



Department for
Communities and
Local Government

Local Authority Revenue Expenditure and Financing: 2014-15 Final Outturn, England

In 2014-15:

Revenue Expenditure

- Total revenue expenditure by local authorities in England was £95.9 billion, a decrease of 0.5% from £96.4 billion in 2013-14.
- Revenue expenditure without the largest service expenditure component of education would represent £61.5 billion and would be an increase of 1.5% compared with £60.5 billion in 2013-14.

Net Current Expenditure

- 30.7% of total net current expenditure in was on Education, 20.1% on Social Care, 18.8% on Housing benefits and 9.7% on Police.
- The largest net current expenditure decrease was in Education, which decreased by £1.4 billion from £35.9 billion in 2013-14 to £34.5 billion in 2014-15 (3.9%). This was driven by schools changing status to centrally funded academies and reclassification of services to young people.
- The largest net current expenditure increase was in Children and Families Social Care services, which increased by £1.2 billion from £6.9 billion in 2013-14 to £8.1 billion in 2014-15 (17.0%) This was driven by the reclassification.

Revenue financing

- 25.0% of revenue expenditure was estimated to be funded through council tax, and 11.8% raised authorities through the business rate retention scheme. 63.9% of revenue expenditure was funded from central Government grants. These percentages were 24.2%, 11.1% and 67.0% respectively in 2013-14.
- Local authorities added £0.9 billion to their reserves, largely due to non-ringfenced reserves (88.7%). In 2013-14, local authorities added £2.4 billion to their reserves.



Local Government Finance
Statistical Release

19 November 2015
(revised 2 February 2016)

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Introduction

The information in this release shows how local authorities spent their money for financial year 2014-15. These statistics are the final figures of the estimates published in the provisional release in August and the tables associated with this release provide more detail for expenditure on specific service areas.

Local Government expenditure accounts for around a quarter of all Government spending, the majority of which is through revenue expenditure. Information is provided within this report on the components of this expenditure and the main sources for the financing of this expenditure.

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

These estimates are derived from Department for Communities and Local Government Revenue Outturn (RO) returns submitted by local authorities in England. This release is based on returns from all 444 local authorities in England that complete the return. Copies of the forms sent to authorities and guidance can be found here:

www.gov.uk/government/collections/local-government-finance-miscellaneous-forms#revenue-forms

The functions and responsibilities of local government can change year on year so potentially comparisons between financial years may not be wholly valid, but where this is due to a major change this will be highlighted in the report.

Full definitions of what is included in each service area are provided in the guidance notes on the [forms](#) section of our website.

This is a revised version of Local Authority Revenue Expenditure and Financing: 2014-15, England, originally published on 19 November 2015. Detail on the extent of the revision can be found in the [Revisions policy](#) section of this report.

Relevant information to the revenue data in 2014-15

Education has continued to show reductions in level of expenditure in 2014-15 because some schools have changed their status by becoming academies, which are funded centrally rather than by local authorities. This also has consequences for the level of Dedicated Schools Grant and Pupil Premium Grant allocated to local authorities.

Local authority expenditure on ‘services to young people’ has moved from education services to children’s social care services in 2014-15, therefore total net current expenditure on Children’s social care services and Education services is not wholly comparable between 2013-14 and 2014-15.

As a result of a consultation with Local Authorities on data burdens, it was decided to reduce the list of specific grants collected to grants over £200 million in total nationally. All other grants under £200 million are now aggregated in other grants within AEF and outside AEF. Information on all grants income should be published in their Statement of Accounts available on their website.

This year guidance was given to authorities regarding the reporting of Retained income from rate retention scheme, following changes in the definition of the service line compared with 2013-14. Additionally a file has been prepared to allow users to reconcile the Revenue Outturn data with the national non-domestic rates data. This is available from the revenue outturn forms section here: <https://www.gov.uk/government/publications/general-fund-revenue-account-outturn>

Uses of the data

The data in this Statistical Release are essential for a number of different purposes. A central and immediate purpose is to provide the Secretary of State, Ministers, HM Treasury and the Office for National Statistics with the most up to date information available on local authority revenue spending for decision making. They are used by the Office for National Statistics in compiling the Public Sector Finances and National Accounts, which are used to set fiscal and monetary policy.

The data are also important sources for various evidence based policy and financial decisions and answering numerous parliamentary questions. In addition it is used by local authorities and their associations, regional bodies, other government departments, members of the business community and the general public.

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

When read in conjunction with budgeted [Revenue Account \(RA\)](#) statistics, they show how budgeting plans at the start of the year compare with what was actually spent at the end of the year, and how that expenditure was financed.

Local Authority Expenditure

Expenditure by local authorities is generally measured as either 'Total Net Current Expenditure' (the cost of running local authority services within the financial year) or 'Revenue Expenditure' (net current expenditure plus any costs which don't fall specifically in this financial year). This section details the current figures for the components of these totals and recent trends in the figures.

Total Service Expenditure

The majority of local authority expenditure can be divided into different service areas, such as Education, Social care and Public health. Table 1 shows the components 'Total Service Expenditure' for all services; this net figure is calculated as total expenditure on running expenses and employees minus total income from sales, fees and charges and other income.

