

Statistical Release

17 February 2011

LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

ENGLAND 2010-11 BUDGET (Revised)

- Budgeted total net current expenditure by local authorities in England totals £122.0 billion in 2010-11, compared with £115.0 billion in 2009-10, an increase of 6%.
- 38% of budgeted total net current expenditure in 2010-11 is on education, 17% on social care, 14% on housing benefits and 10% on police.
- 25% of budgeted revenue expenditure on a non-International Accounting Standard 19 basis in 2010-11 is estimated to be funded through council tax, 27% through formula grant and 48% through specific grants inside Aggregate External Finance and Area Based Grant.

This release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2010 to March 2011. The statistical release follows the submission of Leicester City UA's completed RA Budget form and local authority corrections to errors on their financial reserve levels and service expenditure data after further quality assurance. These estimates are on a non International Accounting Standards 19 (IAS19) & Private Finance Initiative (PFI) on an "Off Balance Sheet" basis except where stated otherwise.

Headline figures for previous years were published on a FRS17 and non-FRS17 basis.

This information is derived from Communities and Local Government / Chartered Institute of Public Finance and Accountancy (CIPFA) Revenue Account (RA) budget forms submitted by local authorities in England. This release is based on returns from all 443 local authorities that complete the return, for which local authority data used to compile the information in this release can be found at:

<http://www.communities.gov.uk/publications/corporate/statistics/revenuelocaldatabudget1011>

The release has been compiled by the Local Government Finance - Data Collection Analysis and Accountancy division of Communities and Local Government.

Responsible Statisticians:

Mike Young and Steve Melbourne

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. Please contact us at:

lqf1.revenue@communities.gsi.gov.uk

Contact points:

Press enquiries:

Telephone 0303 44 40444

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

Other enquiries:

Telephone 0303 44 44228

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

Website: www.communities.gov.uk

Local authority revenue expenditure and financing England 2009-10 budget

| Contents | Page |
|---|-------------|
| Table 1 Budgeted net current expenditure by service 2009-10 and 2010-11 | 4 |
| Table 2 Budgeted revenue expenditure and financing on a non-IAS19 basis 2010-11 | 5 |
| Chart A Budgeted total net current expenditure by service 2010-11 | 7 |
| Chart B Budgeted financing of revenue expenditure 2010-11 | 7 |
| Table 3 Financing of revenue expenditure since 2004-05 | 8 |
| Table 4 Top five incomes from specific grants budget 2010-11 | 9 |
| Annex A RA10 General Fund Revenue Accounts Budget Estimate 2010-11 | 10 |
| Annex B RA(SG10) Income from specific grants budget 2010-11 | 15 |
| Annex C Derivation of service lines used in Tables 1 and 2 | 17 |
| Terminology used in this release | 18 |
| Budgeted net current expenditure by service on an IAS19 & non-IAS19 basis, including Private Finance Initiatives (PFI) for 2010-11 | 20 |
| Data quality | 21 |
| Uses made of the data | 21 |
| Background Notes | 22 |
| Symbols and conventions | 22 |

Budgeted net current expenditure by service

1. Budgeted net current expenditure in 2010-11 is summarised in **Table 1** and **Chart A**. **Table 1** also shows budgeted net current expenditure in 2009-10 and the percentage change to 2010-11. Service expenditure is based on information from the RA forms, which can be found in **Annex A**. The service breakdowns have been created from this detailed information, according to **Annex C** of this release. It should be noted that year on year comparisons may not be valid due to local government changes in function and responsibility.

- Budgeted total net current expenditure by local authorities in England totals £122.0 billion in 2010-11 compared with £115.0 billion in 2009-10, an increase of 6%.
- The definition of total net current expenditure has changed for this year to include revenue expenditure funded from capital by statute (RECS). Removing RECS, the 2010-11 net current expenditure figure is £121.1 billion. If compared to the 2009-10 figure of £115.0 billion, this is an increase of 5%.
- 38% of budgeted total net current expenditure in 2010-11 is on education, 17% on social care, 14% on housing benefits and 10% on police.

Table 1: Budgeted net current expenditure by service 2009-10 and 2010-11 ⁽¹⁾

| | non-FRS17 Net current expenditure 2009-10 | non-IAS19 Net current expenditure 2010-11 | £ million % Change |
|---|--|--|--------------------------|
| Education | 43,188 | 45,966 | 6 |
| Highways & transport | 6,347 | 6,661 | 5 |
| Social care | 20,254 | 20,857 | 3 |
| Housing (excluding Housing Revenue Account) | 2,482 | 2,733 | 10 |
| Cultural, environment & planning | 10,513 | 10,959 | 4 |
| Police | 11,932 | 12,165 | 2 |
| Fire & rescue | 2,265 | 2,284 | 1 |
| Central services ⁽²⁾ | 3,162 | 3,644 | 15 |
| Mandatory rent allowances | 10,126 | 12,130 | 20 |
| Mandatory rent rebates | 641 | 548 | -14 |
| Rent rebates granted to HRA tenants | 3,885 | 3,961 | 2 |
| Other services | 202 | 86 | -58 |
| Total net current expenditure | 114,997 | 121,994 | 6 |

(1) Net current expenditure estimates after 2009-10 are not fully comparable against previous years owing to revenue expenditure from capital by statute (RECS) distributed across all services. This amounts to £868 million (see Table 2, Page 6).

