

# Statistical Release

12 July 2012

## LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

### ENGLAND 2012-13 BUDGET

- Revenue Expenditure is budgeted to be £98.4 billion in England in 2012-13, a decrease from £101.9 billion in 2011-12.
- 27.1% of budgeted revenue expenditure in 2012-13 is estimated to be funded through council tax, 28.4% through formula grant and 44.4% through specific grants inside Aggregate External Finance and Local Services Support Grant.
- In 2012-13 local authorities are budgeting to draw down £21 million from their reserves to finance their revenue expenditure. However, this includes figures for Greater London Authority, who are budgeted to add £481 million to their reserves. Excluding GLA, authorities are budgeting to draw down £501 million from their reserves.
- Local Authorities are budgeting total net current expenditure of £39.2 billion on education services in 2012-13, £21.2 billion on social care, £19.6 billion on mandatory housing benefits and £11.6 billion on police services.

This release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2012 to March 2013. 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.

This information is derived from Department for 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 444 local authorities in England that complete the return.

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

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## **Budgeted net current expenditure by service**

1. Budgeted net current expenditure in 2012-13 is summarised in **Table 1** and **Chart A**. **Table 1** also shows budgeted net current expenditure in 2011-12 and the percentage change to 2012-13. Service expenditure is based on information from the RA forms, which can be found in **Annex A**. The service breakdowns have been created from this detailed information, according to **Annex C** of this release. It should be noted that year on year comparisons may not be valid due to local government changes in function and responsibility.

### **Total Net Current Expenditure**

- Budgeted total net current expenditure by local authorities in England totals £114.4 billion in 2012-13, compared with £118.1 billion in 2011-12, a decrease of 3.1%.
- 34.3% of budgeted total net current expenditure in 2012-13 is on education, 18.6% on social care, 17.1% on housing benefits and 10.1% on police.

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

- There has been an overall decrease in budgeted net current expenditure across all public services, between 2011-12 and 2012-13, with the exception of Children and Families Social Care services, which is expected to increase from £6.3 billion to £6.5 billion, an increase of 3.3%, and Central Services, which is expected to increase from £3.5 billion to £3.6 billion, an increase of 1.3%.
- Budgeted Net current expenditure on education services has reduced by 8.6%, from 2011-12 to 2012-13. This is largely owing to a reduction in secondary school expenditure from £15.6 billion in 2011-12 to £12.0 billion in 2012-13. This has been impacted on by a number of secondary schools moving to academy status, where academies are directly funded by central government and are independent of local government control.

### **Mandatory Housing Benefits**

- Rent allowances (within mandatory housing benefits), which are paid to tenants of private landlords and registered social landlords, has increased from £13.9 billion in 2011-12 to £14.9 billion in 2012-13, an increase of 7.3%.

**Table 1: Budgeted net current expenditure by service 2011-12 and 2012-13**

	£ million		
	Net current expenditure 2011-12	Net current expenditure 2012-13	% Change
Education	43,002	39,289	-8.6
Highways & transport	5,602	5,272	-5.9
Social care	21,201	21,249	0.2
<i>of which:</i>			
<i>Children and Families Social Care</i>	6,303	6,513	3.3
<i>Adult Social Care</i>	14,898	14,736	-1.1
Housing (excluding Housing Revenue Account)	2,339	2,179	-6.9
Cultural, environment & planning	9,796	9,460	-3.4
<i>of which:</i>			
<i>Cultural</i>	3,059	2,913	-4.8
<i>Environmental</i>	5,339	5,259	-1.5
<i>Planning and development</i>	1,398	1,288	-7.9
Police	11,840	11,604	-2.0
Fire & rescue	2,224	2,217	-0.3
Central services	3,525	3,570	1.3
Mandatory Housing Benefits	18,448	19,583	6.2
<i>of which:</i>			
<i>Rent Allowances</i>	13,925	14,936	7.3
<i>Rent Rebates to Non-HRA Tenants</i>	488	476	-2.4
<i>Rent rebates to HRA tenants</i>	4,035	4,170	3.4
Other services	82	9	
Appropriations to(+) / from(-) accumulated absences account <sup>(1)</sup>	-	-11	
<b>Total net current expenditure</b>	<b>118,059</b>	<b>114,421</b>	<b>-3.1</b>

(1) Appropriations to / from accumulated absences account were not collected on the 2011-12 RA form.

## **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 2011-12 and 2012-13. 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 2012-13.

### **Revenue Expenditure**

- Revenue expenditure on a non-IAS19 basis is budgeted to be £98.4 billion in 2012-13, a decrease from £101.9 billion in 2011-12.
- 27.1% of budgeted revenue expenditure on a non-IAS19 basis in 2012-13 is estimated to be funded through council tax, 28.4% through formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) and 44.4% through specific grants inside Aggregate External Finance (AEF) and Local Services Support Grant.

### **Central Government Grants**

- Formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) totals £27.8 billion in 2012-13, a decrease from 29.4 billion in 2011-12.
- Specific grants inside Aggregate External Finance are estimated to amount to £43.5 billion.
- Local Services Support Grant amounted to £160 million in 2012-13.
- The funding of central government grants amounted to £71.5 billion in 2012-13, a decrease from £74.3 billion in 2011-12. This comprised of specific grants inside AEF, Local Services Support Grant and Formula Grant.

### **Council Tax**

- £26.7 billion is required to be raised locally through council tax to finance revenue expenditure. Of this, £4.2 billion will be paid into the collection fund as council tax benefit; local authorities receive a specific grant outside AEF to cover council tax benefit, in 2012-13 this is estimated at £4.4 billion and is included in revenue expenditure. The amount of council tax expected to be collected from domestic properties in England is £22.5 billion and of this £384 million will be paid to parish or town councils by Unitary Authorities, Metropolitan and Shire Districts to fund their expenditure.

### **Reserve Levels**

- In 2012-13 local authorities are budgeting to draw down £21 million from their reserves to finance their revenue expenditure. However, this includes figures for Greater London Authority, who are budgeting to add £481 million to their reserves. Excluding GLA, authorities are budgeting to draw down £501 million from their reserves.
- Historically, for reserves levels:
  - In 2008-09 local authorities budgeted to draw down £1,204 million, with GLA contributing to £668 million of the draw down
  - In 2009-10 local authorities budgeted to draw down £1,635 million, with GLA contributing to £815 million of the draw down

- In 2010-11 local authorities budgeted to add £10 million. This was a result of GLA adding £409 million to their reserves, due to an early cross rail funding (£1.2 billion) for TfL's investment program, to be used in subsequent years. The remaining authorities budgeted to draw down £399 million from their reserves.
- In 2011-12 local authorities budgeted to draw down £971 million, with GLA contributing to £134 million of the draw down.
- In 2012-13 for non-school reserves: 39.9% of local authorities in England are budgeting to add to their reserve levels, 54.5% to draw out from their reserves and 5.6% with no change. If comparing to 2011-12, 25.9% budgeted to add to their reserve levels, 67.1% budgeted to draw out from their reserves and 7.0% had no change.

