community safety	4,611	423	0	5,034
Community safety (CCTV)	10,138	215	0	10,353
Flood defence and land drainage	17,141	6,573	1,313	25,027
Agriculture and fisheries	7,325	19	0	7,344
Regulatory Services (Environmental health)	18,307	617	0	18,924
Regulatory Services (Trading standards)	281	0	0	281
Street cleaning not chargeable to highways	12,246	0	0	12,246
Waste collection	105,949	1,665	0	107,614
Waste disposal	92,437	157	25,000	117,594
Trade Waste	1,536	29	0	1,565
Recycling	112,139	2,648	121	114,908
Waste minimisation	1,258	11	0	1,269
Climate change costs	25,370	5,892	835	32,097
Total environmental services	478,882	18,796	28,151	525,829
Planning and development services	646,172	212,374	16,932	875,478
Police	499,907	21	0	499,928
Fire and rescue services	171,280	1,094	0	172,374
Central Services (including Court services)	1,159,520	32,251	70,637	1,262,408
Industrial and Commercial	136,792	4,198	18,022	159,012
Other Trading	40,620	793	10	41,423
Total Trading	177,412	4,991	18,032	200,435
Total All services	13,704,509	3,132,921	868,696	17,706,126

(a) Figures in this column do not include acquisitions of share and loan capital

Table D1c: Capital outturn summary: all services (COR) 2012-13

	£ thousand			
	Sales & disposal of tangible fixed assets (10)	Sales of intangible assets (11)	Repayments of grants loans & financial assistance (12)	Total receipts ^(a) (10+11+12)
Pre-primary & Primary Education	42,656	0	0	42,656
Secondary Education	161,531	0	532	162,063
Special Education	17,518	0	0	17,518
Non-school funding	43,196	0	8,662	51,858
Total Education	264,901	0	9,194	274,095
Roads, Street Lights & Safety	11,191	0	11	11,202
Parking of Vehicles	8,570	0	90	8,660
Public Passenger Transport-Bus	101	0	894	995
Public Passenger Transport-Rail & Other	14,197	2,311	0	16,508
Airports	9	0	822	831
Local Authority Ports and Piers	0	0	2	2
Tolled Road bridges,tunnels,ferries, public transport companies	218	0	1	219
Total Transport	34,286	2,311	1,820	38,417
Social Services	76,075	0	1,287	77,362
Total Housing	729,945	3,877	27,305	761,127
Culture and heritage	4,424	0	419	4,843
Recreation and sport	28,634	267	1,485	30,386
Open spaces	22,643	0	46	22,689
Tourism	325	0	0	325
Library Services	3,755	0	106	3,861
Total Culture and related services	59,781	267	2,056	62,104
Cemeteries, cremation and mortuary	2,024	0	0	2,024
Coast protection	0	0	0	0
Community safety	0	0	0	0
Community safety (CCTV)	0	0	0	0
Flood defence and land drainage	89	0	0	89
Agriculture and fisheries	35,553	0	0	35,553
Regulatory Services (Environmental health)	815	0	16	831
Regulatory Services (Trading standards)	0	0	0	0
Street cleaning not chargeable to highways	5,980	0	0	5,980
Waste collection	2,963	0	370	3,333
Waste disposal	3,465	0	973	4,438
Trade Waste	4	0	469	473
Recycling	175	0	0	175
Waste minimisation	249	0	0	249
Climate change costs	0	0	319	319
Total environmental services	51,317	0	2,147	53,464
Planning and development services	123,179	15	11,872	135,066
Police	116,318	0	788	117,106
Fire and rescue services	9,890	86	0	9,976
Central Services (including Court services)	377,430	2,161	7,713	387,304
Industrial and Commercial	181,464	0	93	181,557
Other Trading	8,004	0	11,631	19,635
Total Trading	189,468	0	11,724	201,192
Total All services	2,032,590	8,717	75,906	2,117,213

(a) Figures in this column do not include disposals of share and loan capital

**Table D1d: Roads (including structural maintenance), street lighting & road safety:
England 2008-09 to 2012-13**

	2008-09	2009-10	2010-11	2011-12	£ thousand 2012-13
New construction/improvement of roads	1,072,346	846,984	986,409	856,820	703,343
Structural maintenance - principal roads	297,318	370,999	377,246	381,994	342,816
Structural maintenance - other LA roads	677,986	720,978	726,605	670,688	649,851
Expenditure on bridges	216,203	205,356	212,665	156,326	148,498
Road safety	248,004	278,801	329,554	244,984	221,748
Street lighting	74,572	82,551	85,451	93,441	131,131
Total	2,586,429	2,505,669	2,717,930	2,404,253	2,197,387