(2) Court services were previously included as a separate service and have now been integrated with Central Services for 2010-11

Budgeted revenue expenditure and financing

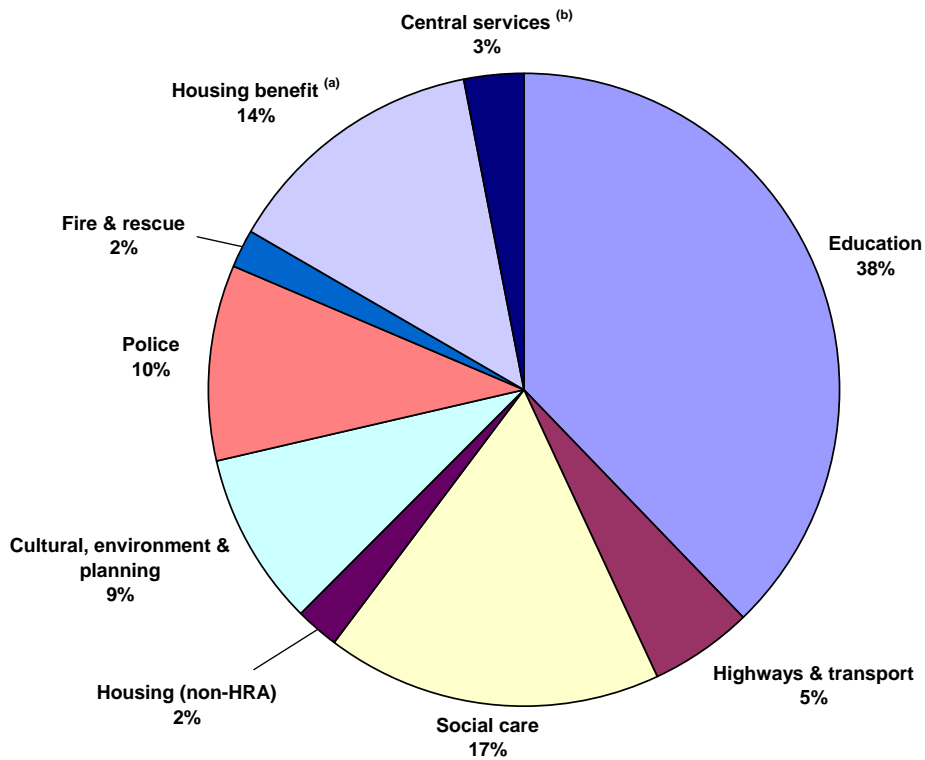
2. **Table 2** shows the link between the definitions of net current and revenue expenditure and how revenue expenditure is financed on a non-IAS19 basis in 2010-11. A more detailed breakdown of this information can be found in **Annex A**. **Chart B** illustrates how budgeted revenue expenditure is to be financed on a non-IAS19 basis in 2010-11.

- Revenue expenditure on a non-IAS19 basis is budgeted to be £105.8 billion in 2010-11.
- 25% of budgeted revenue expenditure on a non-IAS19 basis in 2010-11 is estimated to be funded through council tax, 27% through formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) and 48% through specific grants inside Aggregate External Finance and Area Based Grant.
- Formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) totals £29.0 billion in 2010-11.
- Specific grants inside Aggregate External Finance are estimated to amount to £45.7 billion.
- £26.3 billion is being raised locally through council tax.
- Area Based Grant (ABG) is estimated to amount to £4.7 billion in 2010-11.
- Capital financing costs in the 2010-11 budget amount to £3.9 billion, while £2.0 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts are estimated to be £0.4 billion in 2010-11.
- In 2010-11 local authorities are budgeting to add £10 million to their reserves compared with their drawing down £1,635 million in 2009-10. The bulk of the difference is due to GLA, who are adding £409m to reserves in 2010-11 having drawn down £816m in 2009-10. The GLA change from 2009-10 to 2010-11 is largely due to their receipt during 2010-11 of cross rail funding for Transport for London's (TfL) investment program, which will be spent in subsequent years. If we exclude GLA's figures, the remaining authorities are budgeting to draw down £399 million of reserves in 2010-11 compared with their drawing down £819m in 2009-10.
- In 2010-11 for non-school reserves: 33% of local authorities in England budgeted to add to their reserve levels, 60% budgeted to draw out from their reserves and 7% had no change. If comparing to 2009-10, 18% of local authorities in England budgeted to add to their reserve levels, 75% budgeted to draw out from their reserves and 7% had no change.

Table 2: Budgeted revenue expenditure and financing on a non-IAS19 basis 2010-11

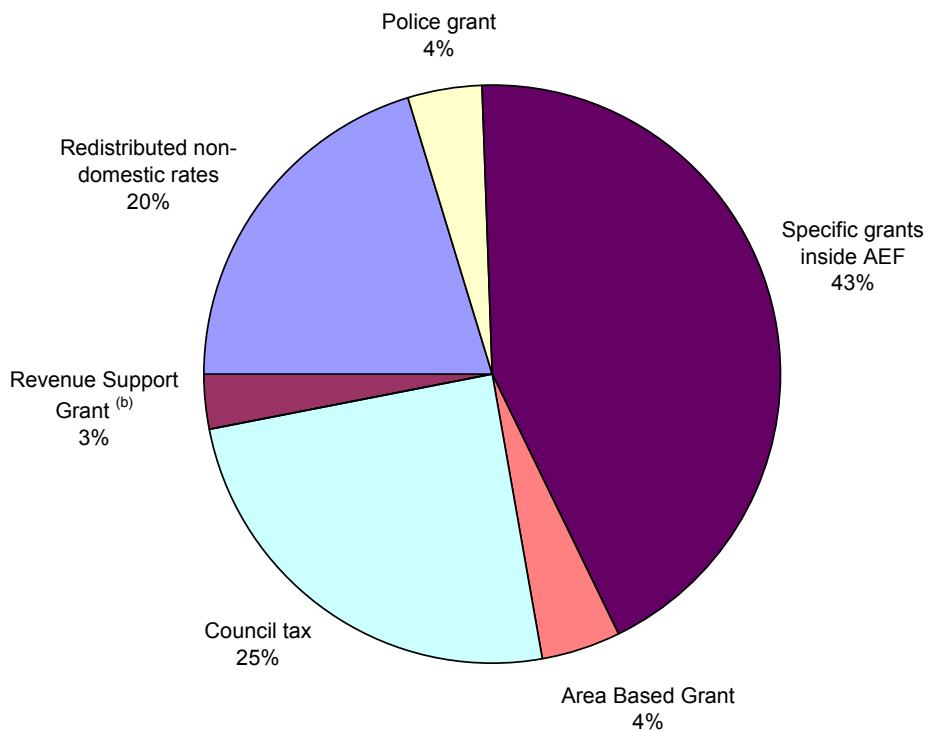
| | £ million |
|--|--|
| | Net current expenditure non-IAS19 |
| Total net current expenditure | 121,994 |
| plus non-current expenditure | |
| Capital financing | 3,861 |
| Capital Expenditure charged to Revenue Account | 1,993 |
| Council tax benefit | 3,935 |
| Discretionary Non-Domestic Rate relief | 29 |
| Bad debt provision | 30 |
| Flood defence payments to Environment Agency | 31 |
| Reversal of Revenue expenditure funded from capital by statute (RECS) | -868 |
| Private Finance Initiative (PFI) schemes - difference from service charge | 63 |
| Appropriations to(+)/ from(-) financial instruments adjustment account ^(a) | -6 |
| Appropriations to(+)/ from(-) unequal pay back pay account ^(b) | 21 |
| <i>less interest receipts</i> | 424 |
| <i>less specific grants outside AEF ^(c)</i> | 24,869 |
| Revenue expenditure | 105,790 |
| <i>less specific grants inside AEF ^(c)</i> | 45,737 |
| <i>less Area Based Grant (ABG)</i> | 4,679 |
| Net revenue expenditure | 55,373 |
| <i>less appropriations from other revenue reserves</i> | -10 |
| <i>less adjustments</i> | 4 |
| Budget requirement | 55,380 |
| financed by: | |
| Revenue Support Grant | 3,122 |
| Redistributed non-domestic rates | 21,516 |
| Police grant | 4,374 |
| General Greater London Authority (GLA) grant | 48 |
| Other items | 65 |
| Council tax requirement | 26,254 |
| (a) Adjustments permitted by regulation to the revenue account charges for financial instruments. | |
| (b) 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. | |
| (c) Aggregate External Finance; see Background Notes for definition | |