	2013-14	£ million 2014-15	£ Change	% Change
Total expenditure on services	120,914	120,989 (R)	75 (R)	0.1
<i>of which:</i>				
<i>Employees</i>	53,899	53,214	-685	-1.3
<i>Running Expenses</i>	67,015	67,775 (R)	761 (R)	1.1
Total income from services	29,105	29,790	685	2.4
<i>of which:</i>				
<i>Sales, Fees and Charges</i>	11,768	11,741	-28	-0.2
<i>Other Income</i>	17,337	18,050	713	4.1
Total Service Expenditure (total expenditure less total income)	91,809	91,199 (R)	-610 (R)	-0.7

Total Net Current Expenditure

Table 2 shows the net current expenditure for each specific service, 'Total Service Expenditure' and how this forms the 'Total Net Current Expenditure' for all local authorities in England.

Each figure in Table 2 is presented as a net figure. The net expenditure of all the individual service lines combined is 'Total Service Expenditure', Housing benefits allowances and rebates, parish precepts and levies are added to this figure to obtain 'Total Net Current Expenditure'

- Total net current expenditure decreased between 2013-14 and 2014-15 by 0.4%, from £112.9 billion to £112.4 billion.
- When education services are excluded, to remove the effects of the continued move of local government funded schools to centrally funded academies and a change in definition, total net current expenditure would have increased from £77.0 billion in 2013-14 to £77.9 billion in 2014-15, an increase of 1.2%.

Table 2: Net current expenditure by service, England, 2013-14 and 2014-15

	£ million			
	Net current expenditure 2013-14	Net current expenditure 2014-15	£ Change	% Change
Education services	35,881 II	34,477	-1,404	-3.9
Highways and transport services	4,795	4,537	-258	-5.4
Social care services	21,480 II	22,587	1,107	5.2
<i>of which:</i>				
<i>Children and Families Social Care services</i>	6,915 II	8,091	1,177	17.0
<i>Adult Social Care services</i>	14,565	14,496	-70	-0.5
Public Health services	2,508	2,737 (R)	229 (R)	9.1 (R)
Housing services (excluding Housing Revenue Account)	2,025	1,852	-173	-8.5
Cultural, environmental and planning services	9,176	8,915	-261	-2.8
<i>of which:</i>				
<i>Cultural services</i>	2,831	2,682	-149	-5.3
<i>Environmental services</i>	4,992	4,945	-47	-0.9
<i>Planning and development services</i>	1,353	1,288	-66	-4.9
Police services	10,920	10,889	-31	-0.3
Fire and rescue services	2,089	2,045	-44	-2.1
Central services	2,845	3,068 (R)	223 (R)	7.8
Other Services	91	92	1	0.7
Total Service Expenditure	91,809	91,199 (R)	-610 (R)	-0.7
<i>plus precepts, levies, trading accounts and adjustments</i>				
Housing Benefits	20,982	21,113	131	0.6
<i>of which:</i>				
Mandatory Housing Benefits	20,976	21,106	130	0.6
<i>Rent Allowances</i>	16,021	16,018	-3	0.0
<i>Rent Rebates to Non-HRA Tenants</i>	579	689	110	18.9
<i>Rent Rebates to HRA Tenants</i>	4,377	4,399	23	0.5
Non-Mandatory Housing Benefits ^(a)	5	7	2	29.7
Parish Precepts	367	389	22	5.9
Levies ^(b)	56	48	-8	-15.0
Trading Account Adjustments ^(c)	-368	-372	-5	1.3
Appropriations to(+) / from(-) Accumulated Absences Account	39	28	-10	-26.9
Total net current expenditure	112,885	112,404 (R)	-481 (R)	-0.4

(a) Includes 'Housing benefits: subsidy limitation transfers from HRA' and 'Contribution to the HRA re items shared by the whole community'.

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

(c) Includes 'External Trading Accounts', 'Internal Trading Accounts', 'Capital items accounted for in External Trading Accounts', 'Capital items accounted for in Internal Trading Accounts' and 'Adjustments to net current expenditure'.

Net Current Expenditure by service

Net current expenditure on education services reduced from £35.9 billion in 2013-14 to £34.5 billion in 2014-15, a decrease of 3.9%. This was due in part to reclassification of expenditure on 'services to young people' (around £440 million in 2014-15) to Children and Families Social Care services, which was the largest increase in net current expenditure, increasing from £6.9 billion in 2013-14 to £8.1 billion in 2014-15. This change doesn't affect the total Net Current Expenditure.

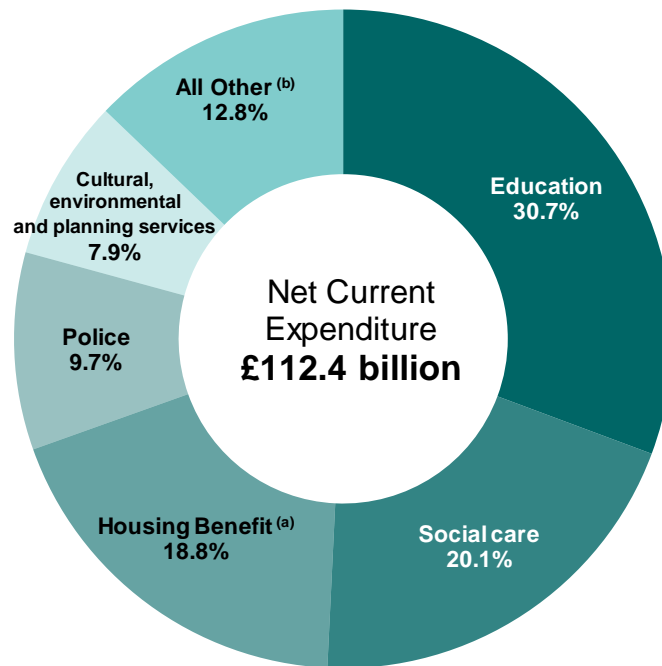
- When removing the effects of this change in classification, Children and Families Social Care services increased £0.7 billion compared to the previous year and Education services decreased by £1.0 billion.
- There were decreases in net current expenditure across most public services between 2013-14 and 2014-15. The largest absolute decreases in 2014-15 compared to 2013-14 were to Cultural, Environmental and Planning services, which decreased by £261 million to £8.9 billion, and in Highways and Transport decreasing by £258 million to £4.5 billion.
- The largest absolute increases were to Public health, which increased by £229 million to £2.7 billion, and Central services, increasing by £223 million to £3.1 billion in 2014-15, which has been driven by a drop in income from Central services rather than an increase in expenditure.