Table D1e: Social services capital expenditure 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ thousand 2012-13
Children and their families: residential care	20,446	19,015	31,159	18,831	19,561
Children and their families: day care	24,222	32,883	30,502	33,490	7,291
Elderly: residential care	103,305	62,700	62,095	49,601	46,932
Elderly: day care	15,047	17,732	14,811	13,693	12,169
Physically disabled: residential care	3,541	8,199	6,938	4,838	2,937
Physically disabled: day care	7,133	9,323	11,346	6,905	5,280
Learning disabled: residential care	16,113	23,179	18,183	13,983	15,229
Learning disabled: day care	21,489	26,492	29,924	24,271	15,516
Mentally ill: residential care	2,685	6,940	11,627	4,982	3,121
Mentally ill: day care	7,614	9,786	6,368	3,889	6,566
HIV/AIDS and alcohol/drugs misuse	3,956	3,590	8,609	3,784	349
Other	74,354	67,790	80,759	74,847	71,694
Total social services capital expenditure	299,905	287,629	312,321	253,114	206,645

	% of total				
Children and their families: residential care	7	7	10	7	9
Children and their families: day care	8	11	10	13	4
Elderly: residential care	34	22	20	20	23
Elderly: day care	5	6	5	5	6
Physically disabled: residential care	1	3	2	2	1
Physically disabled: day care	2	3	4	3	3
Learning disabled: residential care	5	8	6	6	7
Learning disabled: day care	7	9	10	10	8
Mentally ill: residential care	1	2	4	2	2
Mentally ill: day care	3	3	2	2	3
HIV/AIDS and alcohol/drugs misuse	1	1	3	1	0
Other	25	24	26	30	35
Total social services capital expenditure	100	100	100	100	100

Table D1f: Section 16(2)(b) direction expenditure 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ thousand 2012-13
Redundancy Costs	19,041	25,396	73,815	87,605	0
Pension Scheme Contributions	21,941	19,746	41,139	6794	0
Equal Pay Directions	375,160	337,215	107,273	141,683	111,087
Other ^(a)	15,699	82,110	16,557	26,454	4
Total	431,841	464,467	238,784	262,536	111,091

(a) Amounts covered by directions classed as "exceptional", contaminated land and commutation, which are not recorded separately

D2 Changes to English local government capital finance systems

Between the mid-nineteenth century and 1972, local government capital finance remained much the same with only minor amendments to its detail. Capital projects were financed by government grants, revenue, sales of capital assets or loans. Central control operated only on the loans. A local authority needed a sanction in order to use a loan, first giving approval for the project itself and secondly authorising the use of a loan. Loans were available from a variety of sources; the **Public Works Loan Board** (PWLB) was a major source.

- 1933 Local Government Act. It consolidated the legislation of the previous 50 years. Set out the type of expenditure which could be financed by borrowing (effectively anything a Minister considered proper) and detailed types of borrowing open to local authorities.
- 1945 The Local Authorities Loans Act. Virtually all borrowing had to come from the PWLB until 1952.
- 1955 The PWLB became lender of last resort.
- 1963 Controls were imposed on temporary borrowing. Access to the PWLB was relaxed. The Local Government (Financial Provisions) Act allowed authorities to borrow by issuing bonds.
- 1970 Capital expenditure was dealt with in three classes. Those in the Key Sector, covering the great majority of services, continued to require specific loan sanction; the Subsidiary Sector had general consent to borrow; and the Locally Determined Sector had block borrowing approval.
- 1972 The Local Government Act consolidated all previous legislation into one act but made no significant changes to the system. Loan sanctions were replaced by borrowing approvals.
- 1976 The Layfield Committee on Local Government Finance concluded that current arrangements were not conducive to proper planning, management and control of local authorities' capital programmes.
- 1981 New system set up under the Local Government, Planning and Land Act 1980. Capital expenditure was defined and controlled through annual capital expenditure allocations. Expenditure was monitored quarterly from 1978. Limits on capital expenditure were set partly by reference to a prescribed proportion of an authority's capital receipts.
- 1986 The government published a Green Paper, *Paying for Local Government*, which considered ways of improving the system.
- 1990 Part IV of the Local Government and Housing Act 1989 introduced the broad framework of a new capital finance system. Detailed provisions were set out in regulations. The main effect was to control capital expenditure funded by borrowing (and all other forms of credit) through the issue of credit approvals.

The spending of capital receipts was regulated by the requirement for authorities to set aside part of their receipts as provision for credit liabilities.