Chart A: Budgeted total net current expenditure by service 2010-11



(a) Housing benefit includes mandatory rent allowances and rent rebates
 (b) Central services include courts and other services

Chart B: Budgeted financing of revenue expenditure 2010-11 (a)



(a) Produced on a non-International Accounting Standards 19 basis
 (b) Revenue Support Grant includes General GLA grant and 'Other items'

3. **Table 3** shows the funding of budgeted revenue expenditure in terms of government grants, redistributed non-domestic rates and council taxes from 2004-05 onwards. All years are produced on a non-IAS19 basis. This is because local authorities set their council tax with regard to their expenditure on a non-IAS19 basis. A fuller definition of IAS19 can be found in the **Terminology used in this release** section.

- In 2010-11, 55% of budgeted revenue expenditure on a non-IAS19 basis is estimated to be funded by government grants (including Revenue Support Grant, specific grants inside Aggregate External Finance, Area Based Grant, Police grant and General (GLA) grant), 25% by council tax and 20% by redistributed non-domestic rates.

Table 3: Financing of revenue expenditure since 2004-05 ^(a)

| | Revenue Expenditure | Government grants | % of total | Redistributed non-domestic rates | % of total | Council tax | % of total |
|------------------------|----------------------------|--------------------------|-------------------|---|-------------------|--------------------|-------------------|
| | (£ million) | (£ million) | | (£ million) | | (£ million) | |
| Outturn | | | | | | | |
| 2004-05 | 79,303 | 45,258 | 57 | 15,004 | 19 | 20,299 | 26 |
| 2005-06 | 84,422 | 45,838 | 54 | 18,004 | 21 | 21,315 | 25 |
| 2006-07 | 88,172 | 49,093 | 56 | 17,506 | 20 | 22,453 | 25 |
| 2007-08 | 92,384 | 51,656 | 56 | 18,506 | 20 | 23,608 | 26 |
| 2008-09 | 98,107 | 53,008 | 54 | 20,506 | 21 | 24,759 | 25 |
| 2009-10 | 103,404 | 57,883 | 56 | 19,515 | 19 | 25,633 | 25 |
| Budget | | | | | | | |
| 2010-11 ^(b) | 105,790 | 57,960 | 55 | 21,516 | 20 | 26,254 | 25 |

(a) All figures produced on a non-Financial Reporting 17 basis, except where stated otherwise. Sum of government grants, redistributed non-domestic rates and council taxes does not normally exactly equal revenue expenditure because of the use of reserves

(b) Produced on a non-International Accounting Standard 19 basis. Sum of government grants, redistributed non-domestic rates and council taxes does not normally exactly equal revenue expenditure because of the use of reserves

Budgeted income from specific grants

4. **Table 4** shows the top five incomes from specific grants inside and outside Aggregate External Finance. Details on all income from specific grants can be found in **Annex B**.

- In 2010-11, Dedicated Schools Grant (DSG) is budgeted to account for 67.3% of the income received by local authorities through specific grants inside Aggregate External Finance.

Table 4: Top five incomes from specific grants budget 2010-11

| | | £ million |
|--|-----------------------|------------------|
| Grants inside Aggregate External Finance | Line Reference | |
| Dedicated Schools Grant (DSG) | SG line 102 | 30,773 |
| GLA Transport Grant | SG line 221 | 4,382 |
| Standards Fund (excluding elements now in ABG) | SG line 145 | 3,421 |
| Sure Start, Early Years and Childcare Grant | SG line 150 | 1,709 |
| School Standards Grant (including Personalisation) | SG line 141 | 1,536 |
| Grants outside Aggregate External Finance | | |
| Mandatory Rent Allowances: subsidy | SG line 745 | 11,788 |
| Council Tax Benefit: subsidy | SG line 741 | 4,025 |
| Rent Rebates Granted to HRA Tenants: subsidy | SG line 747 | 3,423 |
| Sixth forms funding from Young People's Learning Agency (YPLA) | SG line 716 | 1,808 |
| Mandatory Rent Rebates outside HRA: subsidy | SG line 746 | 1,340 |

Detailed budget information

5. **Annex A** (RA10) and **Annex B** (RASG10) show all England detailed budget information in the same way as it is returned to Communities and Local Government. It forms the basis of the tables in this release. The notes, which accompany each form sent to local authorities, can be found at:

