



Department for  
Communities and  
Local Government

# DCLG User Engagement – reductions to Local Government Finance statistical collections

Summary of responses



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# DCLG User Engagement – reductions to Local Government Finance statistical collections, a summary of responses

## Introduction

In November 2013 DCLG's local government Minister wrote to all bodies which collect data from local authorities, seeking their commitment for a further reduction in their data requirements, and to local authority leaders inviting them to suggest ways in which data collections could either be stopped or reduced.

Substantial reductions of around a third had already been made in DCLG's own returns, however the local government finance returns had been largely unaffected. Given responses from local authorities identifying these returns as burdensome, an exercise was undertaken to review this area and assess the potential for savings.

During July 2014 we consulted with key government users and reviewed their requirements. We held face to face meetings with the Office for Budget Responsibility, Office for National Statistics and HM Treasury. We consulted by correspondence with the departments for Education, Health, Transport, and Environment, Food and Rural Affairs. This helped inform our initial proposals. We then undertook a user engagement exercise during August and September seeking views from all users of our data. A copy of the user engagement questionnaire can be found at Annex A.

This report summarises the findings of the engagement exercise.

## Respondents

We received 40 responses from the following types of organisations:

- 21 billing authorities
- 5 county councils
- 4 fire authorities
- 2 police authorities
- 3 organisations
- 5 government departments

In addition we received further comments from some of the key Government users we initially consulted with.

## Findings and decisions

Respondents were asked to complete a questionnaire covering each of the 11 proposed data reductions. Firstly, respondents were asked to classify the impact of the proposed reductions on them, using the categories "do not use", "low impact", "medium impact" and

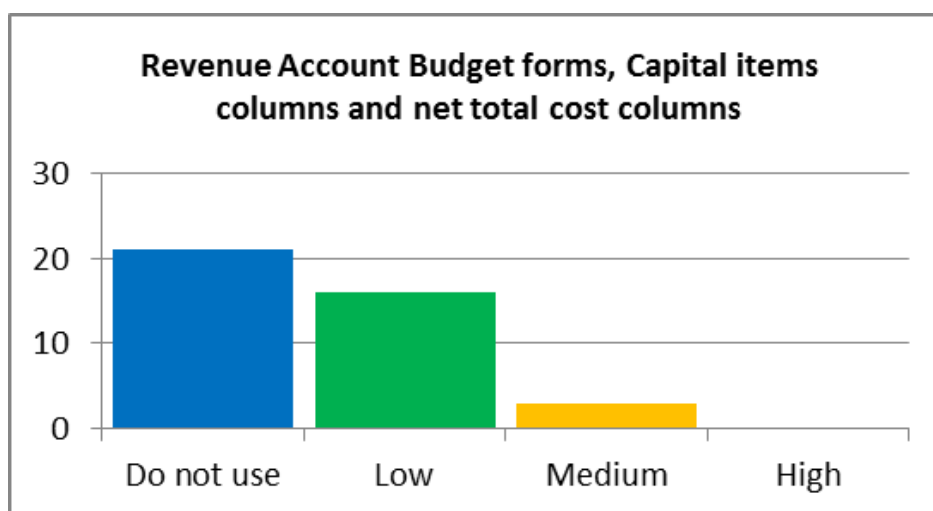
“high impact”. Where impact was said to be medium or high, further information was sought on the nature of this impact and the costs which would be incurred.

The intention of the questions about impact was to assess the effect of the data no longer being available, however a small number of local authority respondents may have interpreted this as referring to the impact on themselves of the reduction in burden from no longer having to provide the data.

Outlined below is a summary of the responses for each of the eleven proposals we sought views on. Follow up discussions were held with some respondents prior to taking the final decisions.

## 1. Revenue Account Budget forms, Capital items columns and net total cost columns

### Summary of user responses



93% of respondents reported that they either didn't use the capital items columns and net total cost columns on the Revenue Account budget forms or that the impact of removing these columns was low. Only three respondents reported a medium impact and no respondents indicated a high impact.

### Respondents' comments

Some of the local authority respondents reported that the assumptions made to produce these numbers made the quality of the output questionable. It was thought that there was a high level of inconsistencies in accounting policies that can provide wide variations between authorities. It was recognised that removing these items would also result in a reduction of burden for authorities.