Mandatory Housing Benefits

- Mandatory Housing Benefits increased by £130 million to £21.1 billion in 2014-15, an increase of 0.6%. Housing benefits, as shown in Chart A, accounted for 18.8% of all net current expenditure for 2014-15
- Rent allowances (within Mandatory Housing Benefits), paid to tenants of private landlords and registered social landlords, remained relatively stable at £16.0 billion in 2014-15.

Chart A, presents total net current expenditure by specific service area. The proportion of expenditure on Education and Social care combined accounts for slightly over half (50.8%) of all net current expenditure in England for 2014-15.

Chart A: Proportion of total net current expenditure by service, England, 2014-15



(a) Housing benefit includes mandatory rent allowances and rent rebates and non-mandatory housing benefit payments.

(b) 'Other' includes 'Highways and Transport', 'Public Health', 'Fire and Rescue', 'Central services', 'Cultural, environmental and planning', 'Other Services' and 'precepts, levies trading accounts and adjustments' excluding Housing benefit.

Non-Current Expenditure

Non-current expenditure includes financial payments necessary to balance local authorities budgets; this includes expenditure where the cash impact falls in one year but the cost spread over more than one year.

Table 3: Revenue expenditure, England, 2013-14 and 2014-15

	Net current expenditure 2013-14	Net current expenditure 2014-15	£ million	
			£ Change	% Change
Total net current expenditure ⁽¹⁾	112,885	112,404 (R)	-481 (R)	-0.4
<i>plus non-current expenditure</i>				
Capital financing ^(a)	4,468	4,528		
Capital expenditure charged to Revenue Account (CERA) ^(b)	2,778	3,010 (R)		
Bad debt provision	114	131		
Flood defence payments to Environment Agency	34	34		
Private Finance Initiative (PFI) schemes - difference from service charge	33	41		
Appropriations to(+)/ from(-) financial instruments adjustment account ^(c)	-45	3		
Appropriations to(+)/ from(-) unequal pay back pay account ^(d)	28	33		
<i>less interest receipts</i>	839	865		
<i>less specific grants outside AEF ^(e)</i>	22,805	23,045		
<i>of which:</i>				
<i>Mandatory Rent Allowances: subsidy</i>	16,049	15,885		
<i>Rent Rebates Granted to HRA Tenants: subsidy</i>	4,388	4,390		
<i>Sixth Form Funding from the Education Funding Agency (EFA)</i>	785	781		
<i>Mandatory Rent Rebates outside HRA: subsidy</i>	557	651		
<i>Adult and Community Learning from Skills Funding Agency</i>	266	246		
<i>Other grants outside AEF</i>	761	1,092		
<i>less Business Rates Supplement</i>	212	221		
<i>less Community Infrastructure Levy</i>	47	123		
<i>less Carbon Reduction Commitment</i>	-26	-13		
Revenue expenditure	96,419	95,943 (R)	-476 (R)	-0.5

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

(b) Includes both Capital expenditure charged to the General Fund Revenue account and for Public Health

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

(d) 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

(e) Aggregate External Finance; see Definitions

- Capital financing costs in the 2014-15 expenditure accounts amount to £4.5 billion.
- In 2014-15, £3.0 billion has been estimated for capital expenditure charged to the revenue account (CERA), of which £1.7 billion (55.8%) related to Greater London Authority (GLA).
- Grants outside AEF have remained relatively stable at £23.0 billion, these grants are revenue grants paid to local authorities by government departments which are passed on to a third party to administer the service

- The Community Infrastructure Levy is a levy that registered local authorities can choose to charge on new developments in their area to pay for new infrastructure developments. This has more than doubled compared with £47 million in 2013-14 due to both more authorities becoming charging authorities and through an increase in new developments in these areas.

Revenue Expenditure

- Total revenue expenditure by local authorities in England was £95.9 billion in 2014-15, compared with £96.4 billion in 2013-14, a decrease of 0.5%.
- Revenue expenditure without the largest expenditure component of education would represent £61.5 billion and would be an increase of 1.5% compared with £60.5 billion in 2013-14.

Revenue Expenditure Financing

This section looks at the different funding streams over the previous financial year and how they have changed compared to previous years.

There are four main sources of income to local authorities – from central Government grants, business rates, council tax and income from sales, fees and charges and from reserves where available.

Central Government funding comprises the annual Local Government Finance Settlement which comprises Revenue Support Grant and the local share of business rates and other grants from a range of government departments. This funding is also known as 'Aggregate External Finance' (AEF).

In 2014-15, 63.9% of revenue expenditure was funded by government grants (including Revenue Support Grant, specific grants inside Aggregate External Finance, Local Services Support Grant, and Police grant), 25.0% by council tax and 11.8% by Retained income from Business Rate Retention Scheme.

