

# *Statistical Release*

7 June 2006

## LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

### ENGLAND

#### 2006-07 BUDGET

- **Budgeted net current expenditure by local authorities in England for 2006-07 is £100.5 billion. 37% of this expenditure is on education, 18% is on social services and 11% is on police, little different from the spending pattern of recent years.**
- **Budgeted net current expenditure in 2006-07 is 5% higher than in 2005-06. This is an increase of £5.1 billion.**
- **Budgeted revenue expenditure in 2006-07 is £91.4 billion. 25% of this is to be raised through council tax, 27% from formula grant and 44% from specific grants. The large changes in specific and formula grants, as compared to 2005-06, are largely due to changes in the way that expenditure on schools is funded. Local authorities now receive Dedicated Schools Grant, included in specific grants, replacing funding previously included in formula grant.**

This Release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2006 to March 2007.

This information is derived from DCLG/ CIPFA Revenue Account (RA) budget forms submitted by local authorities in England and is based on returns from all 477 local authorities. This includes the original budgets for those authorities designated for budget capping this year.

The Release has been compiled by the Local Government Finance Statistics division of DCLG.

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

Budgeted net current expenditure is summarised in **Table 1** and **Chart A**. This is shown on a Financial Reporting Standard 17 (FRS17) basis. 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 totals £100.5 billion in 2006-07.
- Education, social services and police make up 65% (£65.6 billion) of total net current expenditure. The largest proportion of budgeted net current expenditure is on education with a share of 37%. Social services represent a further 18%, with police contributing another 11%.

**Table 1: Budgeted net current expenditure by service 2006-07 (a) (b)**

	Net current expenditure £ million	% of total
Education <sup>(c)</sup>	36,998	36.8
Highways and transport	5,336	5.3
Social services	17,767	17.7
Housing (excluding Housing Revenue Account)	2,361	2.3
Cultural, environment and planning	9,379	9.3
Police	10,828	10.8
Fire	2,086	2.1
Courts	59	0.1
Central services	3,419	3.4
Other	248	0.2
Mandatory rent allowances	7,676	7.6
Mandatory rent rebates	593	0.6
Rent rebates granted to HRA tenants	3,785	3.8
<b>Total net current expenditure</b>	<b>100,535</b>	

(a) Produced on a Financial Reporting Standard 17 (FRS17) basis  
 (b) See Table 6 for a breakdown of individual service lines  
 (c) Includes mandatory student awards

## **Revenue expenditure**

**Table 2** shows the link between the definitions of net current and revenue expenditure and shows how revenue expenditure is financed. This is shown on a Financial Reporting Standard 17 (FRS17) basis. A more detailed breakdown of this information can be found in **Table 4**.