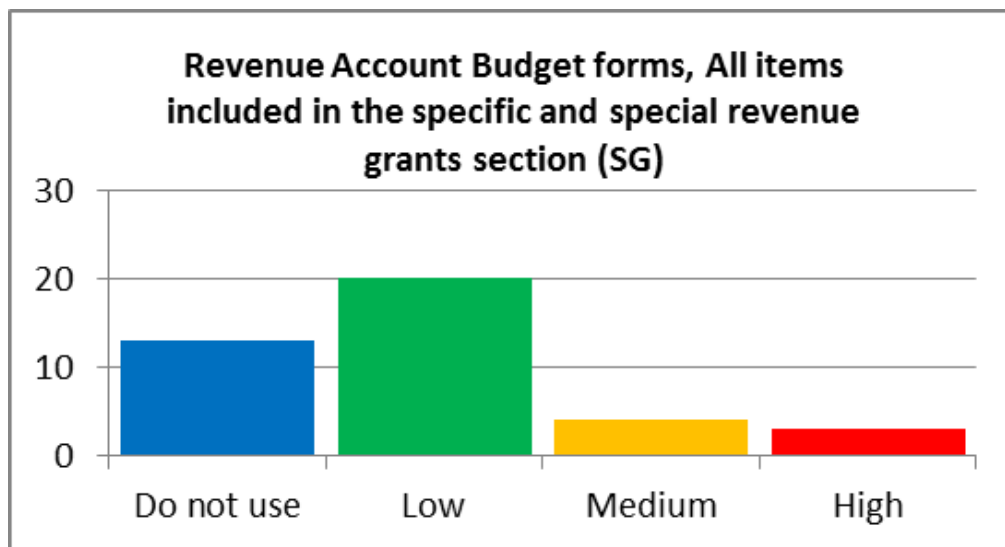
Some of those reporting a medium impact and a few reporting a low impact indicated that the net current expenditure column was fed into benchmarking exercises where they made comparisons to other local authorities.

Treasury and DCLG officials use the depreciation figures but only at an aggregate level, with no requirement for a service level breakdown.

**Outcome: these columns to be deleted.**

## 2. Revenue Account Budget forms, all items included in the specific and special revenue grants section (SG)

### Summary of user responses



83% of respondents reported that they either didn't use the specific grants forms or that the impact of removing this form was low. Four respondents reported a medium impact and three respondents indicated a high impact.

### Respondents' comments

Some respondents commented that because this information is already held by Government departments, it will be much more efficient to use these records to compile this information if it is still required. They thought it would be very helpful if the gov.uk website had a webpage for each financial year which provided links to all local authority grant allocations. The current <https://www.gov.uk/government/collections/specific-and-general-revenue-and-capital-grants-2014-to-2015-and-2015-to-2016> webpage is a useful start but only contains details of a few grants at present.

The Audit Commission reported that they use the data for the Value for Money reports. The Local Government Association reported that they use the data to model all funding streams available to local government at the local level which they use in their model to assess financial sustainability at individual council level. They use this data in a model which councils use to support them in their financial planning. Both uses will potentially be lost without this data.

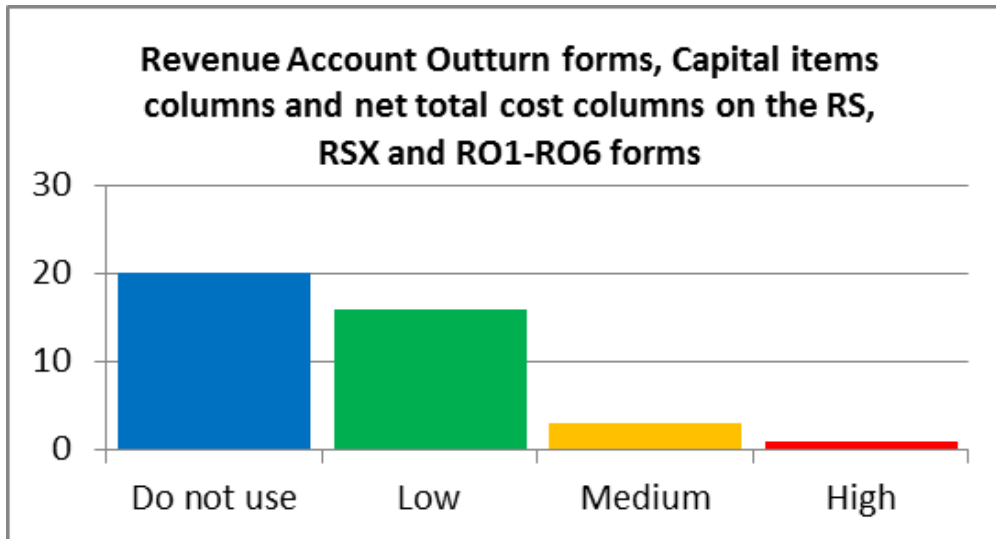
DCLG settlement team uses the data to assess the specific grants to be paid local authorities.