<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/usefulinformation/formst timetable/revenueforms/>

| Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 | | | |
|---|--------------------------------|------------------------|---|
| | £ thousand | | |
| | Net current expenditure | Capital charges | Net total Cost excluding specific grants |
| Education Services | | | |
| 110 Nursery schools | 847,087 | 48,590 | 895,676 |
| 120 Primary schools | 18,048,813 | 843,487 | 18,892,299 |
| 130 Secondary schools | 18,087,861 | 712,799 | 18,800,661 |
| 140 Special schools | 2,809,070 | 79,735 | 2,888,805 |
| 150 Non-school funding | 6,171,932 | 170,902 | 6,342,834 |
| 190 TOTAL EDUCATION SERVICES (total of lines 110 to 150) | 45,964,762 | 1,855,510 | 47,820,274 |
| Highways and Transport Services | | | |
| 210 Transport planning, policy and strategy | 305,723 | 51,436 | 357,160 |
| 220 Capital charges relating to construction projects | 0 | 486,692 | 486,692 |
| 230 Structural maintenance | 644,861 | 179,018 | 823,879 |
| 247 Environmental, safety and routine maintenance | 1,024,063 | 123,289 | 1,147,352 |
| 248 Winter service | 154,431 | 7,125 | 161,556 |
| 249 Street lighting (including energy costs) | 510,108 | 20,155 | 530,264 |
| 251 Traffic management and road safety: congestion charging | -185,558 | 1 | -185,557 |
| 254 Traffic management and road safety: road safety education and safe routes (including school crossing patrols) | 132,687 | 14,832 | 147,520 |
| 258 Traffic management and road safety: other | 277,299 | 36,200 | 313,498 |
| 260 Parking services | -550,796 | 73,502 | -477,295 |
| 271 Public transport: concessionary fares | 1,111,166 | 503 | 1,111,669 |
| 275 Public transport: support to operators | 2,645,408 | 25,256 | 2,670,664 |
| 276 Public transport: co-ordination | 595,406 | 25,236 | 620,641 |
| 280 Airports, harbours and toll facilities | -3,714 | 14,430 | 10,716 |
| 290 TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280) | 6,661,086 | 1,057,673 | 7,718,758 |
| Social Care | | | |
| 311 Social care strategy - children | 120,783 | 336 | 121,119 |
| 325 Children's and families' services - asylum seekers | 145,803 | 822 | 146,625 |
| 329 Children's and families' services - other | 6,150,846 | 57,163 | 6,208,008 |
| 330 Social care strategy - adults | 72,888 | 3,226 | 76,114 |
| 340 Older people (aged 65 or over) including older mentally ill | 7,407,062 | 74,756 | 7,481,819 |
| 351 Adults aged under 65 with physical disability or sensory impairment | 1,531,026 | 13,567 | 1,544,592 |
| 352 Adults aged under 65 with learning disabilities | 3,874,133 | 34,517 | 3,908,652 |
| 353 Adults aged under 65 with mental health needs | 1,140,931 | 9,173 | 1,150,105 |
| 375 Other adult social care - asylum seekers - lone adults | 45,203 | 141 | 45,344 |
| 379 Other adult social care - other | 368,027 | 9,765 | 377,792 |
| 390 TOTAL SOCIAL CARE (total of lines 311 to 380) | 20,856,701 | 203,469 | 21,060,171 |

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

| | £thousand | | |
|--|----------------------------|--------------------|--|
| | Net current expenditure | Capital charges | Net total cost excluding specific grants |
| Housing Services (GFRA only) | | | |
| 409 Housing strategy, advice, advances, enabling, renewals and licensing | 464,324 | 91,424 | 555,747 |
| 440 Homelessness | 292,095 | 8,152 | 300,247 |
| 456 Housing benefits: rent allowances and rent rebates - discretionary payments | 72,489 | 254 | 72,743 |
| 457 Housing benefits administration | 512,849 | 7,770 | 520,619 |
| 460 Other council property - travellers' sites and non-HRA housing | 7,181 | 20,926 | 28,107 |
| 475 Housing welfare: Supporting People | 1,355,232 | 5,822 | 1,361,054 |
| 478 Other welfare services | 32,107 | 10,026 | 42,133 |
| 490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 409 to 478) | 2,736,276 | 144,373 | 2,880,649 |
| Cultural and related Services | | | |
| 501 Culture and heritage | 597,946 | 72,953 | 670,899 |
| 502 Recreation and sport | 862,685 | 246,986 | 1,109,672 |
| 503 Open spaces | 862,180 | 61,055 | 923,237 |
| 504 Tourism | 129,378 | 3,152 | 132,529 |
| 505 Library service | 939,108 | 67,681 | 1,006,788 |
| 509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505) | 3,391,296 | 451,830 | 3,843,126 |
| Environmental and Regulatory Services | | | |
| 510 Cemetery, cremation and mortuary services | -6,336 | 12,775 | 6,439 |
| 519 Regulatory services: Trading standards | 177,098 | 1,809 | 178,907 |
| 520 Regulatory services: Water safety | 910 | 4 | 914 |
| 521 Regulatory services: Food safety | 115,650 | 1,038 | 116,688 |
| 522 Regulatory services: Environmental protection | 131,900 | 3,377 | 135,277 |
| 523 Regulatory services: Private rented housing standards | 48,860 | 2,254 | 51,114 |
| 524 Regulatory services: Health and safety | 54,178 | 1,028 | 55,206 |
| 525 Regulatory services: Port health | 4,629 | 251 | 4,880 |
| 526 Regulatory services: Pest control | 36,040 | 513 | 36,553 |
| 527 Regulatory services: Public conveniences | 80,570 | 12,236 | 92,806 |
| 528 Regulatory services: Animal and public health; infectious disease control | 131,918 | 3,919 | 135,835 |
| 529 Regulatory services: Licensing - Alcohol and entertainment licensing; taxi licensing | 22,187 | 1,069 | 23,256 |
| 531 Community safety (Crime reduction) | 243,420 | 5,293 | 248,714 |
| 532 Community safety (Safety services) | 196,374 | 1,759 | 198,133 |
| 533 Community safety (CCTV) | 63,319 | 8,640 | 71,959 |
| 541 Defences against flooding | 18,212 | 2,374 | 20,587 |
| 543 Land drainage and related work | 36,164 | 942 | 37,106 |
| 547 Coast protection | 14,901 | 18,180 | 33,081 |
| 550 Agriculture and fisheries services | -3,392 | 3,860 | 468 |
| 570 Street cleansing (not chargeable to Highways) | 760,208 | 15,437 | 775,645 |
| 581 Waste collection | 1,013,933 | 51,430 | 1,065,363 |
| 582 Waste disposal | 1,834,427 | 19,242 | 1,853,669 |
| 583 Trade waste | -1,691 | 1,796 | 105 |
| 584 Recycling | 507,642 | 16,905 | 524,546 |
| 585 Waste minimisation | 21,846 | 2,183 | 24,029 |
| 586 Climate change costs | 7,501 | 227 | 7,728 |
| 590 TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (total of lines 510 to 586) | 5,510,468 | 188,540 | 5,699,008 |