#### **Other Financing Items**

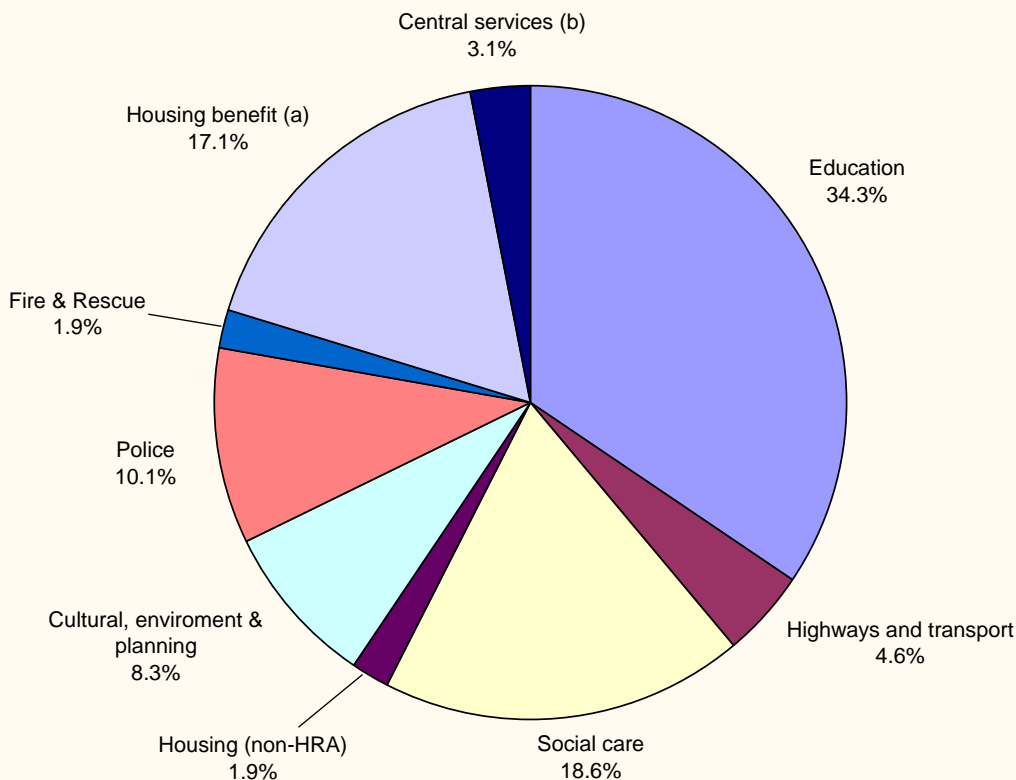
- Capital financing costs in the 2012-13 budget amount to £4.3 billion, while £1.7 billion has been budgeted for capital expenditure charged to the revenue account (CERA), of which £1.2 billion related to Greater London Authority (GLA). In 2011-12, £1.2 billion had been budgeted for CERA, of which £0.7 billion related to GLA. Therefore if we exclude GLA, CERA has increased from £432 million in 2011-12 to £583 million in 2012-13, an increase of 35.1%.
- Interest receipts were estimated to be £404 million in 2012-13, compared with £390 million in 2011-12, which is an increase of 3.5%.

**Table 2: Budgeted revenue expenditure and financing on a non-IAS19 basis: 2011-12 and 2012-13**

	£ million	
	2011-12 Net current expenditure non-IAS19	2012-13 Net current expenditure non-IAS19
<b>Total net current expenditure</b>	<b>118,059</b>	<b>114,421</b>
plus non-current expenditure		
Capital financing	4,202	4,344
Capital Expenditure charged to Revenue Account	1,171	1,741
Council tax benefit	4,141	4,189
Discretionary Non-Domestic Rate relief	29	30
Bad debt provision	45	49
Flood defence payments to Environment Agency	32	31
Private Finance Initiative (PFI) schemes - difference from service charge	34	57
Appropriations to(+)/ from(-) financial instruments adjustment account <sup>(a)</sup>	2	-31
Appropriations to(+)/ from(-) unequal pay back pay account <sup>(b)</sup>	10	8
<i>less interest receipts</i>	390	404
<i>less specific grants outside AEF <sup>(c)</sup></i>	25,229	25,826
<i>less Business Rates Supplement</i>	222	226
<i>less Community Infrastructure Levy</i>	0	0
<i>less Carbon Reduction Commitment</i>	-	-36
<b>Revenue expenditure</b>	<b>101,885</b>	<b>98,416</b>
financed by:		
Specific grants inside AEF <sup>(c)</sup>	44,649	43,539
Local Services Support Grant (LSSG)	189	160
Transfers and adjustments <sup>(d)</sup>	1	0
Appropriations from other revenue reserves	971	21
Formula grant	29,436	27,802
<i>of which:</i>		
<i>Revenue Support Grant</i>	5,873	448
<i>Redistributed non-domestic rates</i>	19,017	23,129
<i>Police Grant</i>	4,546	4,224
General Greater London Authority (GLA) Grant	63	50
Other items	126	131
<b>Council tax requirement</b>	<b>26,451</b>	<b>26,715</b>
<p>(a) Adjustments permitted by regulation to the revenue account charges for financial instruments.</p> <p>(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.</p> <p>(c) Aggregate External Finance; see Background Notes for definition</p> <p>(d) Inter-authority transfers in respect of reorganisation.</p>		



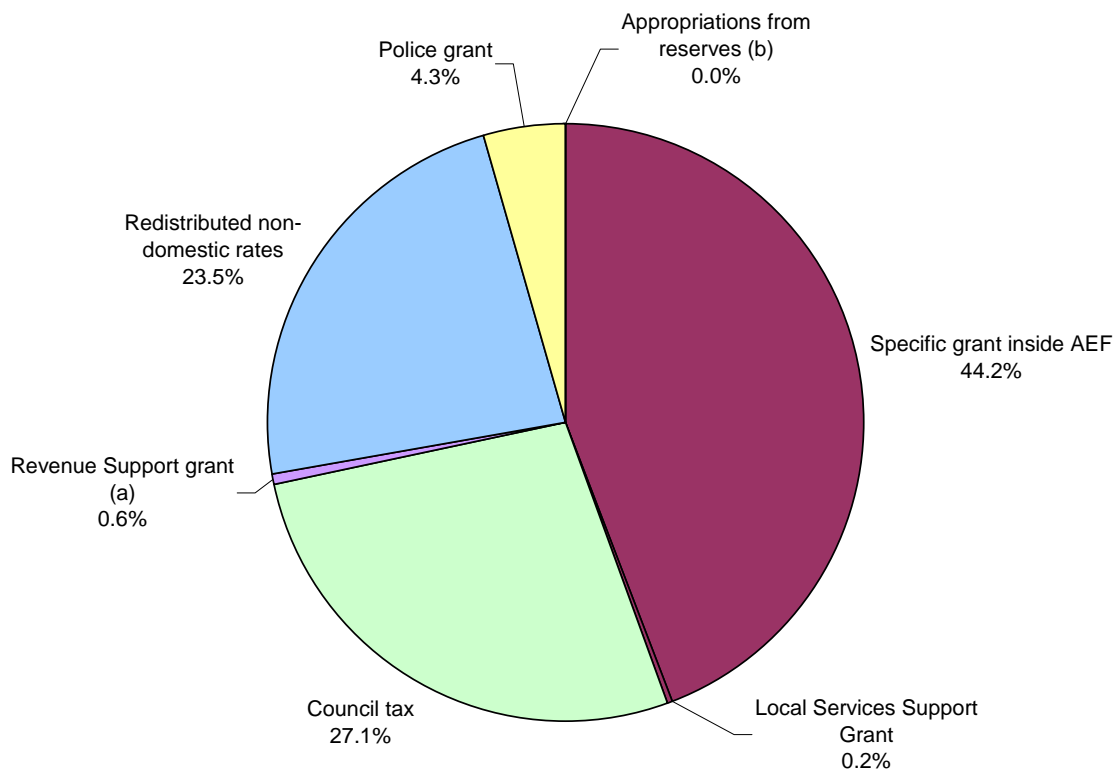
**Chart A: Budgeted total net current expenditure by service 2012-13**



