

Statistical Release

July 2003

LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

ENGLAND

2003-04 BUDGET

- **Budgeted net current expenditure by local authorities in England for 2003-04 is £78.2 billion. 39% of net current expenditure is on education, 18 % on social services and 12% on police.**
- **Budgeted revenue expenditure is £72.5 billion. 26% of this is to be raised through council tax, 61% from formula grant and 13% from specific grants.**

This Release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2003 to March 2004.

This information is derived from ODPM/CIPFA RA budget forms submitted by local authorities in England and is based on returns from all 478 local authorities. It has been compiled by the Local Government Finance Statistics division of ODPM.

This is the first time that this information has been issued as a National Statistics release.

Budgeted net current expenditure by service

Budgeted net current expenditure is summarised in **Table 1** and **Chart A**. Service expenditure is based on detailed information from the RA forms, which can be found in **Table 4**. The service lines have been created from this detailed information, according to the schema shown in **Table 6**, at the end of this release.

Budgeted net current expenditure totalled £78.2 billion in 2003-04.

Education, social services and police make up 68% (£53.4 billion) of the total of net current expenditure. The largest proportion of budgeted net current expenditure is on education with a share of 39%. Social services represent a further 18%, with police services contributing another 12%.

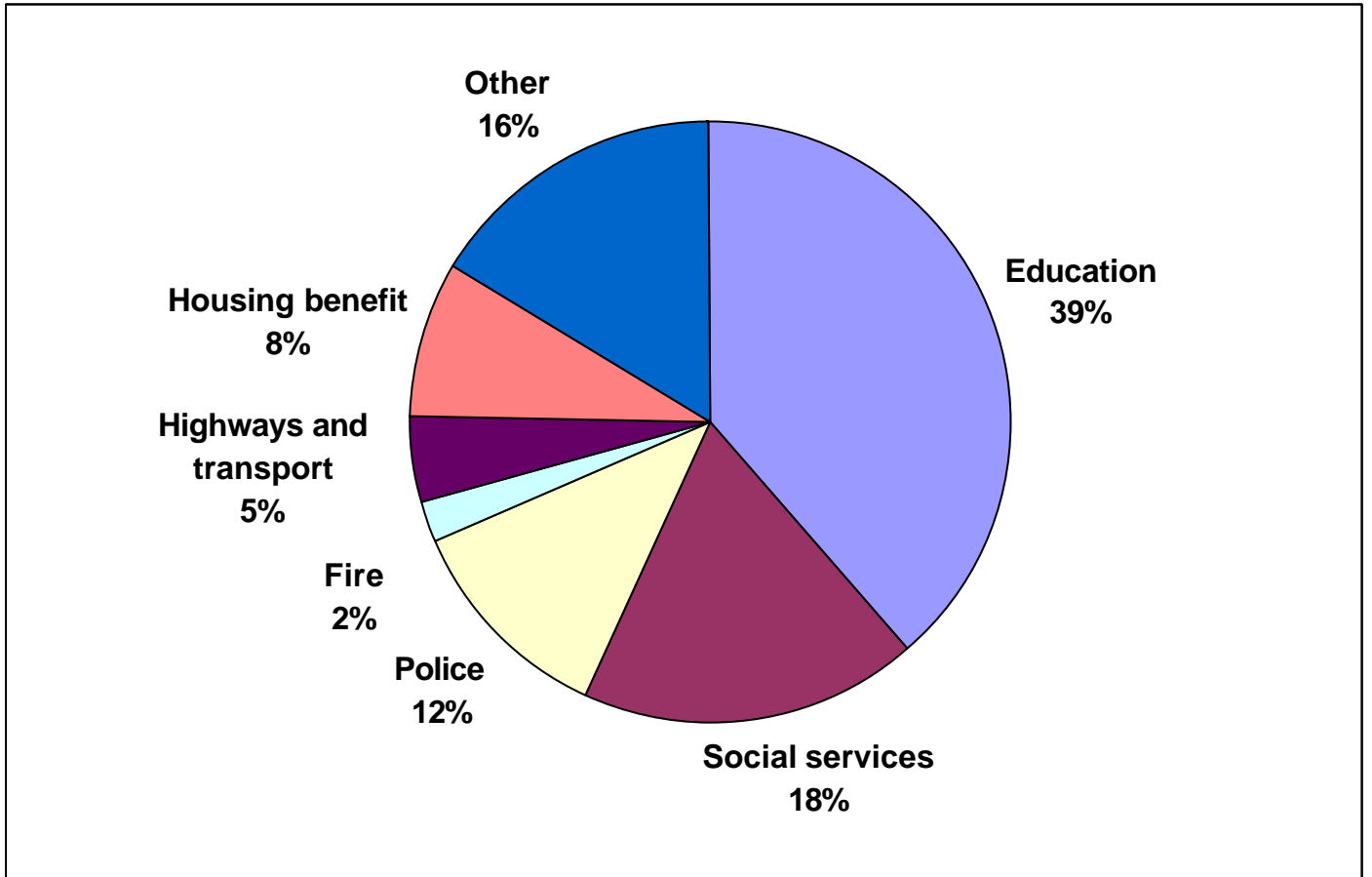
Table 1: Budgeted net current expenditure by service ^(a)