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

| | £ thousand | | |
|--|----------------------------|--------------------|--|
| | Net current expenditure | Capital charges | Net total Cost excluding specific grants |
| Planning and development Services | | | |
| 591 Building control | 85,114 | 3,398 | 88,512 |
| 592 Development control | 321,637 | 5,964 | 327,601 |
| 593 Planning policy | 322,056 | 4,404 | 326,460 |
| 594 Environmental initiatives | 93,198 | 12,653 | 105,852 |
| 595 Economic development | 805,657 | 50,179 | 855,837 |
| 596 Community development | 429,726 | 13,926 | 443,652 |
| 599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596) | 2,057,387 | 90,525 | 2,147,911 |
| 601 TOTAL POLICE SERVICES | 12,164,939 | 355,615 | 12,520,554 |
| 602 TOTAL FIRE AND RESCUE SERVICES | 2,283,705 | 99,246 | 2,382,951 |
| Central Services | | | |
| 604 Coroners' court services | 71,414 | 246 | 71,660 |
| 605 Other court services | 2,792 | 1,135 | 3,927 |
| 610 Corporate and democratic core | 1,641,790 | 82,173 | 1,723,963 |
| 623 Local tax collection: council tax discounts - locally funded | 10,050 | 240 | 10,290 |
| 625 Local tax collection: council tax benefits administration | 317,856 | 4,397 | 322,253 |
| 628 Local tax collection: other | 334,937 | 5,918 | 340,855 |
| 650 Emergency planning | 59,246 | 673 | 59,919 |
| 675 Central services to the public: other | 321,314 | 32,973 | 354,287 |
| 681 Non-distributed costs - retirement benefits | 479,854 | 504 | 480,358 |
| 682 Non-distributed costs - costs of unused shares of IT facilities and other assets | 16,864 | 24,594 | 41,458 |
| 683 Non-distributed costs - depreciation / impairment of surplus costs etc | 0 | 13,692 | 13,692 |
| 690 TOTAL CENTRAL SERVICES (total of lines 604 to 683) | 3,256,117 | 166,545 | 3,422,661 |
| 698 TOTAL OTHER SERVICES | 280,757 | 85,007 | 365,765 |
| 699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 690 and 698) | 105,163,496 | 4,698,332 | 109,861,829 |

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

| | £ thousand |
|---|--------------------------------|
| | Net current expenditure |
| 701 Education: student support - mandatory awards | 1,024 |
| 711 Housing benefits: rent allowances - mandatory payments | 12,130,328 |
| 712 Housing benefits: non-HRA rent rebates - mandatory payments | 548,467 |
| 713 Housing benefits: rent rebates to HRA tenants - mandatory payments | 3,961,464 |
| 714 Housing benefits: subsidy limitation transfers from HRA | -11,769 |
| 718 Contribution to the HRA re items shared by the whole community | 8,119 |
| Precepts and levies | |
| 721 Parish Precepts | 356,741 |
| 722 Integrated Transport Authority levy | 0 |
| 724 Waste Disposal Authority levy | 0 |
| 727 London Pensions Fund Authority levy | 30,655 |
| 728 Other levies | 25,092 |
| 731 External Trading Accounts net surplus(-)/ deficit(+) | -214,933 |
| 732 Internal Trading Accounts net surplus(-)/ deficit(+) | 5,839 |
| 748 Adjustments to net current expenditure | -10,821 |
| 749 NET CURRENT EXPENDITURE (total of lines 699 to 748) | 121,993,705 |
| 754 Local tax collection: Council tax benefit paid to the Collection Fund | 3,934,932 |
| 757 Local tax collection: Non-domestic rate relief - discretionary payments | 28,562 |
| 759 Levy: Environment Agency flood defence | 31,130 |
| 761 Capital charges accounted for in External Trading Accounts | -36,234 |
| 762 Capital charges accounted for in Internal Trading Accounts | -83,212 |
| 765 Capital expenditure charged to the GF Revenue Account (CERA) | 1,993,360 |
| 767 Reversal of Revenue expenditure funded from capital by statute (RECS) | -868,421 |
| 771 Provision for bad debts | 29,981 |
| 773 Provision for repayment of principal | 1,791,961 |
| 776 Leasing payments | 12,867 |
| 781 Interest: external payments | 3,037,018 |
| 783 Interest: HRA item 8 payments and receipts | -861,812 |
| 785 SUB-TOTAL (total of lines 749 to 783) | 131,003,838 |
| 786 Interest and investment income (-): external receipts and dividends | -423,983 |
| 788 Private Finance Initiative (PFI) schemes - difference from service charge | 63,442 |
| 789 Appropriations to(+)/ from(-) financial instruments adjustment account | -5,634 |
| 790 Appropriations to(+)/ from(-) unequal pay back pay account | 21,291 |
| 791 Specific and special grants outside AEF [SG line 799 as income] | -24,869,064 |
| 795 REVENUE EXPENDITURE (total of lines 785 to 791) | 105,789,892 |
| 797 Specific and special grants inside AEF [SG line 699 as income] | -45,737,270 |
| 798 Area Based Grant (ABG) | -4,679,133 |
| 799 NET REVENUE EXPENDITURE (total of lines 795 to 798) | 55,373,491 |

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

| | £ thousand |
|--|--------------------------------|
| | Net current expenditure |
| 801 Inter-authority transfers in respect of reorganisation | -3,579 |
| 811 Appropriations to(+)/ from(-) schools' reserves | -32,633 |
| 815 Appropriations to(+)/ from(-) other earmarked financial reserves | 190,366 |
| 816 Appropriations to(+)/ from(-) unallocated financial reserves | -147,890 |
| 830 THE BUDGET REQUIREMENT (total of lines 799 to 816) | 55,379,756 |
| 851 Revenue Support Grant | -3,122,131 |
| 856 Police grant | -4,373,500 |
| 858 General GLA grant | -48,136 |
| 870 Redistributed non-domestic rates | -21,516,487 |
| 880 Other items | -65,342 |
| 890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880) | 26,254,157 |