- 1995 The Local Authorities (Companies) Order 1995 extended the system to the finances of companies controlled or influenced by local authorities.
- 1997 The Local Authorities (Capital Finance) Regulations 1997 consolidated the changes to the system made since 1990 and contained new provisions to encourage the use of the Private Finance Initiative.
- 1998 The Capital Finance Regulations were amended for most non-housing capital receipts, from 1 September 1998 removing the requirement for authorities to set aside part of the receipts.
- 2000 In 1998, the White Paper *Modern Local Government - In Touch with the People* announced a review of the capital finance system. A consultation paper *Modernising Local Government Finance: A Green Paper* was issued in September 2000. It suggested replacing the existing credit approval system for controlling capital expenditure with a prudential approach to determine what is affordable.
- 2002 In December 2001, the White Paper *Strong Local Leadership – Quality Public Services* put forward proposals for a new **prudential capital finance system**, which would mean the end of credit approvals. On 2 April 2002, the Government abolished the **Receipts Taken Into Account** (RTIAs) mechanism, which was used to distribute local authorities' **Basic Credit Approval** allocations under the Single Capital Pot.
- 2003 The Local Government Act 2003 put in place the broad legislative framework for the new prudential regime for borrowing by local authorities, which is supplemented by the *Prudential Code* developed and published by **CIPFA** and secondary legislation. This new system replaced that set out in Part IV of the Local Government and Housing Act 1989.
- 2004 From 1 April local authorities were, under the new Act and the CIPFA *Prudential Code*, free to finance capital spending from self-financed borrowing without the need to have government approval as long as it is affordable and prudent to do so.
- 2009 Changes in accounting practice brought most PFI schemes on to local authority balance sheets from 1 April 2009, and hence formally within the prudential capital finance system. However, DCLG continue to publish capital expenditure data on the previous basis (leaving most schemes off balance sheet) because that is the basis on which National Accounts are prepared.
- 2010 From 1 April 2010 local authority accounts are based on International Financial Reporting Standards. This alters the accounting classification of some leases, though protection is provided for existing leases by DCLG regulation allowing them to be accounted for in accordance with the old rules.

ANNEX E

Metadata

Most of the information in this publication comes from the following returns made to the Department for Communities and Local Government by local authorities in England.

Table E1: Metadata				
Code	Description	Frequency	Latest available	DCLG Contact Number
MB & QB	Borrowing and Lending	Monthly (Sample)/ Quarterly	2012-13	0303 444 1751
RA & SG	Revenue account budgets	Annual	2013-14	0303 444 2119
RO	Revenue Outturn (10 forms)	Annual	2012-13	0303 444 2119
QRO1, QRO2, QRO3	Quarterly Revenue Outturn	First three quarters	2013-14	0303 444 1835
SAR	Subjective Analysis return	Annual (Sample)	2012-13	0303 444 2119
CER	Capital estimates return	Annual	2013-14	0303 444 2336
CPR4	Capital provisional outturn	Annual	2012-13	0303 444 2336
COR	Capital outturn return	Annual	2012-13	0303 444 2336
CTR1, CTR2, CTR3	Council Tax requirement	Annual	2013-14	0303 444 2116
CTB	Council tax base	Annual	Oct-13	0303 444 2116
SF3	Pension Funds	Annual	2012-13	0303 444 2120
QRC4	Council tax and non-domestic rates collection	Quarterly	2012-13	0303 444 2116
NNDR1	Non-Domestic rates payments (forecast)	Annual	2013-14	0303 444 2116
NNDR3	Non-Domestic rates payments (outturn)	Annual	2012-13	0303 444 2116

Apart from the SAR and MB forms, which are completed by a sample of local authorities, the returns go to all local authorities in England. The Local Government Pension Scheme Funds Form go to all local authorities in England and Wales and the borrowing and lending forms go to all local authorities in the United Kingdom.

ANNEX F

List of tables, charts and maps

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ANNEX G

Glossary of terms and acronyms

Note – The terms included in this glossary are current before the introduction of the retention of rates and business support grant effective from 1 April 2013.

*Cross references to other terms are shown in **bold**.*

Accruals basis – an accounting concept which requires that income and expenditure are accrued (i.e. recognised as they are earned or incurred, not as they are received or paid). Under this concept therefore inclusion or exclusion of an item of income or expenditure will depend on the period to which it relates, not the period in which it was received or paid.

Amortisation - the loss in value of an intangible asset due to its use by the company is accounted for by means of amortisation.

ANA

Alternative Notional Amount - a technical adjustment made to the council tax requirement in a base year. This is undertaken in order that the subsequent council tax requirement set by an authority for the following year can be compared with that for the base year on a like-for-like basis for referendum purposes. Setting Alternative Notional Amounts is the method prescribed in legislation for the Government to handle significant changes in local authorities' functions, finance or structure.

Average council tax - the average total amount of council tax payable for a Band D dwelling occupied by two adults within a billing authority's area. It is the sum of the amounts requested: a) by the billing authority; b) by major precepting authorities covering the billing authority's area; and c) by parish or town councils within the billing authority's area. The amount at c) is the total amount requested by parish and town councils, averaged across the whole of the billing authority's area.

Average council tax per dwelling - the total council tax payable in an area divided by the total number of chargeable dwellings in the area.

Appropriations to/from reserves – these are respectively, the movement of monies into **reserves** from the **General Fund Revenue Account**, or out of **reserves** to the **General Fund Revenue Account**.