(a) Housing benefit includes mandatory rent allowances and rent rebates

(b) Central services include courts and other services relating to administration costs for council tax and non-domestic rates collection

**Chart B: Budgeted financing of revenue expenditure 2012-13**



(a) Revenue Support Grant includes General GLA grant and 'Other items' (relating to amounts in respect of collection fund surpluses / deficits and community charge items for 2010-11, transferable from / to collection fund in 2011-12)

(b) Appropriations from reserves includes cash drawn from school and non-school reserves and any inter-authority transfers in respect or re-organisation (e.g. transfer of funds between authorities in respect of boundary changes)

3. **Table 3** shows the funding of budgeted revenue expenditure in terms of government grants, redistributed non-domestic rates and council taxes from 2006-07 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 2012-13, 49.2% of budgeted revenue expenditure on a non-IAS19 basis is estimated to be funded by government grants (including Revenue Support Grant, specific grants inside Aggregate External Finance, Local Services Support Grant, Police grant and General (GLA) grant), 27.1% by council tax and 23.5% by redistributed non-domestic rates.

**Table 3: Financing of revenue expenditure since 2006-07<sup>(a)</sup>**

	£ million						
	Revenue Expenditure (£ million)	Government grants (£ million)	% of total	Redistributed non-domestic rates (£ million)	% of total	Council tax (£ million)	% of total
<b>Outturn</b>							
2006-07 <sup>(a)</sup>	88,172	49,093	55.7	17,506	19.9	22,453	25.5
2007-08 <sup>(a)</sup>	92,384	51,656	55.9	18,506	20.0	23,608	25.6
2008-09 <sup>(a)</sup>	98,107	53,007	54.0	20,506	20.9	24,759	25.2
2009-10 <sup>(a)</sup>	103,276	57,755	55.9	19,515	18.9	25,633	24.8
2010-11 <sup>(b)</sup>	104,334	57,736	55.3	21,517	20.6	26,254	25.2
<b>Budget</b>							
2011-12 <sup>(b)</sup>	101,885	55,320	54.3	19,017	18.7	26,451	26.0
2012-13 <sup>(b)</sup>	98,416	48,421	49.2	23,129	23.5	26,715	27.1

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

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

4. **Table 4** shows how revenue expenditure is financed by its various components, which include central government grants, use of reserves (school and non-school), other items and council tax requirement. Council tax requirement is further split into two groups; (1) council tax expected to be collected from domestic properties (excluding parish precepts), and (2) parish precepts.

- Greater London Authority (GLA), proportionally, requires the lowest amount of council tax to finance their revenue expenditure, at 13.5%.
- If we exclude "Other Authorities", GLA has the highest percentage of revenue expenditure which is being financed by central government grants, at 77.6%. The second highest class of authorities being outer London Boroughs, at 53.0%.

**Table 4: Financing of revenue expenditure in 2012-13 by local authority classification**

Local Authority Class	Financing components of Revenue Expenditure <sup>(a)</sup>						£ million	
	Government Grants <sup>(b)</sup>			Redistributed Non-Domestic Rates <sup>(c)</sup>		Council Tax <sup>(d)</sup>		
	Revenue Expenditure	Total	% of Revenue Expenditure	Total	% of Revenue Expenditure	Total	% of Revenue Expenditure	
<b>Greater London Authority</b>	6,950	5,394	77.6%	1,092	15.7%	935	13.5%	
<b>Shire Counties</b>	26,394	13,235	50.1%	4,280	16.2%	8,718	33.0%	
<b>Shire Districts</b>	3,087	339	11.0%	1,118	36.2%	1,569	50.8%	
<b>Inner London Boroughs</b>	5,809	2,728	47.0%	2,070	35.6%	952	16.4%	
<b>Outer London Boroughs</b>	8,404	4,455	53.0%	1,847	22.0%	2,096	24.9%	
<b>Unitary Authorities <sup>(e)</sup></b>	18,005	8,585	47.7%	4,263	23.7%	5,096	28.3%	
<b>Metropolitan Districts</b>	19,392	9,588	49.4%	5,431	28.0%	4,186	21.6%	
<b>Police Authorities</b>	8,470	3,684	43.5%	2,287	27.0%	2,398	28.3%	
<b>Fire Authorities</b>	1,557	63	4.1%	741	47.6%	764	49.1%	
<b>Other Authorities <sup>(f)</sup></b>	350	352	100.7%	0	0.0%	0	0.0%	
<b>ENGLAND</b>	<b>98,416</b>	<b>48,421</b>	<b>49.2%</b>	<b>23,129</b>	<b>23.5%</b>	<b>26,715</b>	<b>27.1%</b>	

(a) Other items and use of reserves have not been included, although they part finance revenue expenditure. Therefore percentages would not add to 100% because of these missing elements

(b) Central Government Grants includes Local Services Support Grant, Specific Grants inside Aggregate External Finance, Revenue Support Grant, Police Grant and General GLA Grant

(c) Re-distributed non-domestic rates; business rates tax which has been paid into the non-domestic rating pool, and redistributed between local authorities on the basis of population, as part of the formula grant

(d) Council Tax Requirement is the amount local authorities expect to collect from all domestic properties within their boundary, including parish and town councils.

(e) Unitary Authorities includes Isle of Scilly.

(f) Other authorities comprise of Waste Disposal Authorities (WDA), Integrated Transport Authorities (ITA) and National Park Authorities. For WDA and ITA, the core financing of their service expenditure comes from Waste Disposal and Integrated Transport levies respectively, funded by their constituent authorities, which is already included in revenue expenditure.

## **Budgeted income from specific grants**

5. **Table 5** shows the top five incomes from specific grants inside and outside Aggregate External Finance. Details on all income from specific grants can be found in **Annex B**.

- In 2012-13, Dedicated Schools Grant (DSG), which is ring-fenced, is budgeted to account for 72.2% of the income received by local authorities through specific grants inside Aggregate External Finance.
- In 2012-13, DSG is budgeted to account for 44.0% of the total income received by local authorities through central government grants (which include redistributed non-domestic rates). In 2011-12, DSG accounted for 46.4% of the income received by central government grants.