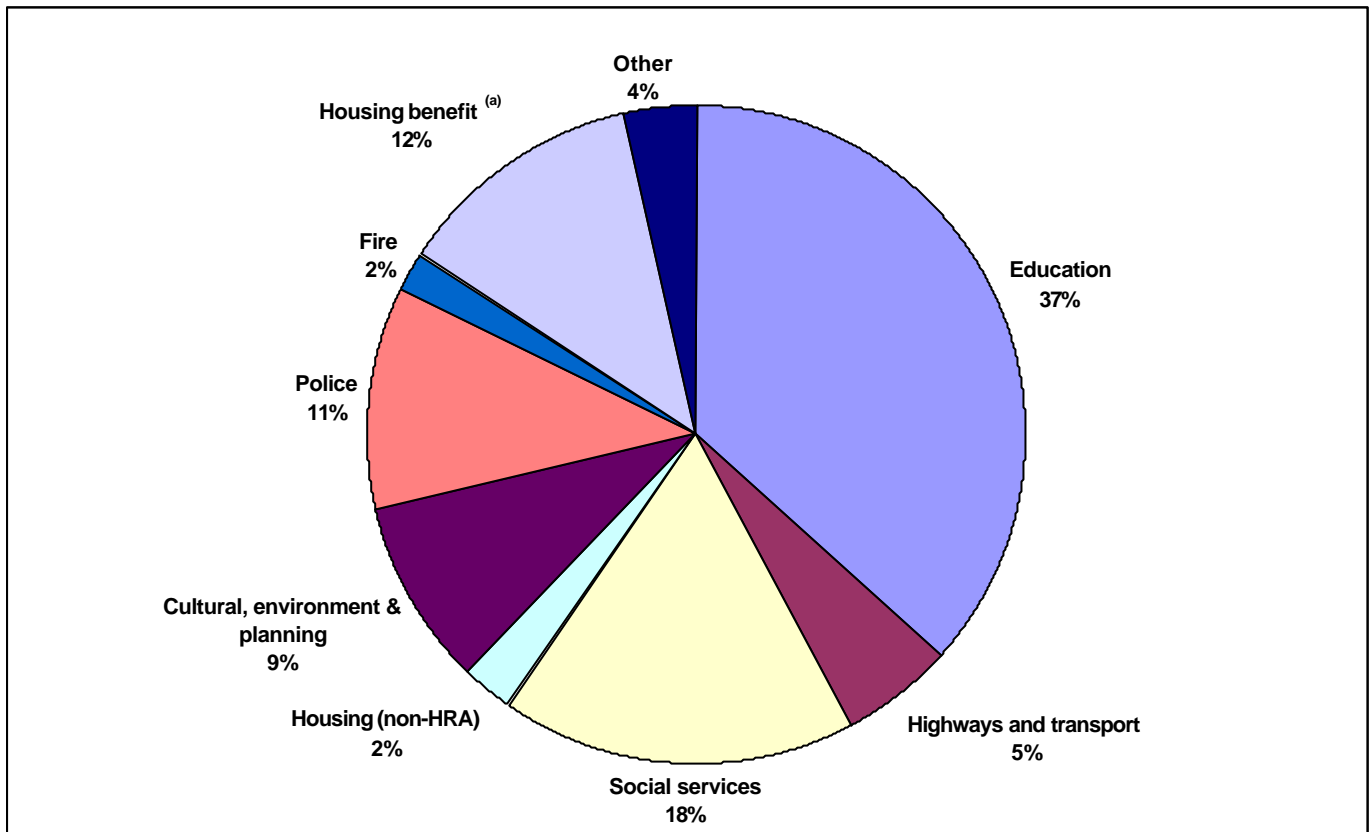
- Budgeted revenue expenditure in 2006-07 is £91.4 billion.
- Capital financing costs in the 2006-07 budget amount to £3.0 billion, while £0.8 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts in 2006-07 are estimated to be £0.9 billion. Other non-current expenditure includes the payment of council tax benefit of £3.2 billion, but this is netted off by income from specific grants outside Aggregate External Finance (AEF).

<b>Table 2: Budgeted revenue expenditure and financing 2006-07 <sup>(a)</sup></b>	
	<b>£ million</b>
<b>Net current expenditure</b>	<b>100,535</b>
<u>plus non-current expenditure</u>	
Capital financing	2,968
Capital Expenditure charged to Revenue Account	819
Council tax benefit	3,150
Discretionary Non-Domestic Rate relief	24
Bad debt provision	25
Flood defence payments to Environment Agency	23
Pensions interest cost and expected return on pensions assets	3,014
<i>less</i> interest receipts	909
<i>less</i> specific grants outside AEF	18,208
<b>Revenue expenditure</b>	<b>91,442</b>
<i>less</i> specific grants inside AEF	39,994
<b>Net revenue expenditure</b>	<b>51,447</b>
<i>less</i> appropriations from pensions reserves	3,449
<i>less</i> appropriations from other revenue reserves	572
<i>less</i> adjustments	5
<b>Budget requirement</b>	<b>47,421</b>
<u>financed by:</u>	
Revenue Support Grant	3,378
Redistributed business rates	17,506
Police grant	3,936
General Greater London Authority (GLA) grant	38
Other items	111
<b>Council tax requirement</b>	<b>22,453</b>
(a) Produced on a FRS17 basis	