Band D council tax- this is the council tax payable on a Band D dwelling occupied as a main residence by two adults, before any reductions due to discounts, exemptions or council tax support. This definition is widely regarded as a benchmark when comparing council tax levels in different areas or over time.

Billing authority – a local authority empowered to set and collect **council**

tax, and manage the **Collection Fund**, on behalf of itself and local authorities in its area. In England, shire and metropolitan districts, the Council of the Isles of Scilly, unitary authorities, London Boroughs and the City of London are billing authorities. **(See section 1.6.3)**

Business rates – a tax on non-domestic property based on the notional annual rent of a property known as the **Rateable Value**, also called **National Non-domestic Rates**.

Capital charges – charges to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

CER **Capital estimates return** – a form seeking local authority forecasts of **capital expenditure** (and **receipts**) and how they plan to finance it.

Capital expenditure – expenditure on the acquisition or creation of fixed assets or expenditure, which adds to and does not merely maintain the value of existing fixed assets **(See section 4.1)** This standard accounting definition is modified in local government by regulations and directions made under Local Government Act 2003.

CERA **Capital expenditure charged to revenue account** – a method of financing **capital expenditure** where the expenditure is financed direct from revenue account in the year it is incurred **(See section 4.4.1)**.

COR **Capital outturn return** – a form seeking detailed final outturn about **capital expenditure** (and **receipts**) and how it has been financed.

CPR4 **Capital payments and receipts return 4** – a form seeking provisional estimates of **capital expenditure** (and **receipts**) and how it has been financed.

Capital receipts – income from the sale of capital assets. Such income may only be used for purposes authorised by regulations under the Local Government Act 2003, for example to repay loan debt and to finance new **capital expenditure**. **(See section 4.6.1)**

Capitalised current expenditure – expenditure which would normally score as **current expenditure** but which a local authority has been allowed to capitalise by a direction issued by the Secretary of State (e.g. redundancy payments).

Community Amateur Sports Clubs relief - a relief within the business rates system to help sports clubs meet the cost of their rates

Cash basis – an accounting convention in which transactions are recorded in the period in which payment is made or received as opposed to the period in which the transaction took place (**accruals basis**). **Capital expenditure** and **capital receipts** were, for many years, recorded on a cash basis but local authorities now account for them on an **accruals basis**.

CIPFA **Chartered Institute of Public Finance and Accountancy** – the leading

professional accountancy body for public services, whether in the public or private sectors

Chargeable dwellings - those domestic dwellings in an area for which council tax is payable. It excludes dwellings on the valuation list which are exempt from paying council tax. Each chargeable dwelling is counted as one dwelling, whether or not a full council tax bill is payable for it. The total number of chargeable dwellings in an area is the denominator used to calculate the average council tax per dwelling.

City of London offset – an amount of **business rates** that the City of London is permitted to retain due to its unique circumstances.

Code of Practice on Local Authority Accounting in the United Kingdom – prepared by a joint committee of the **Chartered Institute of Public Finance and Accountancy** and the Local Authority (Scotland) Accounts Advisory Committee. The Code gives a comprehensive statement of the accounting concepts, accounting policies and estimation techniques to be followed by local authorities, and also sets out the format of the accounting statements. (See section 1.7)

Collection fund – the fund administered by a **billing authority** into which **council taxes** are paid, and from which payments are made to the general fund of **billing and major precepting authorities**. **National Non-domestic Rates** collected by a billing authority are also paid into the fund before being passed on to central government for distribution to local authorities (see section 2.3.1).

Community assets – are assets that the local authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal, for example parks and historic buildings.

Community charge – the local domestic charge that was in operation between 1 April 1990 and 31 March 1993. Also known as the ‘poll tax’.

Council tax – a local charge (or charges) set by the **billing authority** in order to collect sufficient revenue to meet their demand on the **collection fund** and the precepts issued by the precepting authorities. It replaced the **community charge** on 1 April 1993 and is based on the value of the property and the number of residents. The Valuation Office Agency assesses the properties in each district area and assigns each property to one of eight valuation bands; A to H. The tax is set on the basis of the number of Band D equivalent properties. Tax levels for dwellings in other bands are set relative to the Band D baseline. (See section 2.2.1)

Council tax band - There are eight council tax bands, A to H. Each domestic dwelling is assigned a council tax band by the Valuation Office Agency. Council tax bands are based on the notional value of the dwelling as at 1 April 1991.

CTB

Council tax base return – a form seeking information on the calculation of the council tax base for each **billing authority**.