Table 4: Revenue expenditure and financing, England, 2013-14 and 2014-15

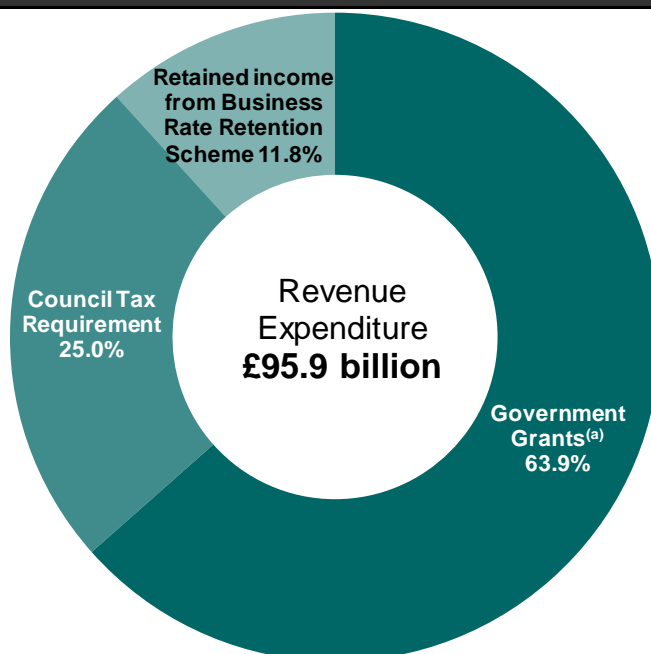
	£ million			
	Net current expenditure 2013-14	Net current expenditure 2014-15	£ Change	% Change
Revenue expenditure	96,419	95,943 (R)	-476 (R)	-0.5
Financed by:				
Government Grants	64,578	61,312	-3,266	-5.1
<i>of which:</i>				
Specific grants inside AEF	41,760	40,805	-955	-2.3
<i>of which:</i>				
<i>Dedicated Schools Grant (DSG)</i>	29,128	28,254		
<i>Public Health Grant</i>	2,661	2,796		
<i>GLA Transport Grant</i>	1,992	1,756		
<i>Pupil Premium Grant</i>	1,345	1,753		
<i>The Private Finance Initiative (PFI)</i>	1,126	1,205		
<i>NewHomes Bonus</i>	664	879		
<i>Education Services Grant</i>	699	712		
<i>Housing Benefit Subsidy and Council Tax Support Admin Grant</i>	430	330		
<i>Other grants inside AEF</i>	3,716	3,120		
Local Services Support Grant (LSSG)	77	48	-29	-37.7
Revenue Support Grant	15,175	12,675	-2,501	-16.5
Police grant	7,565	7,784	219	2.9
Retained income from Business Rate Retention Scheme	10,719	11,331	611	5.7
Appropriations to(-) / from (+) revenue reserves	-2,379	-948 (R)	1,431 (R)	-60.2 (R)
Other items^(a)	130	284	154	118.3
Council tax requirement	23,371	23,964	593	2.5

(a) Other items includes 'Inter-authority transfers in respect of reorganisation' and 'Other Items'

Revenue Expenditure financing

- Revenue Expenditure is largely financed through Central Government grants of £61.3 billion in 2014-15, a decrease from £64.6 billion in 2013-14. As shown in Chart B this is almost two thirds of all revenue expenditure financing.
- Specific grants inside Aggregate External Finance (AEF) decreased from £41.8 billion in 2013-14 to £40.8 billion in 2014-15.
- This was driven mainly through Dedicated Schools Grant which decreased from £29.1 billion in 2013-14 to £28.3 billion in 2014-15, as local authorities received less funding due to more schools converting into academies.
- Dedicated Schools Grant accounts for 69.2% of grants inside AEF and 46.1% of central government grants
- Police Grant amounted to £7.8 billion in 2014-15, an increase from £7.6 billion in 2013-14
- Revenue Support Grant, Retained income from the Business Rate Retention scheme and Police grant combined are the annual Local Government Finance Settlement Grant. This was £31.8 billion in 2014-15.
- Council tax requirement amounted to £24.0 billion in 2014-15, an increase of 2.5% from £23.4 billion in 2013-14. As shown in Chart B, this accounted for a quarter of all local authority funding.
- £11.3 billion of funding came from the Business Rate Retention Scheme, an increase of 5.7% from the equivalent figure for 2013-14.

Chart B: Financing of revenue expenditure, England, 2014-15



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

Table 5 and Chart C show funding of revenue expenditure in terms of government grants, redistributed non-domestic rates, retained income from rate retention scheme and council tax from 2010-11 onwards.