**Chart B** illustrates the way that budgeted revenue expenditure is to be financed in 2006-07.

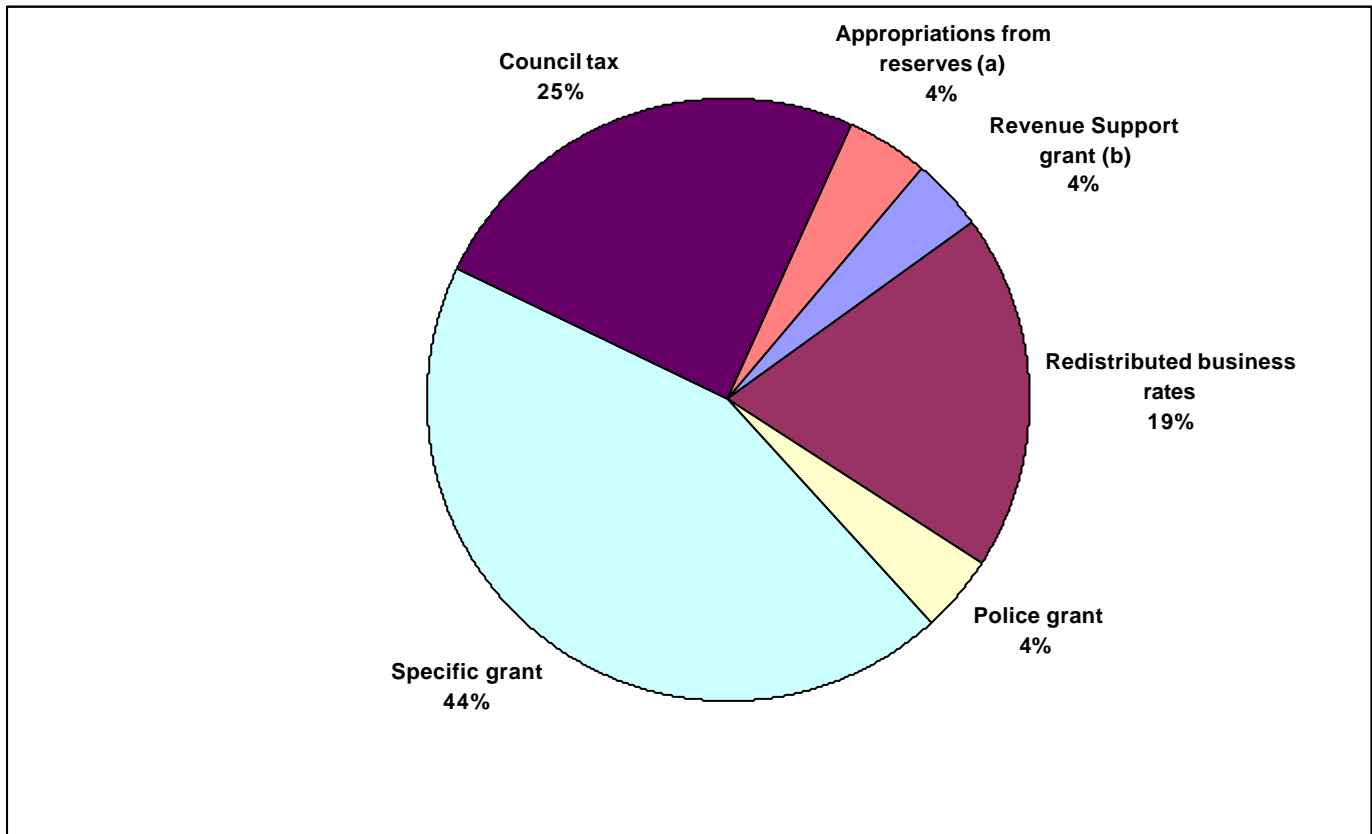
- Formula grant (Revenue Support Grant, Redistributed business rates and Police grant) totals £24.8 billion in 2006-07. Specific grants inside AEF are estimated to amount to £40.0 billion. The large changes in specific and formula grants, as compared to 2005-06, are largely due to changes in the way that expenditure on schools is funded. Local authorities now receive Dedicated Schools Grant, included in specific grants, replacing funding previously included in formula grant. £22.5 billion is being raised locally through council tax.

**Chart A: Budgeted net current expenditure by service 2006-07**



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

**Chart B: Financing of revenue expenditure in 2006-07**



(a) Appropriations from reserves includes adjustments, and appropriations from the FRS17 pensions reserve.