CTR	<p>Council Tax Requirement return – a form used in the calculation of each local authority's council tax level. Replaced the BR form.</p> <p>Council tax requirement – for billing and local precepting authorities this is the amount calculated under section 97(1) of the 1988 Act to be transferred from the Collection fund to the General Fund (except where the amount calculated is negative, in which case it is the amount to be transferred from the General Fund to the Collection fund).</p> <p>Credit arrangements – forms of credit that do not involve the borrowing of money by a local authority (e.g. finance leases).</p> <p>Current expenditure – a general term for the direct running costs of local authority services including employee costs and running expenses but excluding debt charges. Particular definitions include net current expenditure. (See section 3.1.1).</p>
DSG	<p>Dedicated Schools Grant – is a specific grant payable to local authorities in support of Schools Budgets under section 14 of the Education Act 2002. It must be used in support of the Schools Budget as defined in the School and Early Years Finance (England) Regulations 2013. It can be used for no other purpose.</p> <p>Deferred capital receipts – these represent amounts derived from the sale of assets, which will be received in installments over agreed periods of time. They arise mainly from the sale of council houses and form the main part of mortgages.</p> <p>Depreciation - the accounting recognition of the loss in value of a tangible fixed asset due to its use or its holding/ownership by the company. It thus covers two different phenomena: wear due to the use of a product (machines, fittings, vehicles, buildings, etc.) and obsolescence, due to technological advances in the industry.</p>
DLO	<p>Direct labour organisation – an organisation, which consists of workers directly employed by a local authority to carry out construction and/or maintenance work.</p>
DSO	<p>Direct service organisation – an organisation which consists of workers directly employed by a local authority to carry out work formerly specified under the Local Government Act 1988.</p> <p>Discretionary relief - in addition to mandatory reliefs, local authorities have the power to award business rate relief at their discretion provided the hereditaments meet locally set criteria.</p> <p>Earmarked reserves – reserves held by an authority which are to be used for specified purposes</p> <p>Empty Property Rate relief - a relief within the business rates system to help owners/occupiers of empty properties meet the cost of their rates.</p>

Fees and charges – see **sales, fees and charges**.

Fixed assets – assets that yield benefits to the local authority and the services it provides for a period of more than one year. **(See section 5.1.1)**

Formula Grant – this was the main channel of government funding from 1990-91 to 2012-13. This included **Redistributed National Non-domestic Rates, Revenue Support Grant** and Police Grant. The distribution was determined by the **Relative Needs 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.

FTSE all share index – is a series used to represent the performance of over 900 companies resident and domiciled in the United Kingdom. The prices used in the calculation of these indices are exact mid prices taken at the close of business each day.

Gross Domestic Product deflator – the Gross Domestic Product implied deflator is a measure of general inflation in the domestic economy. It reflects the movements of hundreds of different price indicators (especially of wages and profits) for the individual components of **Gross Domestic Product**. **(See section 3.2.3)**

Gearing – a measure of the impact on council taxes of increasing budgets. This varies widely between local authorities. An authority that meets 25% of its **budget** through **council tax** is said to have a gearing of 4.0. Therefore, a 1% increase in budget would lead to a 4% increase in council tax. **(See section 2.2.3)**

GFRA **General Fund Revenue Account** – the General Fund is the fund within which, since April 1990, most transactions of a local authority take place. Other funds held by a local authority may include a **collection fund**, superannuation fund and trust funds held for charitable purposes. The General Fund Revenue Account holds the revenue transactions of the General Fund. **(See section 1.6.5)**

GLA **Greater London Authority** – a strategic authority for London, created on 1 July 2000.

GDP **Gross Domestic Product** – is a measure of the total domestic economic activity. It is the sum of all incomes earned by the production of goods and services on UK economic territory, wherever the earner of the income may reside. Gross Domestic Product is equivalent to the value added to the economy by this activity. Value added can be defined as income less intermediate costs. Therefore growth in Gross Domestic Product reflects both growth in the economy and price changes (inflation).

Gross expenditure – see **total gross expenditure**

Gross revenue expenditure – is derived from **net current expenditure** by

adding on net capital charges, **Capital Expenditure charged to Revenue Account**, gross expenditure on **council tax benefit**, and other non-current items. It is net of expenditure met by **sales, fees and charges** and interest receipts.

Gross total cost – includes all expenditure relating to a service/activity, including employee costs, expenditure costs, expenditure relating to premises and transport, supply and services, third party payments, transfer payments, support services and **capital charges**. Specifically it includes **capital charges** calculated in accordance with existing capital accounts guidance, but with certain aspects changed.

Hereditament – property which is or may become liable to **National Non-domestic Rates**, and thus appears on the rating list, compiled and maintained by the Valuation Office Agency of HM Revenue and Customs. (See section 2.3.2)

Housing benefit – financial help given to local authority or private tenants whose income falls below prescribed amounts. Central government finances about 95% of the cost of benefits to non-Housing Revenue Account tenants ('rent allowances') and the whole of the cost of benefits to Housing Revenue Account tenants. Some local authorities operate 'local schemes' whereby they finance allowances in excess of the standard payments.