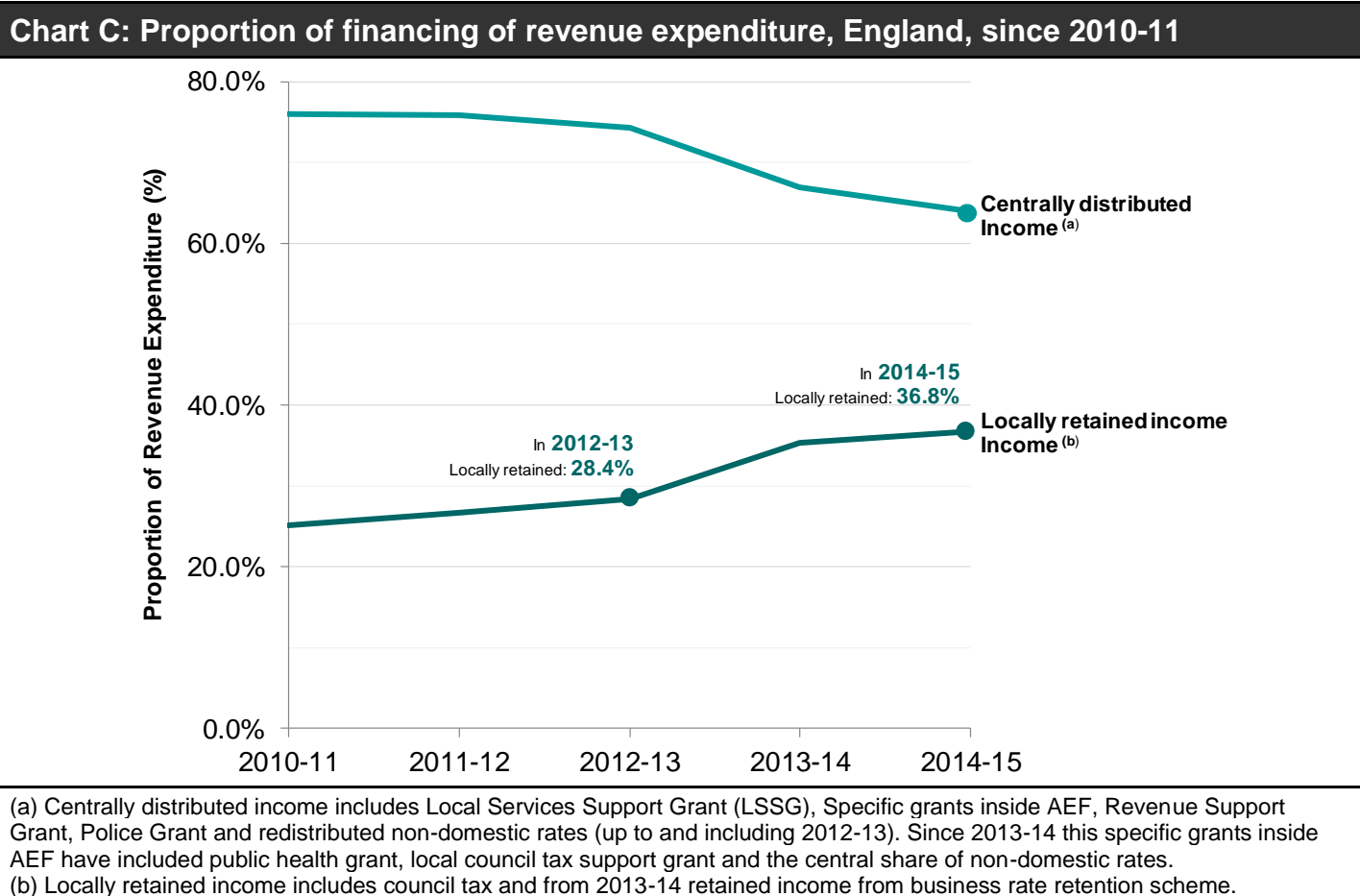
- Since 2010-11 proportion of Revenue Expenditure financed by centrally distributed income has fallen from 75.9% to 63.9% in 2014-15. There is a corresponding increase in the level of income retained by local authorities from 25.2% in 2010-11 to 36.8% in 2014-15.

Table 5: Financing of revenue expenditure, England, since 2010-11

		<i>Centrally distributed income</i>				<i>Locally retained income</i>			
		Government Grants ^(a)	Redistributed non-domestic rates	Centrally distributed income	% of total	Retained income from Business Rate Retention Scheme	Council Tax ^(b)	Locally retained income	% of total
£ million									
2010-11	104,256	57,657	21,517	79,173	75.9	...	26,254	26,254	25.2
2011-12	99,278	56,237	19,017	75,254	75.8	...	26,451	26,451	26.6
2012-13	94,148	46,765	23,129	69,895	74.2	...	26,715	26,715	28.4
2013-14	96,419	64,578	...	64,578	67.0	10,719	23,371	34,090	35.4
2014-15	95,943 (R)	61,312	...	61,312	63.9	11,331	23,964	35,295	36.8

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

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



Revenue Reserves

Revenue reserves are accumulated surplus income, which can be used to finance future expenditure and to provide working balances. The transfer of money into reserves increases the budget requirement for the year. Increases in reserves may be due to a change in circumstances over a project (delayed/cancelled) or an authority saving for a large project in the future.

Table 6 shows the level of local authority revenue reserves at the beginning of each of the last five financial years.

Housing revenue account (HRA) reserves are not included in this table because they are not part of the general fund revenue account.

Reserve Levels

- In 2014-15 local authorities increased their total reserves by £0.9 billion, in 2013-14 local authorities increased their reserves by £2.4 billion.
- In 2014-15, 317 local authorities in England increased their overall reserve levels, 127 decreased their reserve levels. In 2013-14, 369 local authorities increased their reserves, 73 decreased their reserves and 2 local authorities in England maintained the same levels.
- During financial year 2014-15, 69 local authorities in England increased their schools reserve levels, 115 local authorities increased their public health reserves and 316 local authorities increased their non-ringfenced reserve level.
- The change in non-ringfenced reserves is driven by authorities increasing specifically their 'Other Earmarked' reserves, as 312 authorities increased their Other earmarked reserves and 192 increased their Unallocated reserves.