Some users expressed concerns that removal of this information may be disruptive, as there are few sources that provide a meaningful centralised account of departmental grants. The specific grants form is valuable for validating other sources of information.

**Outcome: the SG form to remain but be shortened to remove less important grants.**

### 3. Revenue Account Outturn forms, Capital items columns and net total cost columns on the RS, RSX and RO1-RO6 forms

#### Summary of user responses



90% of respondents reported that they either didn't use the capital items columns and net total cost columns on the Revenue Account outturn forms or that the impact of removing these columns was low. Four respondents reported a medium impact and one respondent indicated a high impact.

#### Respondents' comments

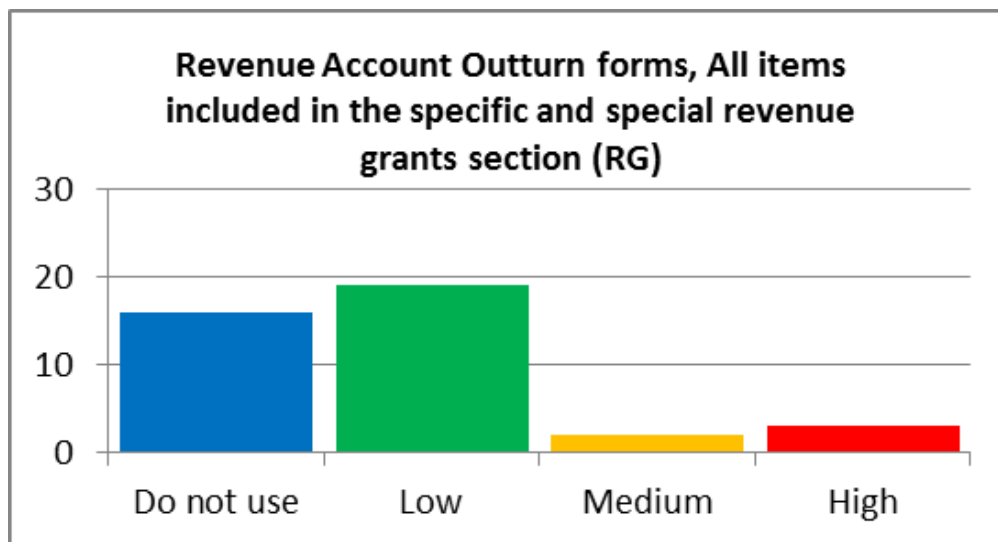
Similar comments were received as for item one – removing the capital items columns and net total cost columns on the Revenue Account budget forms. The assumptions made to produce these numbers made the quality of the output questionable. It was thought that there was a high level of inconsistencies in accounting policies that can provide wide variations between authorities. It was recognised that removing these items would also result in a reduction of burden for authorities.

The respondent indicating a high impact, some of those reporting a medium impact and a few reporting a low impact indicated that the net current expenditure column was fed into benchmarking exercises where they made comparisons to other local authorities.

**Outcome: these columns should be deleted.**

#### 4. Revenue Account Outturn forms, all items included in the specific and special revenue grants section (RG)

##### Summary of user responses



**88%** of respondents reported that they either didn't use the revenue grants forms or that the impact of removing this form was low. Two respondents reported a medium impact and three respondents indicated a high impact.

##### Respondents' comments

As with the specific grants form (item 2), some respondents commented that because this information is already held by government departments, it will be much more efficient to use these records to compile this information if it is still required.

London Councils said their ability to understand and scrutinise policy areas relating to the funding streams included in the revenue grants form will be diminished.

The Audit Commission, Treasury and the Local Government Association made the same comments as for the specific grants form above.