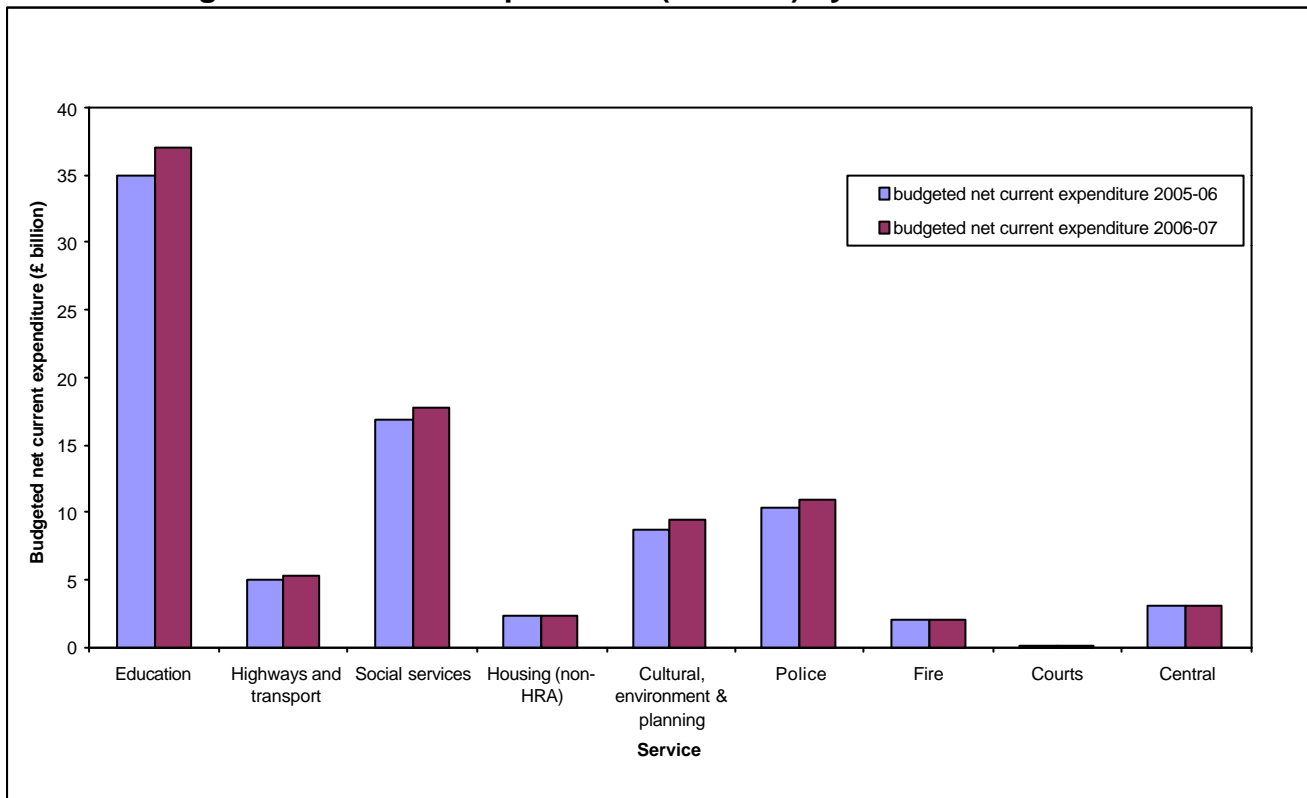
(b) Revenue support grant includes GLA grant and 'Other items'

**Budgeted expenditure in 2005-06 and 2006-07**

**Table 3** compares the 2006-07 budgets with figures from the 2005-06 RA budget return. **Chart C** compares budgeted net current expenditure by service in 2005-06 and 2006-07.

- Budgeted service expenditure increased by £4.4 billion (5%) between 2005-06 and 2006-07.
- Of the main service blocks, the largest percentage increases in budgeted service expenditure were in environmental and planning services, which both increased by 8% since 2005-06. Education and social services budgeted expenditure increased by 6% and 5% respectively.
- Budgeted Net Current Expenditure increased by £5.1 billion (5%) between 2005-06 and 2006-07.

**Chart C: Budgeted net current expenditure (£ billion) by service <sup>(a)</sup> in 2005-06 and 2006-07**



(a) These figures have not been adjusted to take into account changes in local authority responsibilities between 2005-06 and 2006-07; the chart excludes the 'Other services' category; In 2006-07 all authorities have presented budgets under Financial Reporting Standard 17 (FRS17), compared to 105 in 2005-06

- Budgeted income from specific grants inside AEF has increased from £13.0 billion in 2005-06 to £40.0 billion in 2006-07 and formula grant has decreased from £49.0 billion in 2005-06 to £24.8 billion in 2006-07. The large changes in specific and formula grants, as compared to 2005-06, are largely due to changes in the way that expenditure on schools is funded. Local authorities now receive Dedicated Schools Grant, included in specific grants, replacing funding previously included in formula grant.
- The council tax requirement increased by £1.1 billion (5%), compared to 2005-06.