Table 6: Level of revenue reserves, England, since 2010-11

						£ million
		Non-ringfenced reserves				Total Reserves
	Schools reserves	Public Health reserves	Other earmarked	Unallocated	Non-ringfenced Total	
At 1 April						
2010	1,834	-	9,759	3,469	13,228	15,062
2011	2,047	-	10,451	3,862	14,313	16,360
2012	2,413	-	12,534	4,255	16,790	19,203
2013	2,354	7	14,930	4,297	19,227	21,588
2014	2,419	208 (R)	17,196 (R)	4,417 (R)	21,613 (R)	24,240 (R)
At 31 March						
2015	2,414	320 (R)	17,971 (R)	4,483 (R)	22,454 (R)	25,188 (R)

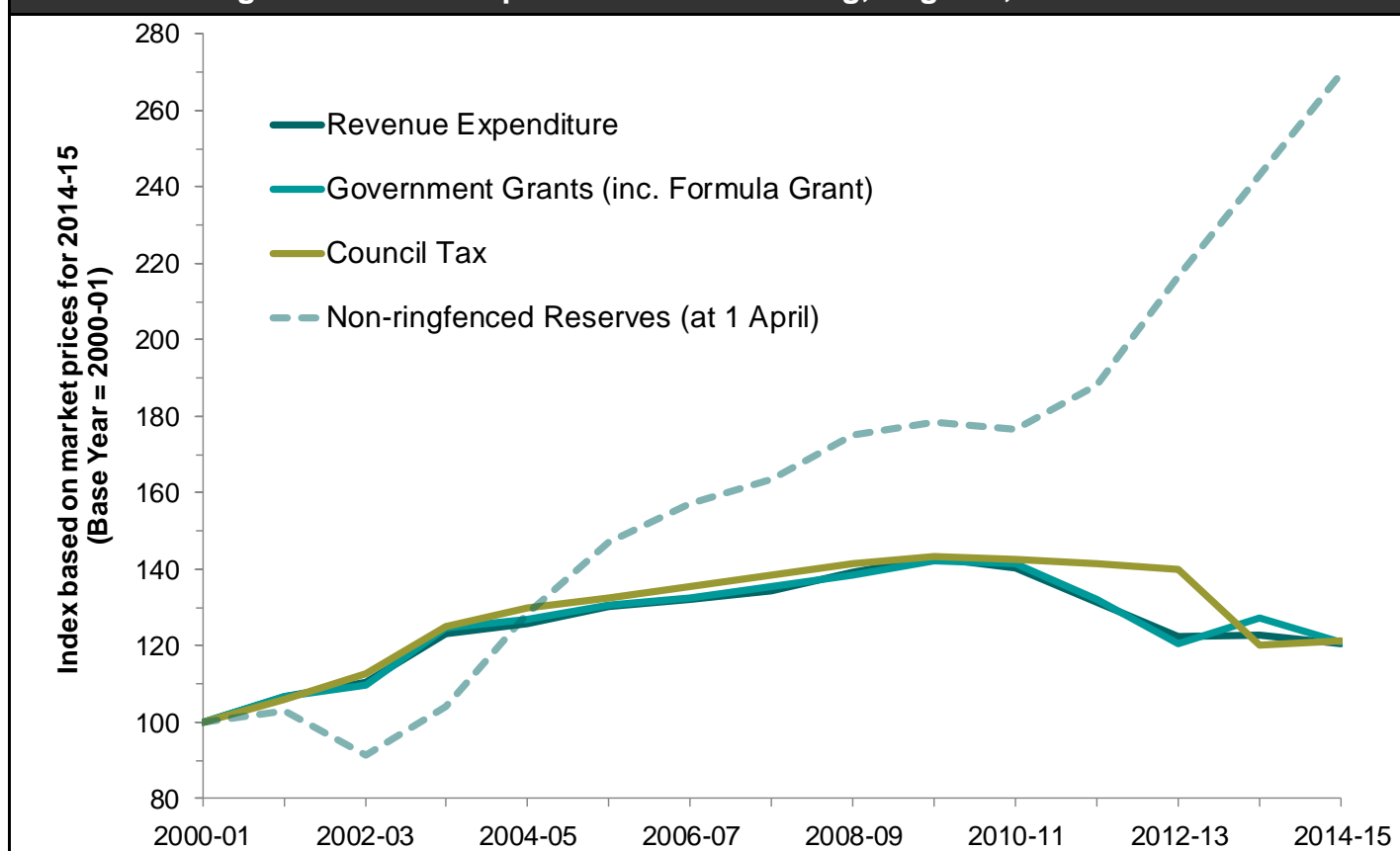
Changes in Reserve Levels

Chart D shows the real changes in Government Grants, Council Tax, Revenue Expenditure and non-ringfenced reserves (unallocated and other earmarked financial reserves as at 1 April each year) from 2000-01 to 2014-15. The indexes are calculated from financial figures for year-on-year comparisons.

In real terms from 2000-01 to 2014-15, revenue expenditure has risen by 20.5%, government grants awarded to local authorities have risen by 21.1%, and council tax has risen by 21.4%. In real terms, non-ringfenced reserves have increased by 169.4% from 1st April 2001 to 1st April 2014.

More recent trends show that from 2010-11 to 2014-15, non-ringfenced reserves have increased in real terms by 52.6%, whereas council tax has decreased by 14.8%, government grants have decreased by 14.3%, and revenue expenditure has decreased in real terms by 14.1%.

Chart D: Changes in revenue expenditure and financing, England, since 2000-01



(a) Non-ringfenced reserve levels taken as at 1 April each year and adjusted to 2014-15 market prices using HM Treasury October 2015 GDP Deflator
<https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-october-2015-the-blue-book>

Local Government Pay

Table 7 shows levels of local government pay since 2010-11 for each of the main pay negotiating groups, based on data collected and validated from the Subjective Analysis Return (SAR) which is completed by a sample of authorities in England.

Detailed information on the SAR return can be found in the Survey Design and Methodology for Grossing SAR 2014-15 data section.