	£ million
	Net current expenditure
Central services	2,973
Courts services	391
Cultural services	2,680
Environment	3,457
Planning	1,428
Education ^(b)	30,186
Fire	1,852
Highways and transport	3,738
Non-HRA housing	1,318
Mandatory rent allowances	6,028
Mandatory rent rebates	371
Police	9,140
Social services	14,083
Undefined	604
Total net current expenditure	78,250

(a) includes levies and transfers - see Table 6

(b) includes mandatory student awards of £58 million

Chart A : Budgeted net current expenditure by service



Housing benefit includes mandatory rent allowances and mandatory rent rebates.

Revenue expenditure

Table 2 shows the link between the definitions of net current and revenue expenditure and shows how revenue expenditure was financed. A more detailed breakdown of this information can be found in **Table 4**.

Budgeted revenue expenditure in 2003-04 was £72.5 billion.

Capital financing costs in the 2003-04 budget amounted to £2.3 billion, while £0.7 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts in 2003-04 are estimated to be £0.7 billion. Other non-current expenditure includes the payment of council tax benefit of £2.4 billion but this is netted off by income from specific grants outside Aggregate External Finance (AEF).

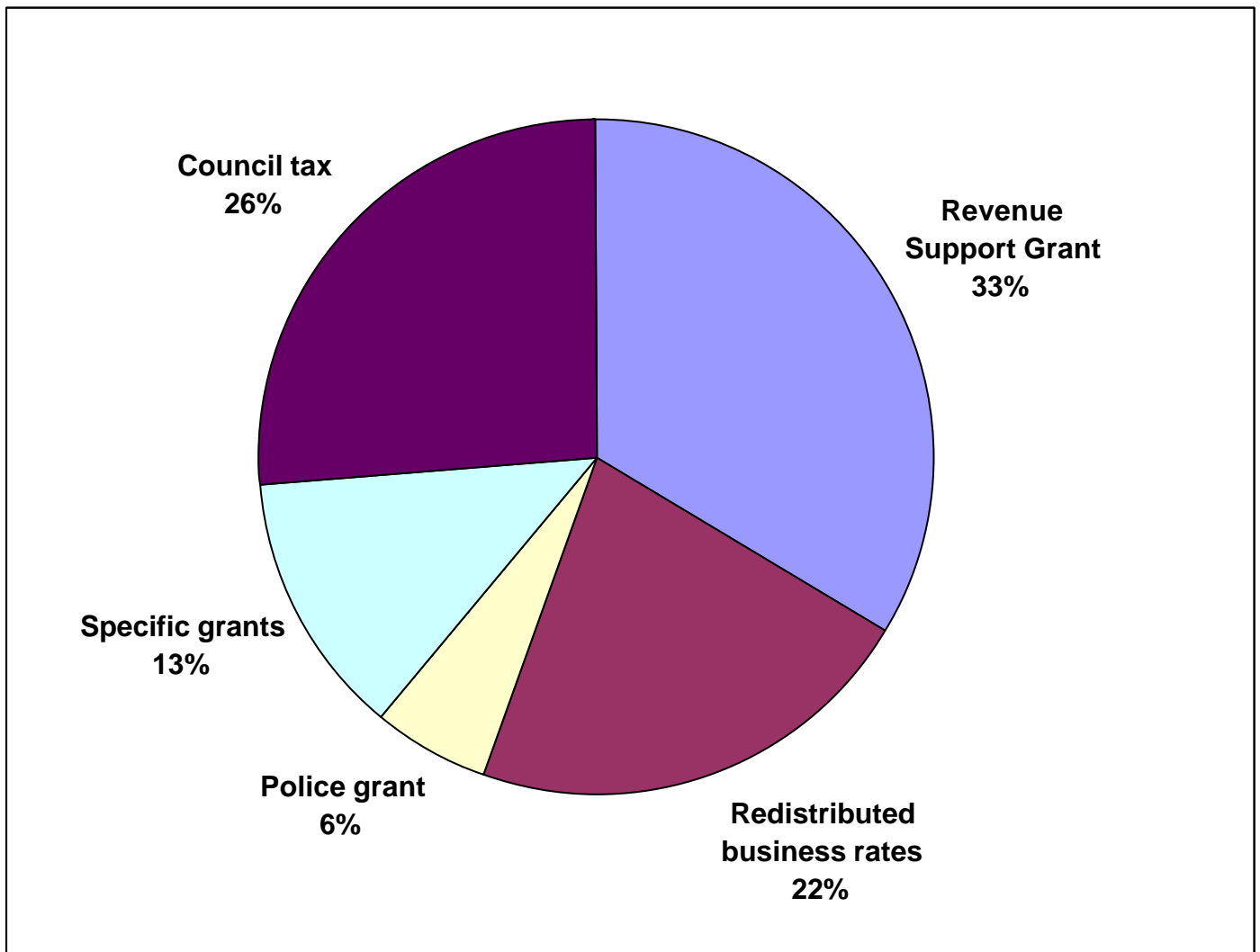
Table 2: Budgeted revenue expenditure and financing