**Table 3: Budgeted net current expenditure estimates in 2005-06 and 2006-07 <sup>(1) (2)</sup>**

	£ million			
	Budget 2005-06	Budget 2006-07	Change	Change %
<b>Education Services</b>				
110 Nursery schools	628	630	2	0
120 Primary schools	14,034	14,751	717	5
130 Secondary schools	14,423	15,129	706	5
140 Special schools	2,053	2,246	193	9
150 Non-school funding	3,813	4,237	424	11
<b>190 TOTAL EDUCATION SERVICES (total of lines 110 to 150)</b>	<b>34,951</b>	<b>36,993</b>	<b>2,042</b>	<b>6</b>
<b>Highways, Roads and Transport Services</b>				
210 Transport planning, policy and strategy	220	231	11	5
220 Construction	17	16	-1	-6
230 Structural maintenance	570	498	-72	-13
247 Environmental, safety and routine maintenance	855	864	9	1
248 Winter maintenance	133	153	20	15
249 Street lighting	343	396	53	15
251 Traffic management and road safety: congestion charging	-104	-94	10	10
254 Traffic management and road safety: safe routes (including school crossing patrols)	51	50	-1	-2
258 Traffic management and road safety: other	309	333	24	8
260 Parking services	-503	-512	-9	-2
271 Public transport: concessionary fares	558	780	222	40
275 Public transport: support to operators	2,095	2,211	116	6
276 Public transport: co-ordination	449	415	-34	-8
280 Airports, harbours and toll facilities	-7	-6	1	14
<b>290 TOTAL HIGHWAYS, ROADS AND TRANSPORT SERVICES (total of lines 210 to 280)</b>	<b>4,986</b>	<b>5,335</b>	<b>349</b>	<b>7</b>
<b>Social Services</b>				
310 Social Services strategy	82	85	3	4
320 Children's and families' services (including youth justice)	4,640	4,961	321	7
340 Older people (aged 65 or over) including older mentally ill	6,711	6,955	244	4
351 Adults aged under 65 with physical disability or sensory impairment	1,199	1,298	99	8
352 Adults aged under 65 with learning disabilities	2,628	2,897	269	10
353 Adults aged under 65 with mental health needs	941	984	43	5
360 Asylum seekers	293	208	-85	-29
370 Other adult Social Services	320	322	2	1
380 Supported employment	60	58	-2	-3
<b>390 TOTAL SOCIAL SERVICES (total of lines 310 to 380)</b>	<b>16,874</b>	<b>17,768</b>	<b>894</b>	<b>5</b>
<b>Housing Services (GFRA only)</b>				
440 Homelessness	229	219	-10	-4
456 Housing benefits: rent allowances and rent rebates - discretionary payments	22	18	-4	-18
457 Housing benefits administration	470	502	32	7
475 Housing welfare: Supporting People	1,314	1,298	-16	-1
480 Other GFRA housing services	347	353	6	2
<b>490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 440 to 480)</b>	<b>2,382</b>	<b>2,390</b>	<b>8</b>	<b>0</b>
<b>Cultural and related Services</b>				
501 Culture and heritage	518	537	19	4
502 Recreation and sport	684	711	27	4
503 Open spaces	753	781	28	4
504 Tourism	132	134	2	2
505 Library service	869	906	37	4
<b>509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505)</b>	<b>2,956</b>	<b>3,069</b>	<b>113</b>	<b>4</b>