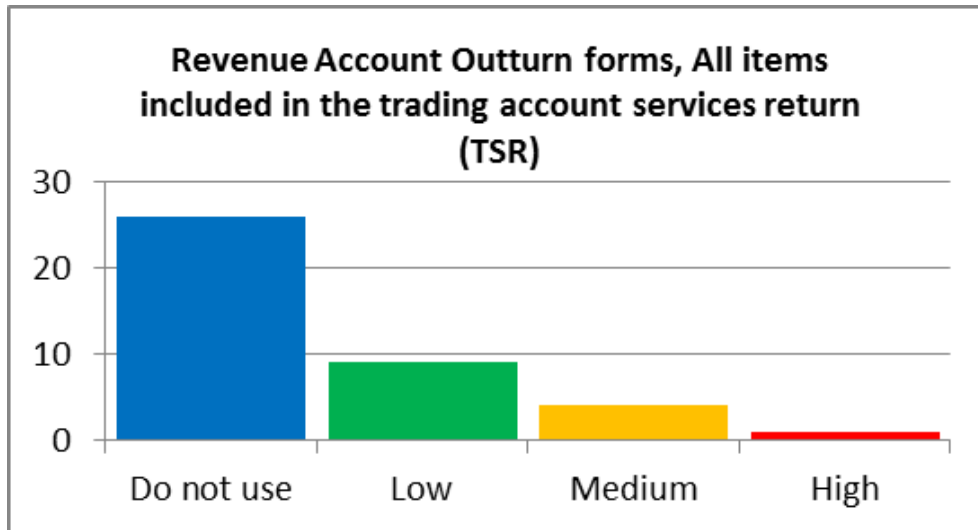
DCLG settlement team need some specific grants information for settlement formulae calculations.

**Outcome: the revenue grants form to remain but be shortened to remove less important grants.**



## 5. Revenue Account Outturn forms, all items included in the trading account services return (TSR)

### Summary of user responses



**88%** of respondents reported that they either didn't use the trading services return or that the impact of removing this form was low. Four respondents reported a medium impact and one respondent indicated a high impact.

### Respondents' comments

Nearly all local authority respondents reported they do not use this data, two responded saying they use it to benchmark against other authorities and one said that the information on car parks is subject to regular information requests and it is helpful to be able to refer to this.

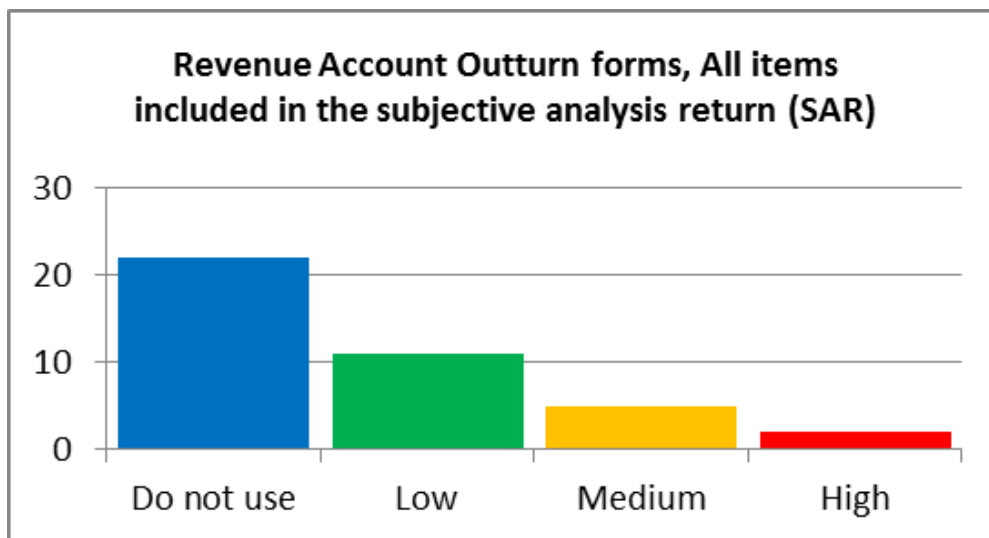
The Office for National Statistics stated that they do not need the detailed breakdown provided on this return but would need some of the totals to be able to provide data to Eurostat under regulation (specifically local authorities dividends received).

Settlement team will continue to need information on gross surplus/deficit for each service for their calculations, and may need data on employee costs in the future.

**Outcome: the trading services return form should be reduced from the current five figures per category to a single figure for surplus/deficit.**

## 6. Revenue Account Outturn forms, all items included in the subjective analysis return (SAR)

### Summary of user responses



83% of respondents reported that they either didn't use the subjective analysis return or that the impact of removing this form was low. Five respondents reported a medium impact and two respondents indicated a high impact.

### Respondents' comments

All but one of the local authorities responded favourably to removing the requirement to complete the subjective analysis return, it was noted that this is a very time consuming and difficult form to complete that they had no use for themselves. The one authority who said the impact was high used it for benchmarking with other authorities especially in relation to sparsity and value for money.