**Table 5: Top five incomes from specific grants budget 2012-13**

	<b>Line Reference</b>	<b>£ million</b>
<b>Grants inside Aggregate External Finance</b>		
Dedicated Schools Grant (DSG)	SG line 102	31,434
GLA Transport Grant	SG line 221	3,538
Early Intervention Grant	SG line 158	2,355
Learning Disability and Health Reform Grant	SG line 312	1,284
Pupil Premium Grant	SG line 103	862
<b>Grants outside Aggregate External Finance</b>		
Mandatory Rent Allowances: subsidy	SG line 745	13,782
Council Tax Benefit: subsidy	SG line 741	4,387
Rent Rebates Granted to HRA Tenants: subsidy	SG line 747	3,430
Sixth Form Funding from Young People's Learning Agency (YPLA)	SG line 716	1,406
Mandatory Rent Rebates outside HRA: subsidy	SG line 746	1,231

## Distribution of revenue spending, central government grants by geography and local authority class

6. **Table 6** gives comparisons of revenue spending per capita across government regions by local authority class. **Table 7** shows the amount of money available from central government funding per capita across government regions and by local authority class. **Table 8** shows the amount of council tax required (including from parish and town councils) per capita across regions and by local authority class.

- In 2012-13, London has the highest amount of budgeted revenue spending per capita, at £2,708, across all regions in England. North West region was second highest at £1,954 per capita. South West has budgeted to have the lowest revenue spending per capita across all regions, at £1,566.

**Table 6: Revenue expenditure per capita <sup>(a)</sup> by region and local authority classification**

	Local Authority Classification <sup>(b)</sup>										£ per capita
	Greater London Authority	Shire Counties	Shire Districts	Inner London Boroughs (c)	Outer London Boroughs	Unitary Authorities (d)	Metropolitan Districts	Police Authorities	Fire Authorities	Other Authorities (e)	
North East	–	–	–	–	–	1,637	1,667	216	55	29	<b>1,926</b>
North West	–	1,396	165	–	–	1,569	1,743	221	45	22	<b>1,954</b>
Yorkshire & the Humber	–	1,288	157	–	–	1,439	1,608	198	43	24	<b>1,810</b>
East Midlands	–	1,220	142	–	–	1,697	–	177	41	198	<b>1,635</b>
West Midlands	–	1,202	136	–	–	1,491	1,820	201	44	–	<b>1,838</b>
East of England	–	1,225	150	–	–	1,517	–	172	45	650	<b>1,600</b>
London	888	–	–	2,040	1,688	–	–	–	–	6	<b>2,708</b>
South East	–	1,287	144	–	–	1,500	–	176	42	100	<b>1,656</b>
South West	–	1,190	145	–	–	1,366	–	178	45	168	<b>1,566</b>
<b>ALL</b>	<b>888</b>	<b>1,252</b>	<b>146</b>	<b>2,040</b>	<b>1,688</b>	<b>1,501</b>	<b>1,711</b>	<b>191</b>	<b>44</b>	<b>17</b>	<b>1,884</b>

(a) Figures per capita calculated using ONS mid-year 2010 population estimates

(b) Comparisons between different authority classes may not be valid due to variations in responsibility.

(c) Inner London Boroughs include City of London

(d) Unitary Authorities includes Isle of Scilly

(e) Other Authorities include Waste Disposal and Integrated Transport Authorities

## **Detailed budget information**

7. **Annex A** (RA12) and **Annex B** (RASG12) 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/usfulinformation/formstimetable/revenueforms/>

### **Service Net Current Expenditure**

- Net current expenditure on secondary schools has decreased from £15,607 million in 2011-12 to £12,036 in 2012-13, a reduction of 22.9%. This is partly due to a number of schools changing their status to become academies, which are funded directly from the Department for Education and so their expenditure is not part of the local government data reported in this release.
- Net income on congestion charging is expected to increase from £115 million in 2011-12 to £136 million in 2012-13. This increase in net income between the two financial years is due to Greater London Authority (GLA), who were due to increase their net income from £120 million to £139 million from 2011-12 to 2012-13.
- Net income on parking services (off-street and on-street parking) is expected to rise from £569 million in 2011-12 to £601 million in 2012-13, which is an increase of 5.7%.
- Net current expenditure on public transport, support to operators has decreased from £1,811 million in 2011-12 to £1,279 million in 2012-13, a reduction of 29.4%. This decrease in net current expenditure is due to Greater London Authority (GLA), who were due to decrease their net current expenditure from £1,150 million in 2011-12 to £645 million in 2012-13.
- Net current expenditure on housing services decreased from £2,302 million in 2011-12 to £2,160 million in 2012-13, a decrease of 6.2%. The majority of this decrease was due to a reduction in net current expenditure on Housing Welfare: Supporting People, which decreased from £1,174 million in 2011-12 to £1,027 million in 2012-13.

## Comparison with Forecasted Outturn

8. Local Authorities in England submit budget data to the Department before the start of each financial year on the Revenue Account (RA) form, and on the Revenue Outturn (RO) form after the end of the year. From 2011-12, authorities also submitted outturn figures on a quarterly basis for the first three quarters of the financial year, on the Quarterly Revenue Outturn (QRO) form. Comparisons are made between the RA figures submitted by authorities and their QRO forecasted outturn figures. Authorities also estimate their final end of year outturn figures for service expenditure and net current expenditure each quarter, and the figures in the table below include these estimates submitted from the quarter three forecasted outturn returns.

**Table 7: Comparison of service expenditure and net current expenditure**

	2011-12		2012-13
	Budget <sup>(a)</sup>	Forecasted Outturn <sup>(b)</sup>	Budget <sup>(a)</sup>
Total Service Expenditure	99,504	99,938	94,737
Net Current Expenditure	118,059	118,565	114,421

(a) Budget data from the Revenue Account Budget (RA) returns  
(b) Forecasted outturn data from the Quarterly Revenue Outturn (QRO) returns. Figures are taken from the final year estimates provided in the quarter 3 returns (based on 1 April to 31 December figures).

9. The figures in Table 7 show only a small difference between the outturn figures from the QRO returns and the budget figures from RA returns for 2011-12. Both the total service expenditure and net current expenditure figures were 0.4% higher in the QRO returns.
10. However, the expenditure in the final quarter of 2011-12 would need to be significantly higher than outturn figures for the first three quarters in order to meet the forecasted outturn for the year. It is also likely that the forecasts submitted by authorities have not fully taken into account the effect of in-year changes, such as the changes to academy schools. A small increase in outturn in the final quarter of 2011-12 would give final service expenditure and net current expenditure figures for 2011-12 around £1bn to £2bn lower than the forecasted outturn figures in Table 7.