HRA

Housing Revenue Account – a local authority statutory account, within the general fund, covering current income and expenditure on its housing services relating to its own housing stock (See section 3.8).

Hypothecated grants – see ring fenced grants.

Impairment - this is where the value of an asset falls below the carrying (or book) value in the accounts and so to reflect the commercial reality of the situation a charge is made in the running costs, or, where available, against any amount relating to the asset in the revaluation reserve.

Intangible asset – this is a non-physical fixed asset. Intangible fixed assets include patents, brands, etc.

Joint arrangements – refers to the transfer of money between one local authority and another, as distinct from joint arrangements between local authorities and health authorities or any outside bodies. This includes situations where two or more authorities jointly finance an enterprise, or where one authority carries out work on behalf of another.

LSVT

Large scale voluntary transfer – transfer of council housing stock to Registered Social Landlords.

Levy – a payment that a local authority is required to make to a particular body (a levying body). Levying bodies include national parks authorities and integrated transport authorities.

Local precepting authority – parish councils, chairmen of parish meetings,

charter trustees and the treasurers of the Inner and Middle Temples. These local authorities make a **precept** on the **billing authority's** general fund.

Localised council tax support – From 1 April 2013 council tax benefit, the means of helping people on low incomes meet their council tax obligations, was replaced by new localised support schemes which means help with paying council tax becomes the responsibility of the local authority. It also means that, because of the local nature of the scheme, at least for working age people, councils can design almost any scheme they wish to provide help with council tax.

Local scheme rules will only apply to working age people as there is no local discretion over support for pensioners - the entitlement rules for this group are set nationally and remain as under the previous scheme.

Other vulnerable groups should be protected as far as possible, as determined locally - there are no central definitions of which groups should be counted as 'vulnerable'. Each authority has to make its own assessment of which kinds of claimant are defined as vulnerable.

Mandatory relief - hereditaments are automatically entitled to relief of all or part of their rates bill provided they meet the criteria set down in legislation. There are currently five categories of mandatory relief:

- Charity
- Rural village shop
- Community and Amateur sports clubs
- Partially empty properties
- Empty properties

A further relief for former agricultural hereditaments ceased during August 2006 and is no longer available for the current year but may be applied retrospectively where applicable.

Major precepting authority – county councils, Police and Crime Commissioners, metropolitan county fire and civil defence authorities, combined fire and rescue authorities and the **Greater London Authority**. These local authorities make a **precept** on the **billing authority's collection fund**.

MRP	Minimum revenue provision – the minimum amount which must be charged to a revenue account each year and set aside as provision for repaying borrowing and meeting other credit liabilities used to finance capital expenditure.
NNDR	National Non-domestic Rates – are a means by which local businesses contribute to the cost of local authority services. They are also known as business rates . On 1 April 1990 the rating of non-domestic (mainly commercial and industrial) properties was substantially reformed. Before 1990-91, rate poundages were set individually by local authorities and varied from authority to authority. Since 1 April 1990, a single national poundage has been set by the Government.

National Non-domestic Rates multiplier – the factor by which a **hereditament's** rateable value is multiplied in order to calculate the gross rates due on it before deductions.

NCE **Net current expenditure** – is, essentially, spending on services. It is defined as expenditure on employees and running expenses net of **sales, fees and charges**, internal recharges, other non-grant income (such as receipts from other authorities), but gross of expenditure funded by **specific grants** and interest receipts.

NRE **Net revenue expenditure** – is derived from revenue expenditure by deducting expenditure funded by specific grants inside **Aggregated External Finance**. It also represents spending other than the use of reserves, to be funded by the **budget requirement**. (See section 3.1.3)

Net total cost – is **gross total cost** less income including **sales, fees and charges** and all **specific grants** (i.e. all grants except general grants).

Net total cost excluding specific grants – is **gross total cost** less income other than **specific grants**. This is equivalent to **net current expenditure** plus **capital charges**.

NDPB **Non-departmental public bodies** – organisations which are not government departments but which have a role in the processes of national government, such as the Sports Council, English Heritage and Natural England

Non-operational assets – are **fixed assets** held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Notional budget requirement - an amount set by the Secretary of State following nomination which provides a lower base (that is, lower than the authority's actual budget requirement for the year) for measuring budget requirement increases in subsequent years for capping purposes.

ONS **Office for National Statistics** – is the government agency responsible for compiling, analysing and disseminating many of the United Kingdom's economic, social and demographic statistics including the **Retail Price Index**, trade figures and labour market data as well as the periodic census of the population and health statistics.

Operational assets – are **fixed assets** held and occupied, used or consumed by a local authority in the direct delivery of those services for which it has either a statutory or a discretionary responsibility.

Parish precept – this is the amount of council tax collected by a billing authority for parish or town councils within its area. Parishes are **local precepting authorities**.