	£ million
Net current expenditure	78,250
<u>plus non-current expenditure</u>	
Capital financing	2,317
Capital Expenditure charged to Revenue Account	661
Council tax benefit	2,418
Discretionary Non-Domestic Rate relief	25
Flood defence payments to the Environment Agency	257
<i>less</i> interest receipts	657
<i>less</i> specific grants outside AEF	10,799
Revenue expenditure	72,473
<i>less</i> specific grants inside AEF	9,187
Net revenue expenditure	63,286
<i>less</i> appropriations from reserves	246
<i>less</i> adjustments	23
Budget requirement	63,016
<u>financed by:</u>	
Revenue Support Grant	24,215
Redistributed business rates	15,611
Police Grant	4,079
General Greater London Authority (GLA) Grant	36
Other items	130
Council tax	18,946

Chart B illustrates the way that budgeted revenue expenditure is to be financed in 2003-04.

Formula grant totals £43.9 billion in 2003-04. Specific grants inside AEF have been budgeted to amount to £9.2 billion. £18.9 billion is being raised locally through council tax.

Chart B : Financing of revenue expenditure in 2003-04



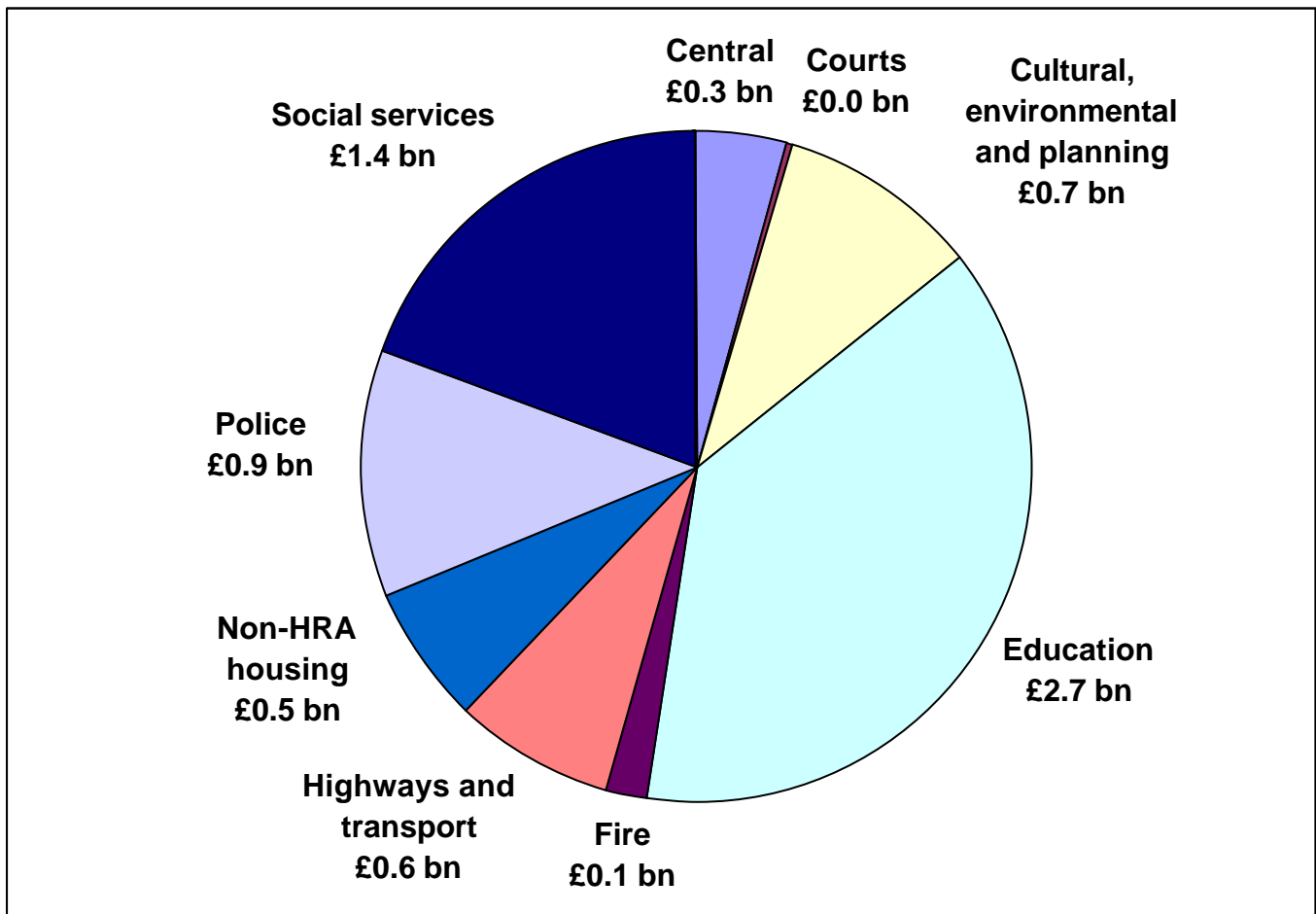
Comparison of 2002-03 and 2003-04 budgeted expenditure

Table 3 compares the 2003-04 budgets with unadjusted figures from the 2002-03 RA budget return. **Chart C** shows a breakdown of the total increase in service expenditure by service.