**Annex A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13**

			£ thousand
	Net current expenditure	Capital charges	Net total cost excluding specific grants
<b>Education Services</b>			
110 Early years	2,801,132	64,045	2,865,176
120 Primary schools	17,535,427	984,508	18,519,936
130 Secondary schools	12,035,503	908,154	12,943,657
140 Special schools	2,576,579	88,546	2,665,124
150 Services to young people and other community learners	1,466,137	78,881	1,545,018
160 Other strategic functions	2,874,336	171,690	3,046,029
<b>190 TOTAL EDUCATION SERVICES (total of lines 110 to 160)</b>	<b>39,289,117</b>	<b>2,295,825</b>	<b>41,584,943</b>
<b>Highways and Transport Services</b>			
210 Transport planning, policy and strategy	253,279	39,393	292,671
220 Capital charges relating to construction projects	0	1,418,465	1,418,465
230 Structural maintenance	630,168	373,058	1,003,226
247 Environmental, safety and routine maintenance	903,620	226,322	1,129,941
248 Winter service	152,079	6,181	158,260
249 Street lighting (including energy costs)	548,735	43,542	592,278
251 Traffic management and road safety: congestion charging	-136,284	61	-136,223
254 Traffic management and road safety: road safety education and safe routes (including school crossing patrols)	88,546	26,462	115,008
258 Traffic management and road safety: other	281,337	32,030	313,367
260 Parking services	-601,028	68,411	-532,617
271 Public transport: statutory concessionary fares	1,070,640	7,897	1,078,537
272 Public transport: discretionary concessionary fares	141,978	640	142,618
275 Public transport: support to operators	1,278,684	43,697	1,322,380
276 Public transport: co-ordination	667,372	495,231	1,162,603
280 Airports, harbours and toll facilities	-6,953	31,250	24,297
<b>290 TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280)</b>	<b>5,272,172</b>	<b>2,812,638</b>	<b>8,084,812</b>
<b>Children's Social Care</b>			
311 Children's social care: Service strategy	330,434	10,759	341,192
312 Children's social care: Commissioning and social work	1,330,615	4,917	1,335,533
321 Children's social care: Children looked after	2,723,283	10,816	2,734,100
322 Children's social care: Family support services	844,693	7,300	851,992
323 Children's social care: Youth justice	226,698	498	227,196
324 Children's social care: Children's and young people's safety	248,149	950	249,099
325 Children's social care: Asylum seekers	92,423	262	92,684
328 Children's social care: Other children's and families' services	716,915	8,654	725,569
<b>329 TOTAL CHILDREN'S SOCIAL CARE (total of lines 311 to 328)</b>	<b>6,513,208</b>	<b>44,154</b>	<b>6,557,364</b>
<b>Adult Social Care</b>			
330 Social care strategy - adults	64,421	1,354	65,773
340 Older people (aged 65 or over) including older mentally ill	6,799,771	95,463	6,895,234
351 Adults aged under 65 with physical disability or sensory impairment	1,470,369	13,168	1,483,538
352 Adults aged under 65 with learning disabilities	5,005,606	49,777	5,055,385
353 Adults aged under 65 with mental health needs	1,079,169	11,007	1,090,175
375 Other adult social care - asylum seekers - lone adults	15,054	141	15,195
379 Other adult social care - other	301,130	12,108	313,237
<b>390 TOTAL ADULT SOCIAL CARE (total of lines 330 to 379)</b>	<b>14,735,517</b>	<b>183,016</b>	<b>14,918,536</b>



**Annex A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13 (continued)**

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
<b>Housing Services (GFRA only)</b>			
409 Housing strategy, advice, advances, enabling, renewals and licensing	282,669	158,035	440,706
440 Homelessness	309,328	755,479	1,064,807
456 Housing benefits: rent allowances and rent rebates - discretionary payments	22,137	49	22,186
457 Housing benefits administration	476,892	5,258	482,150
460 Other council property - travellers' sites and non-HRA housing	21,522	18,771	40,292
475 Housing welfare: Supporting People	1,026,877	1,465	1,028,343
478 Other welfare services	20,381	2,647	23,028
<b>490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 409 to 478)</b>	<b>2,159,802</b>	<b>941,704</b>	<b>3,101,507</b>
<b>Cultural and related Services</b>			
500 Archives	41,229	3,859	45,088
501 Culture and heritage (excluding Archives)	471,279	92,898	564,177
502 Recreation and sport	752,200	264,122	1,016,323
503 Open spaces	748,602	93,309	841,909
504 Tourism	82,527	7,909	90,436
505 Library service	817,066	74,026	891,092
<b>509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 500 to 505)</b>	<b>2,912,904</b>	<b>536,120</b>	<b>3,449,026</b>
<b>Environmental and Regulatory Services</b>			
510 Cemetery, cremation and mortuary services	-32,585	19,690	-12,895
519 Regulatory services: Trading standards	148,138	1,319	149,457
520 Regulatory services: Water safety	2,164	20	2,184
521 Regulatory services: Food safety	107,027	666	107,694
522 Regulatory services: Environmental protection; noise and nuisance	151,963	2,133	154,095
523 Regulatory services: Housing standards	40,535	7,551	48,086
524 Regulatory services: Health and safety	47,010	333	47,343
525 Regulatory services: Port health	2,424	152	2,576
526 Regulatory services: Pest control	26,035	397	26,433
527 Regulatory services: Public conveniences	70,238	13,781	84,019
528 Regulatory services: Animal and public health; infectious disease	91,698	2,171	93,870
529 Regulatory services: Licensing - Alcohol and entertainment licensing; taxi licensing	6,090	792	6,882
531 Community safety (Crime reduction)	188,547	3,669	192,216
532 Community safety (Safety services)	113,593	1,519	115,111
533 Community safety (CCTV)	56,054	11,238	67,292
541 Defences against flooding	26,331	3,558	29,889
543 Land drainage and related work	38,978	1,563	40,541
547 Coast protection	14,422	20,859	35,281
550 Agriculture and fisheries services	-6,441	2,839	-3,602
570 Street cleansing (not chargeable to Highways)	715,960	12,396	728,355
581 Waste collection	887,294	64,600	951,894
582 Waste disposal	1,976,025	37,052	2,013,078
583 Trade waste	-30,950	1,526	-29,424
584 Recycling	583,768	32,309	616,077
585 Waste minimisation	17,972	2,428	20,400
586 Climate change costs	16,479	93	16,572
<b>590 TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (total of lines 510 to 586)</b>	<b>5,258,765</b>	<b>244,656</b>	<b>5,503,421</b>

**Annex A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13 (continued)**

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
<b>Planning and development Services</b>			
591 Building control	64,425	4,434	68,860
592 Development control	271,353	9,668	281,021
593 Planning policy	252,502	9,049	261,552
594 Environmental initiatives	71,062	19,782	90,846
595 Economic development	322,427	97,199	419,625
596 Community development	292,902	12,196	305,097
597 Economic research	8,133	139	8,273
598 Business Support	5,321	14,424	19,744
<b>599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 598)</b>	<b>1,288,126</b>	<b>166,893</b>	<b>1,455,015</b>
<b>601 TOTAL POLICE SERVICES</b>	<b>11,604,288</b>	<b>396,584</b>	<b>12,000,872</b>
<b>602 TOTAL FIRE AND RESCUE SERVICES</b>	<b>2,217,174</b>	<b>115,681</b>	<b>2,332,855</b>
<b>Central Services</b>			
604 Coroners' court services	72,638	456	73,094
605 Other court services	2,809	2,054	4,863
610 Corporate and democratic core	1,602,677	73,488	1,676,166
623 Local tax collection: council tax discounts - locally funded	10,743	96	10,839
625 Local tax collection: council tax benefits administration	284,907	3,487	288,393
628 Local tax collection: other	256,780	4,771	261,550
650 Emergency planning	52,669	1,695	54,363
675 Central services to the public: other	297,303	40,514	337,818
681 Non-distributed costs - retirement benefits	573,326	2,471	575,797
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	5,299	31,105	36,404
683 Non-distributed costs - depreciation / impairment of surplus costs etc	0	25,459	25,459
<b>690 TOTAL CENTRAL SERVICES (total of lines 604 to 683)</b>	<b>3,159,149</b>	<b>185,596</b>	<b>3,344,745</b>
<b>698 TOTAL OTHER SERVICES</b>	<b>326,663</b>	<b>107,919</b>	<b>434,579</b>
<b>699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 329, 390, 490, 509, 590, 599, 601, 602, 690 and 698)</b>	<b>94,736,883</b>	<b>8,030,786</b>	<b>102,767,667</b>