- Employee expenditure decreased from £53.9 billion in 2013-14 to £53.2 billion in 2014-15, a decrease of 1.3 per cent.
- The majority of this expenditure was on pay (77.5 per cent), which totalled £41.2 billion in 2014-15.

Table 7: Local government pay by pay negotiating group, 2010-11 to 2014-15

At 1 April	2010-11	2011-12	2012-13	2013-14	£ million 2014-15
Teachers ^(a)	16,949	15,003	13,246	11,821	11,496
Police and Police Support Staff	7,786	7,532	7,309	7,117	6,957
Firefighters	1,135	1,130	1,077	987	988
Other Local Government Staff	24,705	22,534	21,677	21,445	21,788
Total Pay ^(b)	50,575	46,198	43,309	41,369	41,229
Total non-pay for all groups ^(c)	12,209	11,397	10,657	9,726	9,900
Other pay-related costs	2,751	2,599	2,171	2,805	2,085
Total employee expenditure ^(d)	65,534	60,195	56,136	53,899	53,214

(a) teachers pay for 2011-12, 2012-13 and 2013-14 is not comparable to previous years due to a number of schools changing their status to become academies, which are centrally funded rather than funded by local authorities.

(b) includes overtime, bonuses, etc.

(c) includes employers' National Insurance, pensions contributions and location allowances.

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

Definitions

A list of terms relating to local government finance is given in *Local Government Finance Statistics England* No. 25 2015. This is accessible at: <https://www.gov.uk/government/statistics/local-government-financial-statistics-england-2015> . The most relevant terms for this release are explained below.

Aggregate External Finance

is the total amount of grant provided to finance all local government expenditure, excluding that subject to separate arrangements under statutory schemes, rent allowances and rebates and council tax benefit, which are funded by specific grants outside Aggregate External Finance.

Central Government Grants

the biggest source of funding that local authorities receive is from central government. This is made up from 'specific' grants and a general grant (also called the Revenue Support Grant). Central government grant money pays for capital projects, such as roads or school buildings, as well as revenue spending, such as the cost of maintaining council housing and running services, including employee wages.

Central Services

these are services organised on a corporate basis that support the delivery of services to the public. Central services include building costs, administration and IT

Council Tax Requirement

The amount of revenue a local authority needs to raise through council tax, (its council tax requirement) is calculated by deducting from its planned spending any funding from reserves, income it expects to raise, and funding it will receive from the Government.

Current expenditure

is the cost of running local authority services within the financial year. This includes the costs of staffing, heating, lighting and cleaning, together with expenditure on goods and services consumed within the year. This expenditure is offset by income from sales, fees and charges and other (non-grant) income, which gives total **net current expenditure**. Total net current expenditure also includes payments made by local authorities on behalf of central government, under statutory schemes and the payment of rent allowances and rebates. Such payments are fully funded by central government through specific grants outside **Aggregate External Finance**.

Dedicated Schools Grant (DSG)

there was a change in the funding of specific and formula grants in 2006-07 largely due to changes in the way that expenditure on schools is funded. From 2006-07, local authorities receive school funding through specific grant rather than funding previously included in formula grant.

Funding through the Settlement Grant

the main channel of government funding. This includes **Retained Income from the Rate**

Retention Scheme, Revenue Support Grant, and Police grant. The distribution is determined by the Formula spending shares formulae, also taking account of authorities' relative ability to raise council tax and the floor damping mechanism. There are no restrictions on what local government can spend it on.

Greater London Authority (GLA) Group

this includes GLA and its constituent bodies, Metropolitan Police Authority, London Fire and Emergency Planning Authority, Transport for London (TfL) and London Development Agency (LDA). Transactions in their General Fund Revenue Account are reported by the GLA and the four functional bodies as a group.

Housing Revenue Account

is a local authority statutory account, it contains all the spending and income related to the housing stock owned by the council.

Local Services Support Grant

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

Mandatory Housing Benefit

financial help given to local authority or private tenants whose income falls below prescribed amounts as required by law. This usually consists of mandatory Rent Allowances and mandatory Rent Rebates, to HRA and non-HRA tenants.

Net Current Expenditure

see **Current Expenditure**

Reserves

sums set aside to finance future spending for purposes falling outside the definition of a provision. Reserves set aside for stated purposes are known as earmarked reserves.

Retained income from the Rate Retention Scheme

expected retained non-domestic rate income after payment of central share, major precepting shares and any tariff, top up, levy or safety net payments.

Revenue expenditure

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

Revenue Support Grant

a general grant now distributed as part of **Funding through the Settlement Grant**.

Specific Grants inside AEF

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

Specific Grants outside AEF

These are revenue grants, which are paid to local authorities by individual government departments. However, the local authority usually only acts as the 'middle person', as the grants are passed over to a third party who administers the service. The local authority does not normally have any control over the service for which the grant was intended for. This responsibility rests solely with the third party that receives the grant.

Accompanying tables

Accompanying dropdown tables, presenting detailed revenue expenditure and financing figures for 2014-15 are available to download alongside this release.

These tables present all revenue outturn information, by local authority, in the same format as it is returned to Department for Communities and Local Government and forms the basis of the tables in this release. These are available here:

<https://www.gov.uk/government/statistical-data-sets/local-authority-revenue-expenditure-and-financing-england-2014-to-2015-individual-local-authority-data-outturn>

Previously, annex tables were released within this release containing England figures for each form in the Revenue outturn suite. All this information is available from the main dropdown page of the associated dropdown tables.