**Table 3: Budgeted net current expenditure estimates in 2005-06 and 2006-07 (1) (2) (continued)**

	£ million			
	Budget 2005-06	Budget 2006-07	Change	Change %
<b>Environmental Services</b>				
510 Cemetery, cremation and mortuary services	4	3	-1	-25
521 Environmental health: food safety	112	113	1	1
527 Environmental health: public conveniences	85	86	1	1
528 Environmental health: other	375	395	20	5
529 Licensing	33	45	12	36
530 Community safety	292	358	66	23
541 Flood defence	19	21	2	11
543 Land drainage: internal drainage levy work	27	27	0	0
547 Coast protection	13	14	1	8
550 Agriculture and fisheries services	-3	-4	-1	-33
560 Consumer protection	168	173	5	3
570 Street cleansing (not chargeable to Highways)	622	663	41	7
581 Waste collection	1,001	1,094	93	9
582 Waste disposal	1,410	1,523	113	8
<b>590 TOTAL ENVIRONMENTAL SERVICES (total of lines 510 to 582)</b>	<b>4,158</b>	<b>4,511</b>	<b>353</b>	<b>8</b>
<b>Planning and development Services</b>				
591 Building and development control; Planning policy; Environmental initiatives	689	756	67	10
595 Economic development	515	593	78	15
596 Community development	449	435	-14	-3
<b>599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596)</b>	<b>1,653</b>	<b>1,784</b>	<b>131</b>	<b>8</b>
<b>601 TOTAL POLICE SERVICES</b>	<b>10,360</b>	<b>10,828</b>	<b>468</b>	<b>5</b>
<b>602 TOTAL FIRE SERVICES</b>	<b>2,095</b>	<b>2,086</b>	<b>-9</b>	<b>0</b>
<b>Court Services</b>				
604 Coroners' court services	49	55	6	12
605 Other court services	8	4	-4	-50
<b>609 TOTAL COURT SERVICES (total of lines 604 and 605)</b>	<b>57</b>	<b>59</b>	<b>2</b>	<b>4</b>
<b>Central services</b>				
610 Corporate and democratic core	1,662	1,759	97	6
623 Local tax collection: council tax discounts - locally funded	13	4	-9	-69
625 Local tax collection: council tax benefits administration	290	302	12	4
628 Local tax collection: other	318	335	17	5
650 Emergency planning	46	51	5	11
675 Central services to the public: other	221	209	-12	-5
681 Non-distributed costs - retirement benefits	480	376	-104	-22
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	97	79	-18	-19
<b>690 TOTAL CENTRAL SERVICES (total of lines 610 to 682)</b>	<b>3,127</b>	<b>3,115</b>	<b>-12</b>	<b>0</b>
<b>698 TOTAL OTHER SERVICES</b>	<b>224</b>	<b>245</b>	<b>21</b>	<b>9</b>
<b>699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 609, 690 and 698)</b>	<b>83,825</b>	<b>88,183</b>	<b>4,358</b>	<b>5</b>

**Table 3: Budgeted net current expenditure estimates in 2005-06 and 2006-07 (1) (2) (continued)**

	£ million			
	Budget 2005-06	Budget 2006-07	Change	Change %
701 Education: student support - mandatory awards	17	5	-12	-71
711 Housing benefits: rent allowances - mandatory payments	7,200	7,676	476	7
712 Housing benefits: non-HRA rent rebates - mandatory payments	466	593	127	27
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,783	3,785	2	0
714 Housing benefits: subsidy limitation transfers from HRA	-37	-23	14	38
715 Housing benefits: transfers to/from HRA under transitional measures	-22	-17	5	23
718 Contribution to the HRA re items shared by the whole community	9	12	3	33
<b>Precepts and levies</b>				
721 Parish Precepts	260	282	22	8
722 Passenger Transport Authority levy	1	0	-1	-100
724 Waste Disposal Authority levy	12	14	2	17
727 London Pensions Fund Authority levy	23	22	-1	-4
728 Other levies	22	24	2	9
731 External Trading Accounts net surplus(-)/ deficit(+)	-79	-73	6	8
732 Internal Trading Accounts net surplus(-)/ deficit(+)	25	35	10	40
748 Adjustments to net current expenditure	-33	16	49	148
<b>Total precepts and levies</b>	<b>231</b>	<b>320</b>	<b>89</b>	<b>39</b>
<b>749 NET CURRENT EXPENDITURE (total of lines 699 to 748)</b>	<b>95,472</b>	<b>100,535</b>	<b>5,063</b>	<b>5</b>
754 Local tax collection: Council tax benefit paid to the Collection Fund	2,994	3,150	156	5
757 Local tax collection: Non-domestic rate relief - discretionary payments	26	24	-2	-8
759 Levy: Environment Agency flood defence	27	23	-4	-15
761 Capital charges accounted for in External Trading Accounts	-157	-155	2	1
762 Capital charges accounted for in Internal Trading Accounts	-93	-116	-23	-25
765 Capital expenditure charged to the GF Revenue Account (CERA)	868	819	-49	-6
771 Provision for bad debts	20	25	5	25
773 Provision for repayment of principal	1,142	1,258	116	10
776 Leasing payments	25	35	10	40
781 Interest: external payments	2,677	2,783	106	4
783 Interest: HRA item 8 payments and receipts	-863	-837	26	3
<b>785 SUB-TOTAL (total of lines 749 to 783)</b>	<b>102,137</b>	<b>107,545</b>	<b>5,408</b>	<b>5</b>
786 Interest and investment income (-): external receipts and dividends	-837	-909	-72	-9
787 Pensions interest cost and expected return on pensions assets (1)	616	3,014	2,398	389
791 Specific and special grants outside AEF [SG line 799 as income]	-17,274	-18,208	-934	-5
<b>795 REVENUE EXPENDITURE (total of lines 785 to 791)</b>	<b>84,643</b>	<b>91,442</b>	<b>6,799</b>	<b>8</b>
797 Specific and special grants inside AEF [SG line 699 as income]	-13,008	-39,994	-26,986	-207
<b>799 NET REVENUE EXPENDITURE (total of lines 795 and 797)</b>	<b>71,635</b>	<b>51,447</b>	<b>-20,188</b>	<b>-28</b>