**Annex A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13 (continued)**

	£ thousand
	<b>Net current expenditure</b>
711 Housing benefits: rent allowances - mandatory payments	14,936,498
712 Housing benefits: non-HRA rent rebates - mandatory payments	476,112
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	4,170,260
714 Housing benefits: subsidy limitation transfers from HRA	5,795
718 Contribution to the HRA re items shared by the whole community	13,039
<b>Precepts and levies</b>	
721 Parish Precepts	384,416
722 Integrated Transport Authority levy	1
724 Waste Disposal Authority levy	0
727 London Pensions Fund Authority levy	26,295
728 Other levies	32,619
731 External Trading Accounts net surplus(-)/ deficit(+)	-204,591
732 Internal Trading Accounts net surplus(-)/ deficit(+)	-9,166
741 Capital charges accounted for in External Trading Accounts	-64,890
742 Capital charges accounted for in Internal Trading Accounts	-88,194
748 Adjustments to net current expenditure	16,519
<b>749 NET CURRENT EXPENDITURE (total of lines 699 to 748)</b>	<b>114,431,596</b>
754 Local tax collection: Council tax benefit paid to the Collection Fund	4,188,831
757 Local tax collection: Non-domestic rate relief - discretionary payments	29,830
759 Levy: Environment Agency flood defence	31,331
765 Capital expenditure charged to the GF Revenue Account (CERA)	1,740,614
771 Provision for bad debts (+/-)	48,653
773 Provision for repayment of principal	1,980,372
776 Leasing payments	15,297
781 Interest: external payments	3,043,246
783 Interest: HRA item 8 payments and receipts	-695,167
<b>785 SUB-TOTAL (total of lines 749 to 783)</b>	<b>124,814,600</b>
786 Interest and investment income (-): external receipts and dividends	-404,101
788 Private Finance Initiative (PFI) schemes - difference from service charge	57,141
789 Appropriations to(+)/ from(-) financial instruments adjustment account	-31,297
790 Appropriations to(+)/ from(-) unequal pay back pay account	7,564
791 Specific and special grants outside AEF [SG line 799 as income]	-25,826,216
792 Appropriations to(+)/ from(-) Accumulated Absences Account	-10,841
793 Business Rates Supplement	-226,000
794 Community Infrastructure levy	0
795 Carbon Reduction Commitment (CRC) transactions (expenditure) (+)	37,143
796 Carbon Reduction Commitment (CRC) transactions (income) (-)	-1,549
<b>800 REVENUE EXPENDITURE (total of lines 785 to 796)</b>	<b>98,416,444</b>
803 Local Services Support Grant	-160,143
804 Specific and special grants inside AEF [SG line 699 as income]	-43,538,575
<b>805 NET REVENUE EXPENDITURE (total of lines 800 to 804)</b>	<b>54,717,726</b>

**Annex A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13 (continued)**

	£ thousand
	<b>Net current expenditure</b>
806 Inter-authority transfers in respect of reorganisation	35
811 Appropriations to(+)/ from(-) schools' reserves	-51,938
815 Appropriations to(+)/ from(-) other earmarked financial reserves	254,593
816 Appropriations to(+)/ from(-) unallocated financial reserves	-223,323
851 Revenue Support Grant	-448,157
856 Police grant	-4,224,449
858 General GLA grant	-49,895
870 Redistributed non-domestic rates	-23,129,272
880 Other items	-130,733
<b>890 COUNCIL TAX REQUIREMENT (total of lines 805 to 880)</b>	<b>26,714,589</b>

**Annex A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13 (continued)**

	£ thousand	
<b>Financial reserves</b>	<b>At 1st April 2012</b>	<b>At 31 March 2013</b>
911 Estimated schools reserves level	1,946,280	1,894,342
915 Estimated other earmarked financial reserves level	8,535,567	8,790,160
916 Estimated unallocated financial reserves level	3,948,935	3,725,612
920 Prior Year Adjustments	3,120	
<b>Capital Charges</b>	<b>2012-13</b>	
931 Depreciation	5,116,009	
933 Loss on impairment of assets	469,037	
935 Credit for capital grants	-384,240	
936 Revenue Expenditure funded from Capital by Statute	2,829,978	
<b>939 Total capital charges (total of lines 931 to 936)</b>	<b>8,030,785</b>	
<b>Public transport: support to operators (GLA only)</b>	<b>2012-13</b>	
951 Payment to operators in respect of depreciation which is included in line 275	262,606	
979 Total service expenditure on non-IAS19 and PFI "On Balance Sheet" basis	94,044,560	
(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 A: RA12 General Fund Revenue Accounts Budget Estimate 2012-13 (continued)**

£ thousand

**Net total  
cost**
**Housing Revenue Account**
**Income**

4001 Dwelling rents (gross)	6,714,367
4002 Non-dwelling rents (gross)	190,828
4003 Tenants' leaseholders' and other charges for services and facilities	613,641
4004 Contributions towards expenditure (other than government grants and assistance)	100,529
4005 Government grants and assistance (including downward adjustments)	106,114
4006 Interest on investments credited direct to the HRA	15,102
4007 Transfers from GF or MRR and other transfers permitted or required by legislation	65,392
4008 HRA - Appropriation to/from Accumulated Absences Account	450
<b>4015 TOTAL HOUSING REVENUE ACCOUNT (HRA) INCOME (total of lines 4001 to 4008)</b>	<b>7,806,421</b>

**Expenditure**

4021 Repairs and maintenance	1,766,381
4022 Supervision and management (including CDC)	1,769,499
4023 Special services	585,636
4024 Rents, rates, taxes and other charges	115,537
4025 Interest payable and similar charges including amortisation of premiums and discounts, where charged direct to the HRA	1,164,415
4026 Charges to the HRA for debt repayment or non-interest charges in respect of credit arrangements (including on balance sheet PFI schemes)	1,148,578
4027 HRA - Capital expenditure charged to the GF Revenue Account (CERA)	643,716
4028 Debt management costs	40,014
4029 Transfers to GF or MRR and other transfers permitted or required by legislation	482,784
4030 HRA - Provision for bad debts (+/-)	66,865
<b>4035 TOTAL HOUSING REVENUE ACCOUNT (HRA) EXPENDITURE (total of lines 4021 to 4030)</b>	<b>7,783,426</b>

<b>4040 SURPLUS OR DEFICIT FOR THE YEAR ON HRA SERVICES (line 4015 minus 4035)</b>	<b>22,996</b>
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**At 1st April  
2012**
**At 31 March  
2013**

4046 Housing Revenue Account (HRA) Reserves	1,235,409	1,258,404
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**Annex B: RA(SG12) Income from specific grants budget 2012-13**