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

Description	Form
Revenue Service Expenditure Summary	RS
Revenue Outturn Summary	RSX
Income from Specific Grants	RG
Education Services	RO1
Highways and Transport Services	RO2
Social Care and Public Health	RO3
Housing Services	RO4
Cultural, Environmental, Regulatory and Planning Services	RO5
Protective, Central and Other Services	RO6
Trading Services Revenue Account	TSR
Subjective Analysis Return	SAR

of which:

	TOTAL ALL SERVICES	Education services	Highways and transport services	Public Health and Social Care	Housing services (excluding HRA)	Cultural, environmental and planning services	Police services	Fire & rescue services	Central and other services
PART A - PAY ESTIMATES									
1 Teacher salary	11,496,362	11,440,143	1,800	31,985	2,025	8,148	0	0	12,261
2 Employers' National Insurance contributions	779,499	775,217	140	2,416	157	626	0	0	943
3 Employers' Pension contributions	1,414,229	1,389,022	249	5,589	284	1,115	0	0	17,969
4 Location allowance	10,161	10,152	0	10	0	0	0	0	0
5 TOTAL TEACHERS GROUP (Total of lines 1 to 4)	13,700,251	13,614,534	2,190	40,000	2,466	9,889	0	0	31,173
6 Police & Fire salary	5,886,563	0	0	0	0	-100	4,830,455	988,364	67,844
7 Employers' National Insurance contributions	520,876	0	0	0	0	38	432,345	85,042	3,451
8 Employers' Pension contributions	1,306,678	7	0	0	0	62	1,118,051	182,005	6,553
9 Location allowance	279,247	0	0	0	0	0	252,262	26,984	1
10 TOTAL POLICE & FIRE GROUP (Total of lines 6 to 9)	7,993,364	7	0	0	0	0	6,633,113	1,282,395	77,849
11 All Other Staff salary	23,846,273	7,269,977	1,045,110	5,500,162	501,307	3,115,760	2,126,219	193,968	4,093,772
12 Employers' National Insurance contributions	1,507,678	354,666	75,354	376,595	35,494	204,345	161,543	14,224	285,458
13 Employers' Pension contributions	3,956,502	1,025,380	190,480	816,947	73,518	456,990	367,912	29,629	995,646
14 Location allowance	124,972	36,406	1,992	7,531	1,044	15,445	45,530	774	16,251
15 TOTAL ALL OTHER STAFF GROUP (Total of lines 11 to 14)	29,435,426	8,686,428	1,312,936	6,701,235	611,362	3,792,539	2,701,204	238,594	5,391,128
16 Other Pay Related Costs	2,084,844	741,717	42,265	264,143	20,742	115,880	235,126	77,878	587,097
17 TOTAL Part A (Total of lines 5, 10, 15, 16a & 16b)	53,213,885	23,042,686	1,357,391	7,005,377	634,570	3,918,308	9,569,443	1,598,867	6,087,248

Technical notes

Symbols

...	= not available
0	= zero or negligible
-	= not relevant
	= discontinuity
(R)	= revised since the last statistical release

Rounding

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

Data collection

From May until July 2015, all 444 local authorities in England were requested to complete the Revenue Outturn (RO) suite of forms to show all their transactions related to the general fund revenue account. This included all elements of gross and net current expenditure, capital charges, net total costs and also elements that finance net current expenditure, which include; levy payments, interest receipts, central government grants, use of reserves, council tax and other non-current expenditure items.

Data quality

This Statistical Release contains National Statistics and as such has been produced to the high professional standards set out in the Code of Practice for Official Statistics. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.

The information for 2014-15 in this release is derived from Department for Communities and Local Government (DCLG) Revenue Outturn (RO) forms and is based on returns from the 444 local authorities in England.

Figures are subjected to rigorous pre-defined validation tests both within the form itself, while the form is being completed by the authority and also by Department for Communities and Local Government as the data are received and stored.

Revisions policy

This is a revised version of Local Authority Revenue Expenditure and Financing: 2014-15, England, originally published on 19 November 2015.

This includes revised forms from local authorities which submitted revised returns to DCLG following publication.

Generally the figures affected, marked (R) in the tables in the report, were affected by £1m - £2m, however reserves figures were revised by £40m overall.

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

There are two types of revisions that the policy covers:

Non-Scheduled Revisions

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

Scheduled Revisions

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

User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

Comments and feedback from end users for further improvement or about your experiences with this product will be welcomed. Please send all views to: lgf1.revenue@communities.gsi.gov.uk

Notes

Timings of future releases are regularly placed on the Department's website:

<http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics#forthcoming-publications>

and on the National Statistics website: <https://www.gov.uk/government/statistics/announcements>

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

CLIP Finance (CLIP-F) is a consultative group which considers the collection, presentation and analysis of data on local government finance. To ensure users are made aware of significant changes and adjustments to Local Government Finance forms papers are tabled, discussed and published. Please visit the website for details of likely changes for future Revenue/Capital statistical releases.

<https://knowledgehub.local.gov.uk/web/clip>

Devolved administration statistics

The Scottish, Welsh Assembly and Northern Ireland Government also collect revenue budget data. Their information can be found at the following websites:

Scotland:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance>

Wales:

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

Northern Ireland:

<https://www.doeni.gov.uk/topics/local-government>

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Information on Official Statistics is available via the UK Statistics Authority website:
www.statisticsauthority.gov.uk/national-statistician/types-of-official-statistics/index.html

Timings of future releases are placed on the Department's website at:
<https://www.gov.uk/government/statistics/announcements>

Information about statistics at DCLG is available via the Department's website:
www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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

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