The Office for National Statistics stated that in order to determine the constant price measures of some areas of government they use deflators to convert from current price expenditure. These measures are then used in the National Accounts as part of general government final consumption expenditure. In place of current, more general deflators, they are seeking to obtain pay deflators for police and other areas of local government public administration and, if these are unobtainable, they may need to use data contained in these tables to derive the required deflators

Another area of the Office for National Statistics uses the data for updating annual calculation for expenditure weights from the subjective analysis return for police and social care. These calculations feed into statistics for police and social care published in public services productivity estimates for total public services. These statistics have National Statistics designation.

London Councils use the data for modelling and forecasting of future funding levels and analysis of employee expenditure and running costs.

The Audit Commission indicated that the subjective analysis return is the only source that captures in a systematic way, the contribution of markets to the delivery of public services. It is one of the key data sources of variation between councils in the way in which they account for their spending on management and support services. This data is the only source that allows analysts to quantify the variations in spending between councils, and over time in management and support services. It is therefore vital there is regular and timely information about recharges to support comparison between councils. It also informs other areas of interest such as asset management. This is the only source of data that breaks down premise related expenditure allowing analysis of what it costs for councils to occupy buildings. As the return data is a sample of 100 councils, the data is aggregated to enable analysis. If the frequency of this data is extended to triennial the margin of error would increase making the data less reliable as it ages between publications.

DCLG settlement team uses the subjective analysis return as part of the area cost adjustment. The calculation requires employee costs to be as identifiable as possible so that the proportion of expenditure in each block that goes on labour costs can be estimated. Separately identifying professions with national pay scales is also important eg teachers, fire and police.

DCLG analysts use the data to complete estimates and forecasts of local government workforce and pay for HM Treasury. Running expenses of private contractors – agency staff data is used directly as the estimate for non paybill staff costs, and forecasts are based on inflating by the 3 year geometric average. If this data was lost, they would be losing the main basis of estimating local government pay. If the collection was run every three years, they would have to modify the forecast methodology but this option would be preferable to losing it all together.

In summary, there are a number of important uses in particular of the employee costs section, however there is also a very high associated burden on authorities.

**Outcome: the employee costs section to be retained as an annual form, but the running expenses section to be required only every 3 years.**

## 7. Capital Forecast Return, All items included in the capital forecast return

### Summary of user responses

All respondents either indicated that they did not use the data on the capital forecast return or that the impact was low

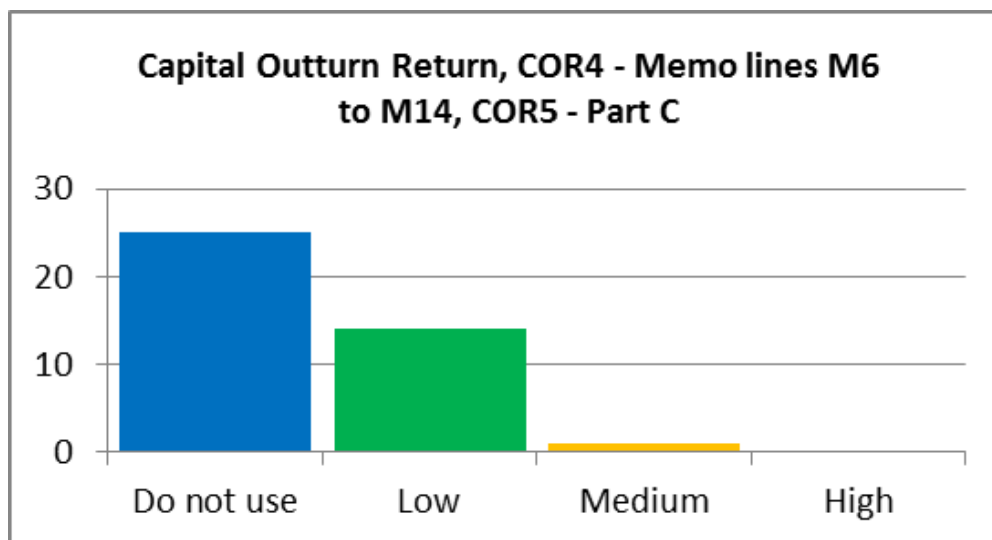
### Respondents' comments

London councils use this data for modelling of capital expenditure and receipts across London Boroughs and analysis comparing budgeted and actual expenditure and receipts. All other feedback supported cessation of this form.

**Outcome: this form to be discontinued.**

## 8. Capital Outturn Return, COR4 - Memo lines M6 to M14, COR5 - Part C

### Summary of user responses



**98%** of respondents reported that they either didn't use the memo lines or part C or that the impact of removing these items was low. Only one respondent reported a medium impact and no respondents indicated a high impact.