Pension funds – for the Local Government Pension Scheme, the funds that invest employers' and employees' pension contributions in order to provide pensions for employees on their retirement and pensions for employees' dependants in the event of death of the employee. The Local Government Pension Scheme consists of 81 pension funds that provide pensions for most local government workers in England, excluding teachers, police and firefighters. (See section 7.1.2)

Precept – the amount of money (**council tax**) that a **local** or **major precepting authority** has instructed the **billing authority** to collect and pay over to it in order to finance its net expenditure.

PFI

Private finance initiative – started in 1997-98, Private Finance Initiative offers a form of **Public-Private Partnership** in which local authorities do not buy assets but rather pay for the use of assets held by the private sector. (See section 4.7.2).

Procurement – expenditure on goods and services

Provisions – sums set aside to meet any liabilities or losses in respect of a past event which are likely or certain to be incurred, but with uncertainty as to the amounts or dates on which they will arise.

Prudential capital finance system – this is the informal name for the system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003. It allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources. (See section 4.0.4)

The Prudential Code – a professional code of practice prepared by the **Chartered Institute of Public Finance and Accountancy**, for the prudential system introduced on 1 April 2004 (see **Prudential capital finance system**). Local authorities are required by legislation to have regard to the Code.

PPP

Public-private partnership – a joint venture where the private sector partner agrees to provide a service to a public sector organisation. The **Private Finance Initiative** is one form of a Public-private Partnership.

Public sector net borrowing – a concept based on internationally agreed definitions. It measures the change in the public sector's accruing net financial indebtedness. It is an **accrual** concept, whereas the closely related net cash requirement is almost entirely a cash measure. It is the government's preferred measure of the short term impact of fiscal policy. (See section 1.5.9)

Public sector net debt – this consists of the public sector's financial liability at face value minus its liquid assets, mainly foreign exchange reserves and bank deposits. (See section 1.5.6).

PWLB

Public Works Loan Board – a body, now part of the Debt Management Office (a government agency), which lends money to public bodies for capital purposes. At present nearly all borrowers are local authorities. Monies are

drawn from the National Loans Fund and rates of interest are determined by the Treasury. **(See section 5.2.1)**

QRC **Quarterly return of council taxes and non-domestic rates**

RV **Rateable Value** - the legal term for the notional annual rent of a **hereditament**, assessed by the **Valuation Office Agency**. Every property has a rateable value that is based, broadly, on the annual rent that the property could have been let for on the open market at a particular date. The Rateable Value is used in determining the **rates liability**, and therefore the bill.

Rates Liability - the basis of the rates bill. The liability is the rateable value times the multiplier, but may be adjusted by any **transitional relief** in place, or by any **mandatory, discretionary or small business rate** relief applicable, to give the amount of rates payable.

Recharges – the collective term for accounting entries representing transfers of (or to cover) costs initially debited elsewhere. They therefore comprise apportionments and charges.

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**. **(See National Non-domestic Rates and sections 2.3.7 and 2.4)**

Reserves – sums held to finance future spending for purposes falling outside the definition of a **provision**. Reserves held for stated purposes are known as **earmarked reserves**. The remainder is **unallocated reserves**. **(See section 3.6.1)**

RPI **Retail price index** – is the main domestic measure of inflation in the UK. It measures the average change in the prices of goods and services purchased by most households in the UK.

RA **Revenue accounts budget estimates return – General Fund Revenue Accounts** return for budget estimates.

RG **Revenue accounts budget estimates return: income from specific and special grants – General Fund Revenue Accounts** return for budget estimates of income from **specific grants** and **special grants**.

Revenue expenditure – in a general sense, expenditure on recurring items, including the running of services and capital financing. A particular definition of revenue expenditure is that derived from **gross revenue expenditure** by deducting spending met by grants outside **Aggregate External Finance** (including rent allowance grant, mandatory student awards grant and council tax benefit grant). **(See section 3.1.2)**

RECS **Revenue expenditure funded from capital under statute** - this represents expenditure that does not result in the creation of a fixed asset for the

authority, but has been designated as capital expenditure by regulation or direction. An example is grants given by authorities to support capital expenditure by other bodies.

RO

Revenue Outturn Returns – suite of forms gathering outturn figures for the **General Fund Revenue Account** consisting of the RS, RG, RO1 to RO6, **Trading Services Revenue** and **Subjective Analysis Return**.

Ring-fenced grants – these grants fund particular services or initiatives considered a national priority, and must be spent on the specified service.

Rural rate relief - relief within the business rates system to help retain essential commercial services in rural areas.

Sales, fees and charges – charges made to the public for a variety of services such as the provision of school meals, meals-on-wheels, letting of school halls and the hire of sporting facilities, library fines and planning application fees. (**See section 2.5.1**).

Settlement – the Local Government Finance Settlement is the annual determination made in a Local Government Finance Report by affirmative resolution of the House of Commons in respect of the following year of: the amount of Revenue Support Grant to be distributed to local authorities; how that support will be distributed; and the support for certain other local government bodies. It also sets some of the parameters of the retained business rates scheme.