Budgeted service expenditure increased by £7.3 billion (11%) between 2002-03 and 2003-04.

The largest increase in budgeted service expenditure has occurred in education, which has increased by £2.7 billion, representing 38% of the overall increase. Social services budgeted expenditure has increased by £1.4 billion, while budgeted spend on policing has grown by £0.9 billion.

Chart C: Increases in expenditure on services ^(a), 2002-03 and 2003-04



(a) These figures have not been adjusted to take into account changes in local authority responsibilities between 2002-03 and 2003-04.

In 2003-04, £189 million less has been budgeted to be withdrawn from reserves than in 2002-03. Budgeted income from specific grants inside AEF has increased by £1.6 billion (21%). Formula grant has increased by £3.6 billion (9%) and the council tax requirement is larger by £2.3 billion (14%), compared to 2002-03.

Table 3: Comparison of 2002-03 and 2003-04 budget estimates

	£ million			
	Budget 2002-03 (unadjusted)	Budget 2003-04	Change	Change %
Central services				
1 Corporate and Democratic Core	1,260	1,431	171	13.6
2 Unapportionable Central Overheads	469	533	64	13.7
3 Council Tax Benefit Administration Costs	205	236	31	14.9
4 Other Local Tax Collection Costs	331	337	6	1.7
5 Emergency Planning	26	30	4	17.2
6 Other Central Services to the Public	113	155	43	37.9
Total central services	2,404	2,723	319	13.3
Courts services				
7 Magistrates Courts etc	331	345	14	4.3
8 Coroners Courts	43	46	2	5.5
Total courts services	374	391	17	4.4
Cultural services				
9 Culture & Heritage	432	462	30	7.0
10 Sport & Recreation	575	631	56	9.8
11 Parks and Open Spaces	642	694	51	8.0
12 Tourism	102	102	0	0.5
13 Libraries	745	791	46	6.2
Total cultural services	2,496	2,680	185	7.4
Environment				
14 Cemeteries and Crematoria	7	6	-1	-10.1
15 Coast Protection	12	13	0	3.7
16 Food Safety	93	97	4	4.5
17 Licensing	-3	8	11	
18 Public Conveniences	83	84	0	0.3
19 Other Environmental Health	338	349	10	3.1
20 Community Safety	118	164	45	38.3
21 Flood Defence: Own Expenditure	21	23	1	6.1
22 Flood Defence: Internal Drainage Board (IDB)	25	26	1	4.5
23 Agriculture & Fisheries	-4	-3	1	
24 Consumer Protection	149	158	10	6.7
25 Street Cleaning & Litter Responsibilities	454	520	66	14.6
26 Waste Collection	754	823	69	9.2
27 Waste Disposal	1,057	1,182	124	11.8
Total environment	3,105	3,448	344	11.1
Planning				
28 Planning	530	594	64	12.2
29 Economic Development	416	482	66	15.9
30 Community Development	290	351	61	21.1
Total planning	1,236	1,428	192	15.5

Table 3: Comparison of 2002-03 and 2003-04 budget estimates (continued)