	<b>£ thousand</b>
<b>Grants inside Aggregate External Finance</b>	
102 Dedicated Schools Grant (DSG)	31,434,475
103 Pupil Premium Grant	862,243
158 Early Intervention Grant	2,354,646
221 GLA Transport Grant	3,538,025
231 Metropolitan Railway Passenger Services (include NEXUS Tyne and Wear Metro)	184,021
232 Mersey Travel	96,208
235 Local Sustainable Transport Fund	6,830
312 Learning Disability and Health Reform Grant	1,283,598
405 Housing and Council Tax Benefit Administration Subsidy	429,768
484 Right to Control Trailblazers	683
514 Housing Growth & Housing Market Renewal Transitional Fund	687
520 Neighbourhood Planning Front Runners	57
524 Greater London Authority Settlement	0
525 Preventing Repossessions Fund	1,397
526 Court Desk Revenue Grant	38
540 New Homes Bonus	344,745
541 Housing Mobility Demonstration pilot grant	0
543 Fire Revenue Grant	31,971
545 The Private Finance Initiative (PFI)	805,933
550 Council Tax Freeze Grant (2012-13 only - see guidance)	596,731
552 Weekly Collection Support Scheme	250
553 Gurkha Support Fund	0
573 Commons Pioneer Authorities	0
574 Household Reward and Recognition Fund	0
575 SuDS Maintenance Costs	0
576 Isles of Scilly Waste	0
581 National Parks & Broads	52,492
611 Asylum Seekers	69,681
626 Olympic Safety and Security	117,382
631 Counter Terrorism	445,344
643 Neighbourhood Policing Fund	318,197
644 Ending Gang and Youth Violence	3,833
645 Royal Parks Policing Grant	7,400
647 Probation Loan Charges	378
698 Other grants within AEF (enter in memorandum box A below)	551,563
<b>699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)</b>	<b>43,538,575</b>
<b>Grants outside Aggregate External Finance</b>	
708 Further Education funding from Skills Funding Agency - other 19+ funding	93,608
713 Higher Education Funding Council for England (HEFCE) Payments	12,666
715 Adult and Community Learning from Skills Funding Agency	223,424
716 Sixth Form Funding from Young People's Learning Agency (YPLA)	1,405,696
741 Council Tax Benefit: subsidy	4,386,611
744 Discretionary Housing Payments (DHPs)	985,293
745 Mandatory Rent Allowances: subsidy	13,781,942
746 Mandatory Rent Rebates outside HRA: subsidy	1,230,881
747 Rent Rebates Granted to HRA Tenants: subsidy	3,430,342
752 Housing Acts/ Urban Developments - contributions towards cost of loan charges	1,932
773 Rural Community Action Network (RCAN) / ACRE investment programme	0
775 Areas of Outstanding Natural Beauty (AONB)	3,787
791 European Community grants	33,815
798 Other grants outside AEF (enter in memorandum box B below)	236,220
<b>799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 708 to 798)</b>	<b>25,826,216</b>
<b>800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)</b>	<b>69,364,791</b>

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

	Line reference	Additional levies/transfers
<b>Education</b>	RA line 190	
<b>Highways and transport</b>	RA line 290 RA line 722	Integrated transport authority levy
<b>Social care</b>	RA line 329 RA line 390	
<b>Housing (excluding Housing Revenue Account)</b>	RA line 490 RA line 714 RA line 718	Subsidy limitation transfers from HRA Contribution to HRA re items shared by whole community
<b>Cultural</b>	RA line 509	
<b>Environment</b>	RA line 590 RA line 724	Waste disposal authority levy
<b>Planning</b>	RA line 599	
<b>Police</b>	RA line 601	
<b>Fire &amp; rescue</b>	RA line 602	
<b>Central services</b>	RA line 690 RA line 721 RA line 727	Parish precepts London Pensions Fund Authority levy
<b>Mandatory rent allowances</b>	RA line 711	
<b>Mandatory rent rebates</b>	RA line 712	
<b>Rent rebates granted to HRA tenants</b>	RA line 713	
<b>Other</b>	RA line 698 RA line 728 RA line 731  RA line 732  RA line 741  RA line 742  RA line 748	Other levies External Trading Accounts net surplus/deficit Internal Trading Accounts net surplus/deficit Capital Charges accounted for in External Trading Services Capital Charges accounted for in Internal Trading Services Adjustments
<b>Appropriations to(+) / from(-) accumulated absences account</b>	RA line 792	
<b>Total net current expenditure</b>	RA line 749 RA line 792	



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

	Line reference	Additional Information
<b>Total Net Current Expenditure</b>	RA line 749	
<b>Capital Financing</b>	RA line 773 RA line 776 RA line 781 RA line 783	Provision for repayment of principle Leasing payments Interest payments: external payments Interest: HRA item 8 payments and receipts
<b>Capital Expenditure charges to the Revenue Account</b>	RA Line 765	
<b>Council Tax Benefit</b>	RA Line 754	Local Tax Collection, council tax benefit paid to the collection fund
<b>Discretionary Non-Domestic Rate relief</b>	RA Line 757	Local Tax Collection, non-domestic rate relief - discretionary payments
<b>Bad debt provision</b>	RA Line 771	
<b>Flood defence payments to Environment Agency</b>	RA Line 759	Levy from Environment Agency for Flood Defence
<b>Private Finance Initiative (PFI) schemes - difference from service charge</b>	RA Line 788	
<b>Appropriations to(+)/ from(-) financial instruments adjustment account</b>	RA Line 789	
<b>Appropriations to(+)/ from(-) unequal pay back pay account (b)</b>	RA Line 790	
<b>Interest receipts</b>	RA Line 786	Interest and investments income - external receipts and dividends
<b>Specific grants outside AEF</b>	RA Line 791	
<b>Business Rates Supplement</b>	RA Line 793	
<b>Community Infrastructure Levy</b>	RA Line 794	
<b>Carbon Reduction Commitment</b>	RA Line 795 RA Line 796	
<b>Specific grants inside AEF</b>	RA Line 804	
<b>Local Services Support Grant (LSSG)</b>	RA Line 803	
<b>Appropriations from other revenue reserves</b>	RA Line 811	School Reserves
	RA Line 815	Other earmarked financial reserves
	RA Line 816	Unallocated financial reserves
<b>adjustments</b>	RA Line 806	Inter-authority transfers in respect of reorganisation
<b>Revenue Support Grant</b>	RA Line 851	
<b>Redistributed non-domestic rates</b>	RA Line 870	
<b>Police grant</b>	RA Line 856	
<b>General Greater London Authority (GLA) grant</b>	RA Line 858	
<b>Other items</b>	RA Line 880	
<b>Council tax requirement</b>	RA Line 880	



## Survey Design for collecting Revenue Accounts (RA) Budget Estimates in 2012-13

During March 2012 until April 2012, all 444 local authorities in England were requested to complete the Revenue Accounts (RA) Budget form to show all net current expenditure, capital charges and net total cost transactions relating to their public service expenditure from their general fund revenue account. This also included financing elements of net current expenditure through levy payments, interest receipts, central government grants, use of reserves, council tax requirement and other non-current expenditure items such as; capital financing, capital expenditure charged to the revenue account and other forms of discretionary payments and provisions. **Annex D** shows the distribution of local authorities responsible for completing the RA Budget forms by classification and region.