SBRR

Small business rate relief - a relief scheme within the business rates system to help small businesses meet the cost of their rates. The Small Business Rate Relief is funded by those businesses not receiving benefit from the scheme through a supplement included in the **National Multiplier**. The current scheme offers rate relief at 100 per cent to eligible properties up to £6,000 rateable value, with relief decreasing to 0 per cent at £12,000. Eligible properties with rateable values between £12,001 and £17,999 (£25,499 in Greater London) do not have to contribute to the cost of the rate relief scheme.

Small scale voluntary transfer – transfer of council housing stock to Registered Social Landlords.

Specific formula grants – these are distributed outside the main formula, but do not have to be spent on a specific service.

Specific grants – these are grants paid by various government departments outside the main formula. They include **ring-fenced grants** and **specific formula grants**.

Specified body – this is the term used for bodies (such as the Local Government Improvement and Development Agency and the National Youth Agency) that are directly funded from **Revenue Support Grant**, and that centrally provide services for local government as a whole.

- SERCOP** **Service Reporting Accountancy Code of Practice** – prepared and published by the **Chartered Institute of Public Finance and Accountancy** with the aim of modernising the system of local authority accounts and reporting. Provides standard service and subjective analyses of local government expenditure and income, and standard costing definitions. (See **section 1.7.1**).
- SAR** **Subjective analysis return** – since 1998-99 a sample of local authorities have completed this return (between 120 and 143). This shows how net current expenditure is broken down between pay and the procurement of goods and services. Pay is analysed to show the major pay negotiating groups. Procurement of goods and services is analysed to show goods and services purchased directly and services provided by external contractors (private contractors and voluntary organisations) or internal **trading services** (eg **Direct Labour Organisations** and **Direct Services Organisations**). (See **section 3.4.2**).
- SCE** **Supported Capital Expenditure** – the term for most forms of central government support for local authority **capital expenditure** from 1 April 2004. Supported Capital Expenditure (Revenue) is the amount of expenditure towards which revenue grant support will be paid to a local authority on the cost of its borrowing. The revenue grant support is provided to help authorities with the costs of financing loans. Supported Capital Expenditure (Capital) is the term used for capital grants. (See **section 4.4.2**)
- Surplus on current budget** – this represents the balance of revenue over **current expenditure**, whereas net borrowing measures the overall budget deficit i.e. the balance of receipts over expenditure, both current and capital. The surplus on current budget therefore represents the surplus available for investment.
- Tangible fixed asset** - this is defined as a physical fixed asset and includes land, buildings, plant and machinery. These are held for use for by the authority for a period of more than one year.
- Taxbase** – the number of Band D equivalent properties in a local authority's area. An authority's taxbase is taken into account when it calculates its **council tax**, and when central government calculates allocations of formula grant.
- Total cost** - see **gross total cost** and **net total cost**.
- Total gross expenditure** – gross spending, taking all local authority accounts together (except pension funds), after eliminating double counting of flows between services, accounts and other authorities, where this is possible. Total gross expenditure is divided into gross **revenue expenditure** and gross **capital expenditure** - see **Table 1.6b**. The definition used in Table 1.6b excludes payments of rent rebates, rate rebates, **council tax benefits** and **council tax transitional reduction scheme** to individuals because the purpose of such payments is to finance local authority expenditure rather than to increase it.

TME

Total managed expenditure – this includes **current** and **capital expenditure** as well as depreciation but excludes financial account transactions. (See section 1.5.1)

Trading services – local authority services, which are, or are generally intended to be, financed mainly from charges levied on the users of the service. External trading services are typically funded mainly by sales outside the authority. Internal trading services are typically funded mainly through contracts with local authority departments. In both cases, the authority funds any loss, or receives any surplus at the end of each year. (See section 3.4.2)

TSRA

Trading services revenue account – a local authority account, covering current income and expenditure on its **trading services**.

Transitional relief - Properties are revalued for business rates purposes every five years and transitional arrangements are in place which moderate significant increases and decreases in bills. The transitional scheme is designed to be broadly revenue neutral over the life of the scheme. This revenue neutrality is achieved by phasing in both the decreases in the rate bills of those who benefit from revaluation, and also the increases in the rates bills of those who face higher rates bills due to revaluation.

The transitional relief scheme for the period 2005-06 to 2009-10 was designed to phase in significant changes in bills over a maximum of four years so that in 2009-10, the final year of the 2005 revaluation period, all hereditaments were expected to be paying their true rates liability.

The current scheme is designed to phase in significant changes in bills over a maximum of five years so that from 2015-16, all hereditaments will be expected to be paying their true rates liability.

Unallocated reserves – reserves - held by an authority which may be used for any purpose.

Unhypothecated grant – see **general grant**.

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