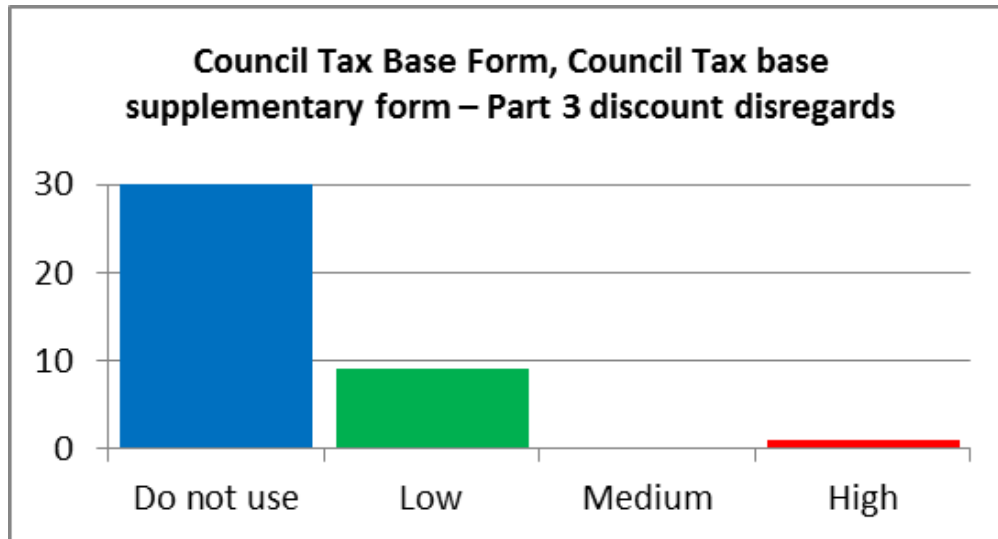
### Respondents' comments

The only comment received was from the Office for National Statistics and indicated a medium impact. They reported that there were no mandatory activities that will no longer be able to be carried out if these items were removed. However they noted that Memo lines M6, M7 and M8 should be used as the quality of the data they supply to Eurostat under regulation would be not be as good as it ought to be. They should use these memo items.

**Outcome: these items to be deleted.**

## 9. Council Tax Base Form, Council Tax base supplementary form – Part 3 discount disregards

### Summary of user responses



98% of respondents reported that they either didn't use part 3 or that the impact of removing these items was low. Only one respondent reported a high impact and no respondents indicated a medium impact.

### Respondents' comments

One county council reported that it enables county level data to be collated on the eligibility grounds for these particular discounts, without recourse to billing authorities. This would be useful where they are seeking to assess the potential financial impact on the county of policy changes to these.

**Outcome: this supplementary form to be discontinued.**

## 10. Council Tax Requirement returns, detailed parish level data included on the 'CTR1 Form-Local' tab, specifically question 5: List of all parishes including name, type, amount precepted on billing authority, tax base for precept purposes and the average band D council tax.

### Summary of user responses

All but 2 of respondents reported that they either didn't use the data contained on the CTR1 Form-Local tab or that the impact of removing these items was low. Only two respondents reported a medium impact and no respondents indicated a high impact.

### Respondents' comments

One county council expressed concern that they and the public should retain the ability to access and analyse this data should the need/ desire arise. They are only just beginning to understand the potential of 'big data' to be a catalyst to new insights and innovation in

all sectors, so to lose such a data set at this time would inflict permanent detriment to such potential.

One council asked how the government would source the information to decide whether a Parish had triggered the need to hold a referendum, should they be included in any future Council Tax referendum scheme in future.