**Table 3: Budgeted net current expenditure estimates in 2005-06 and 2006-07 (1) (2) (continued)**

	£ million			
	Budget 2005-06	Budget 2006-07	Change	Change %
801 Inter-authority transfers in respect of reorganisation	3	0	-3	-100
Amending Reports	8	-5	-13	-163
811 Appropriations to(+)/ from(-) schools' reserves	2	-12	-14	-700
815 Appropriations to(+)/ from(-) other earmarked financial reserves	-129	-236	-107	-83
816 Appropriations to(+)/ from(-) unallocated financial reserves	-386	-324	62	16
817 Appropriations to(+)/ from(-) pensions reserve (1)	-657	-3,449	-2,792	-425
<b>830 THE BUDGET REQUIREMENT (total of lines 799 to 817)</b>	<b>70,477</b>	<b>47,421</b>	<b>-23,056</b>	<b>-33</b>
851 Revenue Support Grant	-26,663	-3,378	23,285	87
856 Police grant	-4,353	-3,936	417	10
858 General GLA grant	-37	-38	-1	-3
870 Redistributed non-domestic rates	-18,004	-17,506	498	3
880 Other items	-104	-111	-7	-7
<b>890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)</b>	<b>21,315</b>	<b>22,453</b>	<b>1,138</b>	<b>5</b>

## **Notes**

1. In 2006-07 all authorities have presented budgets under Financial Reporting Standard 17 (FRS17), compared to 105 in 2005-06. This affects the way pension costs are recorded on service lines. No adjustments have been made to budgets presented on a FRS17 basis. Entries in lines 787 (Pensions interest cost and expected return on pensions assets) and 817 (Appropriations to(+)/from(-) pensions reserve) only relate to those authorities presenting budgets on a FRS17 basis.
2. 2005-06 budgets are after 8 authorities revised their budgets following council tax capping.

## **Detailed budget information**

**Table 4** (RA06) and **Table 5** (RASG06) show all England summaries of the budget information in the same way as it is returned to the Department for Communities and Local Government and at the same level of detail. All figures in **Table 4** and **Table 5** are as reported by local authorities. The notes, which accompany each form sent to local authorities can be found at:

[www.local.communities.gov.uk/finance/stats/lgfforms/revenue.htm](http://www.local.communities.gov.uk/finance/stats/lgfforms/revenue.htm)