Annex A: RA10 General Fund Revenue Accounts Budget Estimate 2010-11 (continued)

| | £ thousand | |
|--|------------------------|-------------------------|
| Financial reserves | At 1 April 2010 | At 31 March 2011 |
| 911 Estimated schools reserves level | 1,735,563 | 1,702,930 |
| 915 Estimated other earmarked financial reserves level | 7,712,472 | 7,902,838 |
| 916 Estimated unallocated financial reserves level | 3,236,588 | 3,088,697 |
| 920 Prior Year Adjustments | -197,403 | |
| Capital Charges | 2010-11 | |
| 931 Depreciation | 4,702,413 | |
| 933 Loss on impairment of assets | 511,060 | |
| 935 Credit for capital grants ^(a) | -515,141 | |
| 939 Total capital charges (total of lines 931 to 935) | 4,698,332 | |

(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.

Annex B: RA(SG10) Income from specific grants budget 2010-11

| | £ thousand |
|--|-------------------|
| Grants inside Aggregate External Finance | |
| 102 Dedicated Schools Grant (DSG) | 30,773,488 |
| 104 London Pay Addition | 20,129 |
| 109 ContactPoint | 15,540 |
| 141 School Standards Grant (including Personalisation) | 1,535,817 |
| 145 Standards Fund (excluding elements now in ABG) | 3,420,690 |
| 150 Sure Start, Early Years and Childcare Grant | 1,708,770 |
| 152 Play (Pathfinders & Playbuilders) | 27,824 |
| 153 Consortia Support Grant | 13,383 |
| 154 Diploma Specific Formula Grant | 26,572 |
| 155 Think Family Grant | 59,261 |
| 157 Targeted Mental Health in Schools | 15,876 |
| 195 Youth Opportunity | 39,275 |
| 212 Kerbcraft Road Safety | 316 |
| 215 Road Safety Partnerships | 3,255 |
| 217 Congestion Performance Fund | 374 |
| 218 Transport Innovation Fund | 290 |
| 219 Inner City Demonstration Projects | 0 |
| 220 Concessionary Fares | 182,358 |
| 221 GLA Transport Grant | 4,382,335 |
| 231 Metropolitan Railway Passenger Services | 177,123 |
| 241 Personalised Travel Pilot | 0 |
| 243 Roadside Vehicle Testing | 0 |
| 251 Rural Bus Challenge and Kickstart | 1,625 |
| 252 Walking to School | 154 |
| 253 Cycling | 4,887 |
| 254 Smart Ticketing Grant | 1,000 |
| 257 Travel Plan Bursaries | 99 |
| 260 Urban congestion | 198 |
| 261 Urban Bus Challenge and Kickstart | 196 |
| 311 AIDS Support | 20,005 |
| 320 Social Care Reform | 210,103 |
| 324 Learning Disability Campus Closure Programme | 49,081 |
| 326 Stroke Strategy | 15,576 |
| 405 Housing Benefit and Council Tax Benefit Administration | 458,897 |
| 481 Workstep | 13,560 |
| 511 Homelessness | 42,967 |
| 514 The Growth Fund | 9,167 |
| 515 Local Authority Business Growth Incentives (LABGI) scheme | 15,755 |
| 521 Local Area Agreements (LAA) Reward Grant or Local Public Service Agreement (LPSA) Performance Reward Grant | 34,017 |
| 522 Local Area Agreements (LAA) Pump Priming Grant | 3,476 |
| 523 Other Local Area Agreements (LAA) Revenue Grants | 22,865 |
| 537 New Dimension Grants | 17,523 |
| 541 Housing Planning Delivery Grant | 38,956 |
| 542 Fire Control | 6,099 |
| 545 The Private Finance Initiative (PFI) | 474,657 |
| 560 Free Swimming | 13,977 |
| 571 Animal Movement Licences | 2,692 |
| 575 Coastal Change Pathfinder | 988 |
| 581 National Parks & Broads | 47,348 |
| 592 Waste Regional Improvement and Efficiency | 866 |
| 593 Waste LA Financial Incentives | 79 |
| 594 Joint Waste Authorities or Advanced Partnership | 0 |
| 611 Asylum Seekers | 164,844 |
| 613 Sexual Assault Referral Centres | 0 |
| 614 Alcohol Arrest Referral Pilots | 186 |
| 615 Multi Agency Risk Assessment Conferences | 75 |
| 616 Guns, Gangs & Knives | 65 |

Annex B: RA(SG10) Income from specific grants budget 2010-11 (continued)