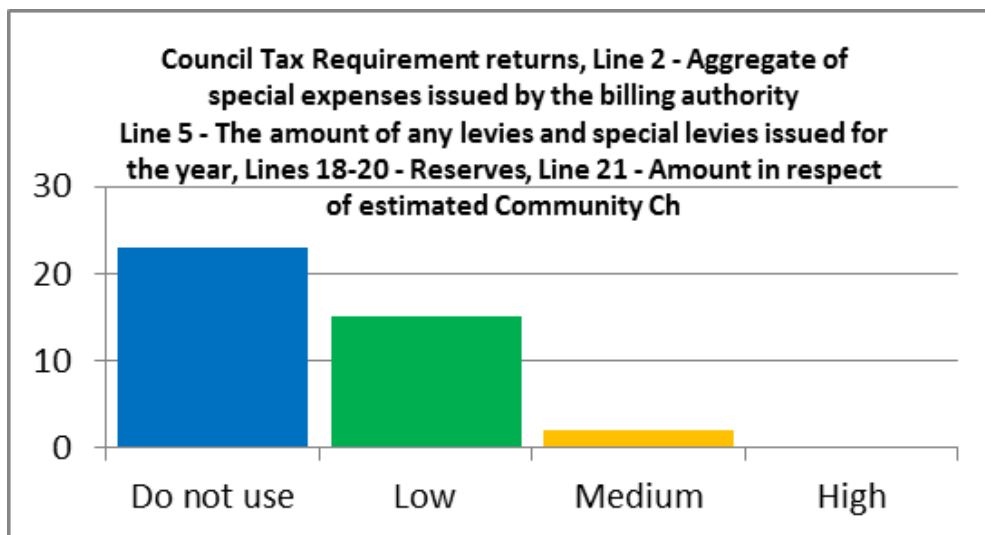
A county council thought it would be a retrograde step if there was no longer a freely available national source where all this information could be found in one place. They suggested that the Chartered Institute for Public Finance and Accountancy may be able to take over collecting this but, in order to cover its costs, would probably want to charge users for the data. They suggested that a member of the public is unlikely to want to pay several hundred pounds on a subscription to access the data.

Although no significant current uses of the parish data were identified by this user engagement, it is a recently introduced dataset and may eventually prove of high interest to the public.

**Outcome: this form to be retained.**

**11. Council Tax Requirement returns, Line 2 - Aggregate of special expenses (if any) issued by the billing authority, Line 5 - The amount of any levies and special levies issued for the year, Lines 18-20 - Reserves, Line 21 - Amount in respect of estimated Community Charge items, Line 22 - Amount in respect of the billing authority's share of estimated Collection Fund deficit**

### Summary of user responses



All but 2 of respondents reported that they either didn't use the data specified on the council tax requirement form or that the impact of removing these items was low. Only two respondents reported a medium impact and no respondents indicated a high impact.

## **Respondents' comments**

One authority said without the data captured in lines 2, 5, 21 and 22, it would be no longer possible to compare total budgeted spend across local authorities.

**Outcome: these items to be removed.**

## **Next Stages**

The decisions detailed above will be implemented to our planned forms schedule.

## The user engagement document

<https://www.gov.uk/government/publications/dclg-user-engagement-reductions-to-local-government-finance-statistical-collections>

### **DCLG User Engagement – reductions to Local Government Finance statistical collections**

#### **Introduction**

In 2010 the Department for Communities and Local Government (DCLG) set in place new arrangements for managing down burden and cost of central data requirements.

The department established the Single Data List as a comprehensive catalogue of central governments data requirements from local authorities. If the data requirement is not on the list, local authorities are under no obligation to collect or send it to central departments.

In November 2013 DCLG's finance Minister Brandon Lewis wrote to all departments and bodies with data collections on the Single Data List seeking their commitment for a further reduction in the data that we require local authorities to submit to central government, and to local authority leaders inviting them to suggest ways in which data collections could either be stopped or reduced.

Substantial reductions of around a third have already been made in DCLG's own returns however the local government finance returns have so far been largely unaffected. This user engagement exercise contains proposals for reductions in data collections covering exclusively local government finance data.

We have already consulted with key government users and reviewed their requirements. This has helped inform our initial proposals. Before any final decisions are made and to ensure that the requirements of all users are taken into account, DCLG is seeking your views.

Your views will help to inform these important decisions.

#### **Topic and data items under consideration**

- [Revenue Account Budget forms \(RA\)](#)
  - [Specific and Special Revenue Grants form \(SG\)](#)
- [Revenue Account Outturn forms \(RO\)](#)
  - [Specific and Special Revenue Grants form \(RG\)](#)
  - [Trading Account Services form \(TSR\)](#)
  - [Subjective Analysis Return form \(SAR\) \(reduced frequency\)](#)
- [Capital Forecast Return form \(CFR\)](#)
- [Capital Outturn Return \(COR\)](#)
  - [COR4 and COR5 selected items](#)
- [Council Tax Base Form](#)



- [Council Tax Requirement returns \(CTR\)](#)
  - [Detailed parish level information](#)
  - [Selected other information](#)

We are asking you to tell us the impact these proposed reductions could have on you and your work

### **Who we are seeking views from?**

We would particularly like to hear from regular users of these outputs, but anyone can respond and all views will be considered fully.