	£ million			
	Budget 2002-03 (unadjusted)	Budget 2003-04	Change	Change %
Education				
31 Primary Education	10,251	11,102	852	8.3
32 Secondary Education	10,376	11,055	679	6.5
33 Special Education	1,072	1,239	167	15.6
34 LEA Centrally Held Schools Funds	3,964	4,612	647	16.3
35 Pre-School Education	824	959	136	16.5
36 Inter-Authority Education Recoupments	24	32	8	
37 Other Non-School Funding	880	1,130	250	28.4
Total education	27,390	30,128	2,738	10.0
38 Fire service	1,714	1,849	135	7.9
Highways and transport				
39 Transport Planning, Policy & Strategy	140	222	82	58.3
40 Construction of Roads & Bridges	49	5		
41 Roads - Structural and Routine Maintenance	985	1,142	156	15.8
42 Bridges etc Structural Maintenance	59	59	0	0.2
43 Other Highways Maintenance Expenditure	605	610	5	0.8
44 School Crossing Patrols	40	43	3	7.3
45 Other Traffic Management and Road Safety	172	304	132	76.6
46 Parking	-365	-410	-45	
47 Public Transport - Concessionary Fares	507	525	19	3.7
48 Public Transport - Rail Support	260	345	85	32.7
49 Congestion Charging	0	-116	-116	
50 Other Public Transport	719	1,012	292	40.6
Total Highways and transport	3,172	3,740	568	17.9
Non-HRA housing				
51 Homelessness	195	216	21	11.0
52 Discretionary Rent Allowances and Rent Rebates	27	48	21	79.5
53 Housing Benefit Administration Costs	368	430	62	16.8
54 Other Non-HRA Housing	259	630	372	143.7
Total Non-HRA housing	848	1,324	476	56.1
55 Police	8,257	9,140	882	10.7
Social services				
56 Service Strategy	84	84	0	-0.2
57 Childrens & Families Services	3,241	3,726	485	15.0
58 Older People (Aged 65 or over) including older mentally ill	5,192	5,630	438	8.4
59 Adults (Aged under 65) with a Physical Disability	891	969	78	8.7
60 Adults (Aged under 65) with Learning Disabilities	1,826	2,049	223	12.2
61 Adults (Aged under 65) with Mental Health needs	736	797	61	8.4
62 Asylum Seekers	495	489	-6	-1.2
63 Other Adult Services	154	281	127	82.3
64 Supported Employment	58	58	0	-0.3
Total social services	12,677	14,083	1,406	11.1

Table 3: Comparison of 2002-03 and 2003-04 budget estimates (continued)

	£ million			
	Budget 2002-03 (unadjusted)	Budget 2003-04	Change	Change %
Undefined				
65 Other Services	389	349	-40	
66 Unallocated Contingencies	248	309	61	
Total undefined	637	658	21	
67 Total Service Expenditure (Total of lines 1 to 66)	64,310	71,593	7,283	11.3
68 Gross Expenditure on Mandatory Student Awards	112	58	-55	-48.6
69 Payment to/received by Combined Fire Authority	-6	3	9	
70 Passenger Transport Authority (PTA) Levy	1	-1	-3	
71 Waste Disposal Authority Levy	8	9	1	
72 London Pension Fund Authority Levy	25	24	-1	-2.2
73 Other Levies	24	24	0	0.2
74 Net Surplus/Deficit on External Trading Services	6	-74	-80	
75 Net Surplus/Deficit on Internal Trading Services	-6	-1	5	
76 HRA Negative Subsidy Entitlement	-22	-18	5	
77 General Fund Revenue Account Contributions to/from	26	11	-15	
78 Gross Expenditure (Mandatory) Rent Allowances	5,611	6,028	416	7.4
79 Gross Expenditure (Mandatory) Rent Rebates outside HRA	376	371	-5	-1.2
80 Parish Precepts	210	226	16	7.5
81 Adjustments	1	-2	-3	
82 Net Current Expenditure (Total of lines 67 to 81)	70,676	78,250	7,574	10.7
83 Gross Expenditure on Council Tax Benefit	2,196	2,418	222	10.1
84 Total Discretionary (Non-Domestic) Rate Relief	24	25	1	2.7
85 Flood Defence Payments to the Environment Agency	246	257	11	4.7
86 Provision for Repayment of Principal	717	846	129	18.0
87 External Interest Payments	2,859	2,708	-151	-5.3
88 HRA Item 8 - Interest payments/receipts	-1,180	-998	182	
89 Capital Charges accounted for in External Trading Services	-267	-188	79	
90 Capital Charges accounted for in Internal Trading Services	-95	-71	24	
91 Leasing Payments	24	21	-3	-12.3
92 Capital Expenditure Charged to Revenue Account (CERA)	673	661	-12	-1.8
93 SUB-TOTAL (Total of lines 82 to 92)	75,873	83,929	8,056	10.6
94 External Interest Receipts and Dividends	-697	-657	40	
95 Specific and Special Grants Outside AEF	-9,924	-10,799	-875	8.8
96 Revenue Expenditure (Total of lines 93 to 95)	65,252	72,473	7,220	11.1
97 Specific and Special Grants Inside AEF	-7,618	-9,187	-1,569	20.6
98 Net Revenue Expenditure (Total of lines 96 + 97)	57,634	63,286	5,652	9.8

Table 3: Comparison of 2002-03 and 2003-04 budget estimates (continued)

				£ million
	Budget 2002-03 (unadjusted)	Budget 2003-04	Change	Change %
99 Adjustments	-55	-23	32	
100 Appropriations to/from Schools Reserves	-4	-4	0	
101 Appropriations to/from Other Earmarked Financial Reserves	-220	-111	110	
102 Other Appropriations to/from Unallocated Financial Reserves	-211	-131	80	
103 The Budget Requirement (Total of lines 98 to 102)	57,144	63,016	5,873	10.3
104 Police Grant Allocation under Principal Formula	-3,808	-4,079	-271	7.1
105 Revenue Support Grant	-19,889	-24,215	-4,326	21.8
106 Redistributed Non-Domestic Rates	-16,626	-15,611	1,015	-6.1
107 General GLA Grant	-28	-36	-8	28.7
108 Other Items	-145	-130	15	-10.4
109 Council Tax Requirement (Total of lines 103 to 108)	16,648	18,946	2,299	13.8

Detailed budget information

Table 4 (RA03) and **Table 5** (RASG03) show all England summaries of the budget information in the same way as it is returned to the Office of the Deputy Prime Minister and at the same level of detail. These form the basis of the summary tables in the release. The notes, which accompany each form sent to local authorities can be found at

www.local.odpm.gov.uk/finance/stats/lgfforms/revenue.htm

Table 6 shows how the summaries have been created from Table 4.