| | £ thousand |
|---|-------------------|
| 617 Drug Action Teams | 55,092 |
| 618 Crime and Disorder Reduction Partnerships | 3,941 |
| 621 Basic Command Units (BCU) Fund | 30,098 |
| 625 Community Support Officers | 108,610 |
| 631 Counter Terrorism | 439,972 |
| 635 Crime Fighting Fund | 265,276 |
| 643 Neighbourhood Policing Fund | 217,310 |
| 647 Probation Loan Charges | 560 |
| 648 Reform Deal | 641 |
| 650 Additional Rule 2 Grant | 182,927 |
| 667 Generations Together | 277 |
| 669 LFEPA Civil Contingencies | 6,353 |
| 698 Other grants within AEF (enter in memorandum box A below) | 351,556 |
| 699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)* (Transferred to RA line 797 as income) | 45,737,271 |
| Grants outside Aggregate External Finance | |
| 708 Further Education funding from Learning and Skills Council (LSC) - 19+ funding | 159,720 |
| 711 Education Maintenance Allowance | 435 |
| 712 Further Education funding from Young People's Learning Agency (YPLA) - 16-18 funding ^(a) | 1,203,172 |
| 713 Higher Education Funding Council (HEFC) Payments | 37,698 |
| 715 Adult and Community Learning from Learning and Skills Council (LSC) | 303,487 |
| 716 Sixth forms funding from Young People's Learning Agency (YPLA) ^(a) | 1,807,656 |
| 718 Mandatory Student Awards | 9,435 |
| 719 DVLA Trading Fund | 0 |
| 720 Free Flowing Cities | 0 |
| 721 Mersey Travel | 87,999 |
| 741 Council Tax Benefit: subsidy | 4,024,607 |
| 745 Mandatory Rent Allowances: subsidy | 11,787,847 |
| 746 Mandatory Rent Rebates outside HRA: subsidy | 1,339,651 |
| 747 Rent Rebates Granted to HRA Tenants: subsidy | 3,422,965 |
| 750 Beacon | 44,685 |
| 751 Capacity Building | 250 |
| 752 Housing Acts/ Urban Developments - contributions towards cost of loan charges | 441 |
| 753 New Deal for Communities (NDC) | 18,259 |
| 754 LG Efficiency Challenge Fund | 13,311 |
| 755 Efficiency Improvements in Local Government | 9,966 |
| 758 Best Value Parishes | 0 |
| 759 Invest to Save | 265 |
| 766 Tackling Extremism | 391 |
| 769 Housing Market Renewal Grant | 22,509 |
| 773 Rural Community Action Network (RCAN) | 18 |
| 782 Tackling Violent Crime Programme | 1,417 |
| 783 Crime Reduction Grants | 3,378 |
| 788 Youth Offending Teams Grant | 52,454 |
| 791 European Community grants | 56,804 |
| 798 Other grants outside AEF (enter in memorandum box B below) | 460,244 |
| 799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 708 to 798)* (Transferred to RA line 791 as income) | 24,869,064 |
| 800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799) | 70,606,332 |

(a) The Learning & Skills Council (LSC) ceased to exist at the end of March 2010, at which point its responsibility for funding further education passed to Local Authorities. This responsibility passed back to central government in August 2010. RA income and expenditure lines reflect the best view of authorities at June 2010 of how this process would be implemented for the year. The approach taken varied and authorities have budgeted to receive and pay out the grant for differing periods within 2010/11; in total £1.2bn was budgeted for this grant for the year. For this reason, the RA figures for education and for total service expenditure and income should be treated with caution.

Annex C: Derivation of service lines used in Tables 1 and 2

| | Line reference | Additional levies/transfers |
|--|---|---|
| Education | RA line 190 RA line 701 | Mandatory student awards |
| Highways and transport | RA line 290 RA line 722 | Passenger transport authority levy |
| Social care | RA line 390 | |
| Housing (excluding Housing Revenue Account) | RA line 490 RA line 714 RA line 718 | Subsidy limitation transfers from HRA Contribution to HRA re items shared by whole community |
| Cultural | RA line 509 | |
| Environment | RA line 590 RA line 724 | Waste disposal authority levy |
| Planning | RA line 599 | |
| Police | RA line 601 | |
| Fire & rescue | RA line 602 | |
| Central services | RA line 690 RA line 721 RA line 727 | Parish precepts London Pensions Fund Authority levy |
| Mandatory rent allowances | RA line 711 | |
| Mandatory rent rebates | RA line 712 | |
| Rent rebates granted to HRA tenants | RA line 713 | |
| Other | RA line 698 RA line 728 RA line 731 RA line 732 RA line 748 | Other levies External Trading Accounts net surplus/deficit Internal Trading Accounts net surplus/deficit Adjustments |
| Total net current expenditure | RA line 749 | |

Terminology used in this release

A list of terms relating to local government finance is given in the glossary at Annex G of *Local Government Finance Statistics England* No. 20 2010. This is accessible at <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics20210>. 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.

Current expenditure - is the cost of running local authority services within the financial year. This includes the costs of staffing, heating, lighting and cleaning, together with expenditure on goods and services consumed within the year. This expenditure is offset by income from sales, fees and charges and other (non-grant) income, which gives **total net current expenditure** (line 749). 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.

Appropriations to/from financial instruments adjustment account (line 789) Appropriations to/from unequal pay back pay account (line 790)

These are two new lines connected with the adjustments permitted or required by our regulations. The accounts show figures fully compliant with accounting standards, but regulations made by CLG provide for adjustments to those figures to prevent unreasonable increases in council tax. The first line allows for adjustments connected with borrowing and investments, including the regulation on Icelandic banks investments. The second allows for the regulation that permits a charge for unequal pay back pay to be deferred until payments are due to be made (accounting requires a charge as soon as the liability is established).

International Accounting Standard 19 (IAS 19)

Local authorities are required to account for Employee benefits (pensions) in accordance with IAS 19 from 2010-11. This requirement is enshrined in the Code of Practice on Local Authority Accounting in the UK, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in CIPFA's Best Value Accounting Code of Practice (BVACOP).

Under IAS19 most of the pension schemes covering local government employees are classed as defined benefit schemes. The main implication of defined benefit status is that retirement benefits are accounted for on the basis of the retirement benefit entitlement to which employment in the year gives rise, rather than the cash amounts of employer's contribution or pension due for the year. That is, the IAS19 pension liability will include all the total pension liabilities for all employees and not when the pension is.

The major exception to defined benefit status is the teachers' pension scheme, which is administered centrally; local authorities account for this on a defined contribution basis, and the charges to service expenditure equal the employer's contribution.

The defined benefit charges are not allowed to impact on council tax payers, the charge that must ultimately be carried by taxpayers is the employer's contributions due for the year. Consequently, the effects on the revenue account are that the net current expenditure service lines are on a defined benefit basis, but the Budget Requirement is based on the cash contributions due. This neutrality is achieved by reversing out the impact of IAS19 and replacing this with the actual cash contributions.

The information excluding IAS19 that we collect on the form is critical for our key users. In particular, the Office for National Statistics use the information on a non-IAS19 basis for their key statistics on Public Sector Finances and National Accounts. The following table shows summary service expenditure on both an IAS19 and a non-IAS19 basis from the RA form.

PFI schemes in accordance with the International Financial Reporting Standards (IFRS)

Under the International Financial Reporting Standards (IFRS) the PFI schemes are brought 'on balance sheet'. Local authorities have been required to account for their PFI schemes on the IFRS basis as from 2009-10.