### Annex D: Distribution of Local Authorities by Region and Classification

	Local Authority Classification										ALL
	Greater London Authority	Shire Counties	Shire Districts	Inner London Boroughs <sup>(a)</sup>	Outer London Boroughs	Unitary Authorities <sup>(b)</sup>	Metropolitan Districts	Police Authorities	Fire Authorities	Other Authorities <sup>(c)</sup>	
North East	0	0	0	0	0	7	5	3	3	2	<b>20</b>
North West	0	2	18	0	0	6	15	5	4	5	<b>55</b>
Yorkshire & the Humber	0	1	7	0	0	5	9	4	4	4	<b>34</b>
East	0	5	36	0	0	4	0	5	3	1	<b>54</b>
Midlands	0	3	19	0	0	4	7	4	4	1	<b>42</b>
West	0	5	41	0	0	6	0	6	3	1	<b>62</b>
Midlands East of England	0	5	41	0	0	6	0	6	3	1	<b>62</b>
London	1	0	0	13	20	0	0	0	0	5	<b>39</b>
South East	0	7	55	0	0	12	0	5	5	2	<b>86</b>
South West	0	4	25	0	0	12	0	5	4	2	<b>52</b>
<b>ENGLAND</b>	<b>1</b>	<b>27</b>	<b>201</b>	<b>13</b>	<b>20</b>	<b>56</b>	<b>36</b>	<b>37</b>	<b>30</b>	<b>23</b>	<b>444</b>

(a) Inner London Boroughs include City of London

(b) Unitary Authorities includes Isle of Scilly

(c) Other Authorities include National Park Authorities, Waste Disposal and Integrated Transport Authorities

## **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. 22 2012. This is accessible at <http://www.communities.gov.uk/documents/statistics/pdf/2158981.pdf>. The most relevant terms for this release are explained below.

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

**Business Rates Supplement** is income which relates to specific projects expected to promote economic development. This includes income from levying a local supplement on the business rate and using the proceeds for investment in the local area.

**Current expenditure** - is the cost of running local authority services within the financial year. This includes the costs of staffing, heating, lighting and cleaning, together with expenditure on goods and services consumed within the year. This expenditure is offset by income from sales, fees and charges and other (non-grant) income, which gives **total net current expenditure** (line 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 DCLG provide for adjustments to those figures to prevent unreasonable increases in council tax. The first line allows for adjustments connected with borrowing and investments, including the regulation on Icelandic banks investments. The second allows for the regulation that permits a charge for unequal pay back pay to be deferred until payments are due to be made (accounting requires a charge as soon as the liability is established).

### **International Accounting Standard 19 (IAS 19)**

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

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

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

The defined benefit charges are not allowed to impact on council tax payers, the charge that must ultimately be carried by taxpayers is the employer's contributions due for the year.

Consequently, the effects on the revenue account are that the net current expenditure service lines are on a defined benefit basis, but the Budget Requirement is based on the cash contributions due. This neutrality is achieved by reversing out the impact of IAS19 and replacing this with the actual cash contributions.

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

**Local Services Support Grant** is a new unringfenced grant paid under section 31 of the Local Government Act 2003 to support local government functions.

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

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

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

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

**Formula Grant** – the main channel of government funding. This includes **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 800) - 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**.

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

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

## 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 2012-13 in this release is derived from Department for Communities and Local Government (DCLG) / CIPFA Revenue Account (RA) budget forms and is based on valid returns from all 444 local authorities in England.
3. Only data for authorities that have completed a valid form is used in the computation of national figures for the statistical release. If we do not hold a complete set of revenue data for authorities in England, we use the grossing methodology to compute the national figures. This method does not calculate figures for missing or invalid authorities; it only derives an England national figure based on the following properties;
  - i. data currently held from validated authorities
  - ii. number of missing or invalid authorities and what type of classification group they fit in (e.g. Single Purpose Authorities, Shire Districts, Shire Counties, Unitary Authorities, Metropolitan Districts, London Boroughs etc.)

As we received valid data from all authorities in England there has not been a need to use this grossing methodology

4. Figures are subjected to rigorous pre-defined validation tests both within the form itself, while the form is being completed by the authority and also by Department for Communities and Local Government and CIPFA as the data are received and stored. These include:
  - i) **In form validation:** This refers to warnings that are built into the excel forms that are sent to authorities. Forms have been pre-programmed with sense checks to highlight figures outside a set range. If an authority inputs figures that are likely to be incorrect, the form flags up to the officer inputting the data that this value could be incorrect. In some fields the figure can still be accepted if a reason is given whereas some cells will definitely be rejected as it is deemed impossible. In the majority of cases this means that the forms are returned completed and without any validation queries.
  - ii) **CLASS (Computerised Local Authority Statistics System) validation:** Once the figures have been received by DCLG, they get inputted onto the CLASS database, which has built in checks that return errors and warnings for unexpected figures. CLASS can then be asked to output a list of warnings and errors which a team member can look through and contact an authority about if necessary.
  - iii) **Manual (or analytical) validation:** These are extra checks done manually by the teams to double check the figures they receive. During this process the teams also liaise with relevant policy sections and the Group Accountant to clarify and rectify any anomalies. Furthermore the data received from LAs are compared with other data sources (both internal and external).
  - iv) **Post validation:** Figures get checked and double-checked on the statistical releases. Particular attention is paid to making sure the values have been entered correctly and the figures on the graphs and tables correlate with each other.
5. Service Reporting Code of Practice (SERCOP) is a set of general guidance notes which are provided to local authorities, providing them with instructions on how to account on various elements of public service expenditure. The services are primarily broken down into a few main groups (e.g. Children and Family Services, Housing Services, Central services). Within each group, detailed guidance is provided on all possible elements of spending,

which a LA could have responsibility over. The SERCOP is used by all LA's as a foundation for constructing their accounts in the financial year. Therefore the categorisation defined by SERCOP is used as a basis for our form design and guidance, enabling LA to report their financial data under the correct headings – improving quality of the outputs. In-depth discussions take place with several authorities, prior to them being put forward to Central and Local Government Information Partnership/Finance (CLIP/F) for agreement, as part of our ongoing review of enhanced data collection. CLIP/F is also kept informed of the full planned developments to meet the HM Treasury and ONS requirements.

For a summary of SERCOP please see the following web link including information on legislative requirements:

<http://www.cipfastats.net/sercop/>

### **Uses made of the data**

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, other government departments, members of the business community and the general public.
3. The Audit Commission supports auditors by supplying them with a variety of data and indicators. Auditors use this information to inform their Value for Money conclusions. The conclusions are mainly based on outturn expenditure data however the Revenue Account budget data are used by auditors to help plan their Value for Money work for the following year.
4. Comments and feedback from end users for further improvement or about your experiences with this product will be welcomed. Please send all views to:  
[lqf1.revenue@communities.gsi.gov.uk](mailto:lqf1.revenue@communities.gsi.gov.uk)

## **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 1201 or email [press.office@communities.gsi.gov.uk](mailto:press.office@communities.gsi.gov.uk). For other enquiries, please contact Allan Cox on 0303 444 1333 or email [lqf1.revenue@communities.gsi.gov.uk](mailto:lqf1.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. 22 2012, which is available in hard copy from Communities and Local Government Publications, Cambertown House at [product@communities.gsi.gov.uk](mailto:product@communities.gsi.gov.uk) (Tel. 0300 123 1124) and electronically from the Communities and Local Government website: <http://www.communities.gov.uk/documents/statistics/pdf/2158981.pdf>.
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](http://www.doeni.gov.uk/index/local_government/local_government_funding.htm)

### **Symbols and conventions**

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

### **Rounding**

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