Table 4: RA03 General Fund Revenue Accounts Budget Estimate 2003-04

		£ thousand	
	Net current expenditure	Capital charges	Net total cost excl spec grant
1 Corporate and Democratic Core	1,431,482	41,366	1,472,848
2 Unapportionable Central Overheads	533,125	52,233	585,358
3 Council Tax Benefit Administration Costs	235,704	1,484	237,189
4 Other Local Tax Collection Costs	336,969	4,019	340,987
5 Emergency Planning	30,418	316	30,734
6 Other Central Services to the Public	155,256	17,566	172,822
7 Magistrates Courts etc	345,410	45,807	391,217
8 Coroners Courts	45,539	740	46,279
9 Culture & Heritage	461,806	119,531	581,337
10 Sport & Recreation	631,236	315,932	947,167
11 Parks and Open Spaces	693,876	88,173	782,049
12 Tourism	102,124	10,321	112,445
13 Libraries	791,448	95,203	886,651
14 Cemeteries and Crematoria	6,223	17,436	23,659
15 Coast Protection	12,556	32,784	45,340
16 Food Safety	97,459	547	98,006
17 Licensing	7,512	371	7,883
18 Public Conveniences	83,662	20,206	103,868
19 Other Environmental Health	348,520	17,005	365,525
20 Community Safety	163,555	14,535	178,091
21 Flood Defence: Own Expenditure	22,707	7,631	30,339
22 Flood Defence: Internal Drainage Board (IDB)	25,665	35	25,700
23 Agriculture & Fisheries	-3,371	14,823	11,452
24 Consumer Protection	158,480	1,795	160,275
25 Street Cleaning & Litter Responsibilities	520,165	3,023	523,188
26 Waste Collection	823,361	16,124	839,485
27 Waste Disposal	1,181,849	16,961	1,198,810
28 Planning	594,417	34,035	628,451
29 Economic Development	481,950	145,919	627,870
30 Community Development	351,449	10,449	361,898
31 Primary Education	11,102,223	1,043,182	12,145,405
32 Secondary Education	11,054,705	1,018,836	12,073,541
33 Special Education	1,238,674	108,131	1,346,805
34 LEA Centrally Held Schools Funds	4,611,508	362,290	4,973,798
35 Pre-School Education	959,181	15,182	974,363
36 Inter-Authority Education Recoupments	31,834	862	32,696
37 Other Non-School Funding	1,130,071	85,066	1,215,137
38 Fire Service	1,849,463	128,560	1,978,023
39 Transport Planning, Policy & Strategy	222,285	22,416	244,701
40 Construction of Roads & Bridges	4,611	535,976	540,587
41 Roads - Structural and Routine Maintenance	1,141,568	304,035	1,445,603
42 Bridges etc Structural Maintenance	58,649	70,911	129,560
43 Other Highways Maintenance Expenditure	610,065	107,391	717,456
44 School Crossing Patrols	42,608	15	42,623

Table 4: RA03 General Fund Revenue Accounts Budget Estimate 2003-04 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excl spec grant
45 Other Traffic Management and Road Safety	303,688	74,907	378,595
46 Parking	-410,183	111,779	-298,404
47 Public Transport - Concessionary Fares	525,393	274	525,667
48 Public Transport - Rail Support	345,368	32,630	377,998
49 Congestion Charging	-115,950	10	-115,940
50 Other Public Transport	1,011,501	182,898	1,194,398
51 Homelessness	215,860	6,948	222,808
52 Discretionary Rent Allowances and Rent Rebates	48,475	58	48,533
53 Housing Benefit Administration Costs	429,885	2,710	432,595
54 Other Non-HRA Housing	630,202	236,905	867,107
55 Police	9,139,729	357,107	9,496,837
56 Service Strategy	84,076	3,629	87,705
57 Childrens & Families Services	3,725,692	49,669	3,775,361
58 Older People (Aged 65 or over) including older mentally ill	5,629,654	86,275	5,715,929
59 Adults (Aged under 65) with a Physical Disability	968,807	15,390	984,197
60 Adults (Aged under 65) with Learning Disabilities	2,049,374	57,861	2,107,235
61 Adults (Aged under 65) with Mental Health needs	797,279	12,781	810,060
62 Asylum Seekers	488,967	835	489,802
63 Other Adult Services	281,393	3,895	285,288
64 Supported Employment	57,584	1,196	58,780
65 Other Services	348,518	211,046	559,563
66 Unallocated Contingencies	309,496	3,458	312,954
67 TOTAL SERVICE EXPENDITURE (Total of lines 1 to 66)	71,578,457	6,401,484	77,979,941
68 Gross Expenditure on Mandatory Student Awards	57,716		
69 Payment to/received by Combined Fire Authority	2,710		
70 Passenger Transport Authority (PTA) Levy	-1,310		
71 Waste Disposal Authority Levy	8,987		
72 London Pension Fund Authority Levy	24,079		
73 Other Levies	23,767		
74 Net Surplus/Deficit on External Trading Services	-74,168		
75 Net Surplus/Deficit on Internal Trading Services	-1,274		
76 HRA Negative Subsidy Entitlement	-17,577		
77 General Fund Revenue Account Contributions to/from HRA	11,152		
78 Gross Expenditure on (Mandatory) Rent Allowances	6,027,679		
79 Gross Expenditure on (Mandatory) Rent Rebates outside HRA	371,369		
80 Parish Precepts	225,607		
81 Adjustments	-1,999		
82 NET CURRENT EXPENDITURE (Total of lines 67 to 81)	78,249,542		