For National Accounts purposes, however, PFI schemes should be accounted for 'on balance sheet' basis only where **economic ownership** of the asset rests with the Authority.

Economic ownership for national accounts purposes is determined by the same test as applies under UK accounting standards and hence that local authorities applied in preparing their 2008-09 accounts. The basis of that test was set out in Appendix E to the 2008 SORP, and depends on whether the local authority or the contractor has an asset of the property used to provide the contracted services. A party has an asset of the property where that party has access to the benefits of the property and exposure to the risks inherent in those benefits.

Budgeted net current expenditure by service on an IAS19 & non-IAS19 basis, including Private Finance Initiatives (PFI) for 2010-11

| | £ million | | |
|--|---|--|--|
| | Net current expenditure on a non-IAS19 & PFI "Off Balance Sheet" | Net current expenditure on an IAS19 & PFI "Off Balance Sheet" | Net current expenditure on a non-IAS19 & PFI "On Balance Sheet" |
| 961 Education services | 45,965 | 45,818 | 45,896 |
| 962 Highways, roads and transport services | 6,661 | 6,656 | 6,633 |
| 963 Social care | 20,857 | 20,829 | 20,870 |
| 964 Housing services (GFRA only) | 2,736 | 2,734 | 2,728 |
| 965 Cultural and related services | 3,391 | 3,382 | 3,389 |
| 966 Environmental services | 5,510 | 5,503 | 5,491 |
| 967 Planning and development services | 2,057 | 2,048 | 2,058 |
| 971 Police services | 12,165 | 12,275 | 12,155 |
| 972 Fire and rescue services | 2,284 | 2,252 | 2,276 |
| 975 Central services (excluding Non-distributed costs - retirement benefits) | 2,776 | 2,775 | 2,802 |
| 976 Non-distributed costs - retirement benefits | 480 | 498 | 478 |
| 978 Other services | 281 | 290 | 280 |
| 981 External Trading Accounts net surplus/deficit | -215 | -211 | -214 |
| 982 Internal Trading Accounts net surplus/deficit | 6 | 1 | 6 |
| 983 Provision for repayment of principal | 1,792 | 1,791 | 1,834 |
| 984 Interest: external payments | 3,037 | 3,033 | 3,163 |
| 986 Pensions interest cost and expected return on pensions assets | - | 5,168 | - |
| 987 Appropriations to/from pensions reserve | - | -5,058 | - |
| 989 TOTAL (Total of lines 961 to 987) | 109,783 | 109,783 | 109,847 |

(a) Figures are for individual service lines and do not include additions such as some housing benefits which are included in Table 1.

Formula Grant – the main channel of government funding. This includes **Redistributed non-domestic rates, Revenue Support Grant**, Police grant and General (GLA) grant. The distribution is determined by the Formula spending shares formulae, also taking account of authorities' relative ability to raise council tax and the floor damping mechanism. There are no restrictions on what local government can spend it on.

Redistributed non-domestic rates – non-domestic rates which, having been paid into the non-domestic rating pool, are redistributed between local authorities on the basis of population, as part of **Formula Grant**.

Revenue expenditure (line 795) - is equal to total net current expenditure (line 749), plus capital financing costs and a few minor adjustments, but excludes expenditure financed by grants outside **Aggregate External Finance**. Revenue expenditure is financed by grants inside **Aggregate External Finance**, council tax and authorities' reserves.

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

Data quality

1. This Statistical Release contains National Statistics and as such has been produced to the high professional standards set out in the National Statistics Code of Practice. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.
2. The information for 2010-11 in this release is derived from Communities and Local Government / CIPFA Revenue Account (RA) budget forms and is based on returns from all 443 authorities that complete the return.
3. 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 Communities and Local Government and CIPFA as the data are received and stored.
4. Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.
5. Please note that the figures in this release have not been adjusted to take into account changes of responsibility between 2009-10 and 2010-11.

Uses made of the data

1. The data in this Statistical Release are essential for a number of different purposes. A central and immediate purpose is to provide the Secretary of State, Ministers, HM Treasury and the Office for National Statistics with the most up to date information available on local authority revenue spending for decision making. The budget estimates on a non-IAS19 basis are used by the Office for National Statistics in compiling the Public Sector Finances and National Accounts, which are used to set fiscal and monetary policy.
2. 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, members of the business community and the general public.
3. Comments and feedback from end users for further improvement or about your experiences with this product will be welcomed. Please send all views to: lqf1.revenue@communities.gsi.gov.uk

Background Notes

1. This Statistical Release can be found at the following web address:
<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/revenueexpenditure/>
2. For press enquiries about this Statistical Release, please contact the Local Government press desk on 0303 444 0444 or email press.office@communities.gsi.gov.uk. For other enquiries, please contact Osman Beg on 0303 444 4228 or email lcf1.revenue@communities.gsi.gov.uk.
3. Timings of future releases are regularly placed on the Department's website, <http://www.communities.gov.uk/corporate/researchandstatistics/statistics/publicationschedule/> and on the National Statistics website, <http://www.statistics.gov.uk/releasecalendar/currentreleases.asp>
4. For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Finance Statistics England* No. 20 2010, which is available in hard copy from Communities and Local Government Publications, Cambertown House at product@communities.gsi.gov.uk (Tel. 0300 123 1124) and electronically from the Communities and Local Government website: <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics202010>
5. The CIPFA *Finance and General Statistics* publication also contains detailed information on local government finance.
6. The Scottish, Welsh Assembly and Northern Ireland Government also collect revenue budget data. Their information can be found at the following websites:

Scotland:

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

Wales:

<http://wales.gov.uk/topics/statistics/headlines/localgov2010/100623/?lang=en>

Northern Ireland:

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

Symbols and conventions

| | | |
|-----|---|--------------------|
| ... | = | not available |
| 0 | = | zero or negligible |
| — | = | not relevant |
| | = | discontinuity |

Rounding

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

Department for Communities and Local Government. © Crown Copyright, 2011

If you require this publication in an alternative format please email:
alternativeformats@communities.gsi.gov.uk. Please note that the nature of
content means that we may not be able to provide the Statistical series of
publications in all requested formats.

February 2011

ISBN: 978-1-4098-2838-9