### **Duration**

This user engagement exercise will open on 8<sup>th</sup> August 2014 and close on 19<sup>th</sup> September 2014.

### **Enquiries**

If you have an enquiry about this consultation please email [lgfstats@communities.gsi.gov.uk](mailto:lgfstats@communities.gsi.gov.uk) You can also email this address if you would like to discuss any of the outputs in more detail, and we will put you in touch with an expert in the relevant area.

We aim to publish a summary of the findings of this exercise in autumn 2014.

Thank you for your help.

Sandra Tudor  
Deputy Director  
Data and Analysis  
Local Government Finance

## Questionnaire

Name of Product:

**Revenue Account Budget forms**

Current form and guidance:

<https://www.gov.uk/government/publications/general-fund-revenue-account-budget>

Specific Item(s):

**Capital items columns and net total cost columns**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Revenue Account Budget forms**

Current form and guidance:

<https://www.gov.uk/government/publications/general-fund-revenue-account-budget>

Specific section(s):

**All items included in the specific and special revenue grants section (SG)**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Revenue Account Outturn forms**

Current form and guidance:

<https://www.gov.uk/government/publications/general-fund-revenue-account-outturn>

Specific Item(s):

**Capital items columns and net total cost columns on the RS, RSX and RO1-RO6 forms**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Revenue Account Outturn forms**

Current form and guidance:

<https://www.gov.uk/government/publications/general-fund-revenue-account-outturn>

Specific Item(s):

**All items included in the specific and special revenue grants section (RG)**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Revenue Account Outturn forms**

Current form and guidance:

<https://www.gov.uk/government/publications/general-fund-revenue-account-outturn>

Specific Item(s):

**All items included in the trading account services return (TSR)**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Revenue Account Outturn forms**

Current form and guidance:

<https://www.gov.uk/government/publications/general-fund-revenue-account-outturn>

Specific Item(s):

**All items included in the subjective analysis return (SAR)**

Please indicate the impact on you/your work if the above items are collected once every three years rather than annually.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Capital Forecast Return**

Current form and guidance:

<https://www.gov.uk/government/publications/capital-forecast-return>

Specific sections:

**All items included in the capital forecast return**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?



Name of Product:

**Capital Outturn Return**

Current form and guidance:

<https://www.gov.uk/government/publications/capital-outturn-return>

Specific sections:

**COR4 - Memo lines M6 to M14**

**COR5 - Part C**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Council Tax Base Form**

Current form and guidance:

<https://www.gov.uk/government/publications/council-tax-base-calculation>

Specific sections:

**Council Tax base supplementary form – Part 3 discount disregards**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:

**Council Tax Requirement returns**

Current form and guidance:

<https://www.gov.uk/government/publications/council-tax-requirement-return>

Specific sections:

**Detailed parish level data included on the 'CTR1 Form-Local' tab, specifically question 5: List of all parishes including name, type, amount precepted on billing authority, tax base for precept purposes and the average band D council tax.**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

Name of Product:  
**Council Tax Requirement returns**

Current form and guidance:  
<https://www.gov.uk/government/publications/council-tax-requirement-return>

Specific sections:  
**Line 2 - Aggregate of special expenses (if any) issued by the billing authority**  
**Line 5 - The amount of any levies and special levies issued for the year**  
**Lines 18-20 - Reserves**  
**Line 21 - Amount in respect of estimated Community Charge items**  
**Line 22 - Amount in respect of the billing authority's share of estimated Collection Fund deficit**

Please indicate the impact on you/your work if the above items are discontinued.

High  Medium  Low  Do not use

If you answered 'High' or 'Medium' impact, please give further information for each of the following questions.

What mandatory activities will you no longer be able to carry out?

What other activities will you no longer be able to carry out?

What policies will you be unable to inform?

What additional costs will you or others incur?

Any other impact?

**Information about you**

Are you responding as:

- an analyst?
- a researcher?
- a policy maker?
- a journalist?
- a teacher or lecturer?
- a student?
- not in paid employment or education?
- a member of the general public?
- other occupation? Please specify

.....

Are your responses on behalf of an organisation, or as an individual?

- Organisation respondent
- Individual respondent

If you are representing a group or organisation, please provide details.

Organisation name:.....  
Contact name:.....  
Email address:.....  
Telephone number:.....

Please complete your personal details below.

Name:.....  
Email address:.....  
Telephone number:.....

May we contact you to discuss your response to this consultation?

- Yes
- No

**Thank you for responding to this user engagement exercise which will help inform the changes we need to make.**