Table 4: RA03 General Fund Revenue Accounts Budget Estimate 2003-04 (continued)

		£ thousand	
	Net current expenditure	Capital charges	Net total cost excl spec grant
83 Gross Expenditure on Council Tax Benefit	2,418,460		
84 Total Discretionary (Non-Domestic) Rate Relief	24,851		
85 Flood Defence Payments to the Environment Agency	257,484		
86 Provision for Repayment of Principal	845,791		
87 External Interest Payments	2,707,669		
88 HRA Item 8 - Interest payments/receipts	-998,447		
89 Capital Charges accounted for in External Trading Services	-187,964		
90 Capital Charges accounted for in Internal Trading Services	-71,109		
91 Leasing Payments	21,472		
92 Capital Expenditure Charged to Revenue Account (CERA)	661,291		
93 SUB-TOTAL (Total of lines 82 to 92)	83,929,041		
94 External Interest Receipts and Dividends	-657,157		
95 Specific and Special Grants Outside AEF	-10,799,199		
96 REVENUE EXPENDITURE (Total of lines 93 to 95)	72,472,686		
97 Specific and Special Grants Inside AEF	-9,187,097		
98 NET REVENUE EXPENDITURE (Total of lines 96 + 97)	63,285,589		
99 Adjustments	-23,274		
100 Appropriations to/from Schools Reserves	-4,046		
101 Appropriations to/from Other Earmarked Financial Reserves	-110,758		
102 Other Appropriations to/from Unallocated Financial Reserves	-131,193		
103 THE BUDGET REQUIREMENT (Total of lines 98 to 102)	63,016,317		
104 Police Grant Allocation under Principal Formula	-4,078,806		
105 Revenue Support Grant	-24,214,807		
106 Redistributed Non-Domestic Rates	-15,610,660		
107 General GLA Grant	-35,958		
108 Other Items	-129,819		
109 COUNCIL TAX REQUIREMENT (Total of lines 103 to 108)	18,946,263		
110 Estimated Schools Reserves at 1 April 2003	1,143,286		
111 Estimated Other Earmarked Financial Reserves at 1 April	3,323,216		
112 Estimated Unallocated Financial Reserves at 1 April	1,799,444		
113 Prior Year Adjustments	1,483		
114 Depreciation	2,389,643		
115 Notional Interest	3,725,503		
116 Loss on Impairment of Assets	11,842		
117 Amortisation of Deferred Charges	274,497		
118 TOTAL CAPITAL CHARGES (Total of lines 114 to 117)	6,401,486		

Table 5: RA(SG) Income from specific grants budget 2003-04

	£ thousand
Grants within AEF	
1 Civil Defence	15,557
2 National Parks & Broads	25,694
3 Waste Re-Cycling Challenge	9,119
4 Child Care	194,175
5 Excellence in Cities	212,739
6 Leadership Incentive	96,103
7 School Standards	774,427
8 Standards Fund	1,210,982
9 Teachers Pay Reform	523,319
10 GLA Transport Grant	1,065,461
11 Metropolitan Railway Passenger Services	252,817
12 Rural Bus Challenge	10,195
13 Rural Bus Subsidy	47,637
14 Urban Bus Challenge	4,183
15 Access & Systems Capacity	157,863
16 Aids Support	16,539
17 Child and Adolescent Mental Health Services (CAMHS)	41,120
18 Carers	100,933
19 Childrens Services	552,855
20 Deferred Payment	31,333
21 Delayed Discharges	10,254
22 Mental Health	134,279
23 National Training Strategy	7,831
24 Performance	89,336
25 Preserved Rights	478,730
26 Residential Allowance	12,804
27 Teenage Pregnancy Local Implementation	16,861
28 Training Support	45,522
29 Council Tax Benefit Administration	152,345
30 Housing Benefit Administration	198,226
31 Workstep	13,906
32 Airwaves Communication Project	53,117
33 Asylum Seekers	464,130
34 Basic Command Units (BCU) Challenge Fund	21,859
35 Community Support Officers	27,751
36 Counter Terrorism	50,974
37 Crime Fighting Fund	251,119
38 London & South East Allowance	11,381
39 Police Negotiating Board	28,590
40 Rural Policing Fund	25,476
41 Street Crime Initiative	14,200
42 Magistrates Courts	263,156
43 Local Public Service Agreement (LPSA) Performance Reward	14,459
44 Neighbourhood Renewal Fund	272,987
45 Neighbourhood Wardens	4,689
46 Planning Delivery	12,229
47 The Private Finance Initiative (PFI)	141,073
48 Supporting People Administration	47,888
49 Supporting People Programme	639,613
50 Other	339,262
51 TOTAL GRANTS INSIDE AEF (LINES 1 to 50)	9,187,097

Table 5: RA(SG) Income from specific grants budget 2003-04 (continued)**Grants outside AEF**

52	Historic Buildings and Monuments Commission Grant	955
53	Countryside Commission Grants	9,157
54	Education Maintenance Allowances	94,880
55	Higher Education Funding Council (HEFC) Payments	26,905
56	Learning and Skills Council (LSC) grant for Adult Education	247,779
57	Learning and Skills Council (LSC) grant for Sixth Forms	1,345,179
58	Mandatory Student Awards	59,556
59	Council Tax Benefit	2,268,093
60	Fraud Incentive Scheme	41,269
61	Mandatory Rent Allowances: subsidy	5,723,576
62	Mandatory Rent Rebates outside HRA: subsidy	282,355
63	Police: small grants/grants to loan charges	13,688
64	Housing Acts Urban Developments - grants to debt charges	7,425
65	Single Regeneration Budget (SRB)	263,690
66	European Community	90,985
67	Other	323,707
68	TOTAL GRANTS OUTSIDE AEF (LINES 52 to 67)	10,799,199
69	TOTAL SPECIFIC AND SPECIAL GRANTS (LINES 51 + 68)	19,986,297

Table 6: Derivation of service lines used in Tables 1 and 2

	RA Form Reference	Service expenditure	Levies/transfers
Central services	lines 1 to 6 line 72 line 80	♦	London pensions fund levy Parish precepts
Courts services	lines 8 and 9	♦	
Cultural services	lines 9 to 13	♦	
Environment	lines 14 to 27 line 71	♦	Waste disposal auth. levy
Planning	lines 28 to 30	♦	
Education	lines 31 to 37 line 68	♦	Mandatory student awards
Fire	line 38 line 69	♦	Payment to/from combined fire authority
Highways and transport	lines 39 to 50 line 70	♦	Passenger transport levy
Non-HRA housing	lines 51 to 54 line 76	♦	HRA negative subsidy entitlement
Police	line 55	♦	
Social services	lines 56 to 64	♦	
Undefined	lines 65 and 66 line 73 line 74 line 75 line 81	♦	Other levies Net surplus/deficit on ext TSR Net surplus/deficit on int TSR Adjustment
Capital financing	lines 86 to 91	♦	

Background Notes

1. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer demands.
2. The information in this Statistical Release is derived from RA Returns submitted by local authorities in England and is based on a full response from all 478 authorities.
3. Enquiries about this Statistical Release should be addressed to Andrew Smith at AndrewC.Smith@odpm.gsi.gov.uk (Tel. 020 7944 4163).
4. Timings of future Releases are regularly placed on the ODPM website, www.odpm.gov.uk/about/statistics/index.htm and on the National Statistics website, www.statistics.gov.uk/press_release/currentreleases.asp
5. For a fuller picture of recent trends in local government finance readers are directed to "Local Government Financial Statistics England" No. 13 2002 which is available in hard copy from Wetherby Publications Centre at odpm@twoten.press.net (Tel. 0870 1226236) and electronically in PDF format via the Office of the Deputy Prime Minister's web site: www.local.odpm.gov.uk/finance/stats/lgfs/lgfs2002.htm
6. The figures in the release have not been adjusted to take into account changes of responsibility between 2002-03 and 2003-04.
7. Outturn figures differ from budget figures for a given financial year. Based on recent years, actual expenditure is generally greater at outturn than budget and budgets generally underestimate the amount given as specific grants. While local authorities budget to draw money from reserves, outturn figures generally reveal little change in the level of reserves.

Terminology used in this release

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 **net current expenditure**. Net current expenditure also includes payments made by local authorities on behalf of central government, under statutory schemes. Such payments are fully funded by central government through specific grants outside **Aggregate External Finance (AEF)**.

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

Net revenue expenditure is equal to net current expenditure, plus capital financing costs and a few minor adjustments, but excludes expenditure financed by all specific grants (inside and outside AEF).

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

Formula Grant comprises Revenue Support Grant, redistributed business rates and police grant.