**Table 4: RA06 General Fund Revenue Accounts Budget Estimate 2006-07**

		£ thousand	
	Net current expenditure	Capital charges	Net total cost excl spec grant
<b>Education Services</b>			
110 Nursery schools	630,350	21,767	652,117
120 Primary schools	14,750,771	1,379,087	16,129,858
130 Secondary schools	15,128,513	1,292,385	16,420,898
140 Special schools	2,246,444	134,417	2,380,861
150 Non-school funding	4,237,351	234,964	4,472,317
<b>190 TOTAL EDUCATION SERVICES (total of lines 110 to 150)</b>	<b>36,993,431</b>	<b>3,062,620</b>	<b>40,056,050</b>
<b>Highways, Roads and Transport Services</b>			
210 Transport planning, policy and strategy	230,566	43,490	274,056
220 Construction	15,584	803,666	819,250
230 Structural maintenance	498,327	243,203	741,530
247 Environmental, safety and routine maintenance	864,026	164,157	1,028,183
248 Winter maintenance	153,433	5,419	158,852
249 Street lighting	396,311	16,600	412,910
251 Traffic management and road safety: congestion charging	-94,013	47	-93,966
254 Traffic management and road safety: safe routes (including school crossing patrols)	50,392	1,851	52,243
258 Traffic management and road safety: other	333,177	85,681	418,858
260 Parking services	-511,559	125,598	-385,961
271 Public transport: concessionary fares	779,728	2,001	781,729
275 Public transport: support to operators	2,210,683	44,111	2,254,794
276 Public transport: co-ordination	414,720	51,831	466,551
280 Airports, harbours and toll facilities	-5,960	3,493	-2,467
<b>290 TOTAL HIGHWAYS, ROADS AND TRANSPORT SERVICES (total of lines 210 to 280)</b>	<b>5,335,417</b>	<b>1,591,147</b>	<b>6,926,565</b>
<b>Social Services</b>			
310 Social Services strategy	84,683	2,790	87,473
320 Children's and families' services (including youth justice)	4,960,713	55,670	5,016,383
340 Older people (aged 65 or over) including older mentally ill	6,954,869	97,750	7,052,619
351 Adults aged under 65 with physical disability or sensory impairment	1,298,274	17,703	1,315,977
352 Adults aged under 65 with learning disabilities	2,896,543	64,080	2,960,623
353 Adults aged under 65 with mental health needs	983,973	15,890	999,863
360 Asylum seekers	208,233	1,023	209,256
370 Other adult Social Services	321,518	3,889	325,406
380 Supported employment	58,288	1,719	60,007
<b>390 TOTAL SOCIAL SERVICES (total of lines 310 to 380)</b>	<b>17,767,093</b>	<b>260,514</b>	<b>18,027,607</b>
<b>Housing Services (GFRA only)</b>			
440 Homelessness	218,533	6,335	224,868
456 Housing benefits: rent allowances and rent rebates - discretionary payments	18,290	832	19,121
457 Housing benefits administration	502,051	9,398	511,449
475 Housing welfare: Supporting People	1,297,544	1,959	1,299,503
480 Other GFRA housing services	352,507	328,398	680,905
<b>490 TOTAL HOUSING SERVICES (GFRA only) (total of lines 440 to 480)</b>	<b>2,388,925</b>	<b>346,923</b>	<b>2,735,848</b>
<b>Cultural and related Services</b>			
501 Culture and heritage	537,104	127,752	664,856
502 Recreation and sport	711,250	377,059	1,088,309
503 Open spaces	780,985	99,435	880,420
504 Tourism	133,897	9,100	142,997
505 Library service	905,996	107,075	1,013,071
<b>509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505)</b>	<b>3,069,231</b>	<b>720,421</b>	<b>3,789,652</b>

**Table 4: RA06 General Fund Revenue Accounts Budget Estimate 2006-07 (continued)**

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excl spec grant
<b>Environmental Services</b>			
510 Cemetery, cremation and mortuary services	2,919	20,486	23,405
521 Environmental health: food safety	112,910	1,012	113,923
527 Environmental health: public conveniences	86,284	20,074	106,359
528 Environmental health: other	394,513	14,265	408,778
529 Licensing	44,502	1,105	45,607
530 Community safety	358,040	22,386	380,426
541 Flood defence	21,459	7,209	28,669
543 Land drainage: internal drainage levy work	27,052	879	27,931
547 Coast protection	14,079	44,213	58,292
550 Agriculture and fisheries services	-3,939	16,313	12,374
560 Consumer protection	172,726	2,252	174,977
570 Street cleansing (not chargeable to Highways)	663,393	7,265	670,658
581 Waste collection	1,094,205	50,613	1,144,818
582 Waste disposal	1,523,046	24,769	1,547,815
<b>590 TOTAL ENVIRONMENTAL SERVICES (total of lines 510 to 582)</b>	<b>4,511,189</b>	<b>232,843</b>	<b>4,744,033</b>
<b>Planning and development Services</b>			
591 Building and development control; Planning policy; Environmental initiatives	756,390	36,536	792,926
595 Economic development	592,887	210,143	803,030
596 Community development	435,121	12,991	448,112
<b>599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596)</b>	<b>1,784,398</b>	<b>259,670</b>	<b>2,044,068</b>
<b>601 TOTAL POLICE SERVICES</b>	<b>10,828,439</b>	<b>445,177</b>	<b>11,273,616</b>
<b>602 TOTAL FIRE SERVICES</b>	<b>2,086,081</b>	<b>128,873</b>	<b>2,214,954</b>
<b>Court Services</b>			
604 Coroners' court services	54,869	409	55,278
605 Other court services	3,986	8,104	12,090
<b>609 TOTAL COURT SERVICES (total of lines 604 and 605)</b>	<b>58,855</b>	<b>8,513</b>	<b>67,368</b>
<b>Central services</b>			
610 Corporate and democratic core	1,759,336	61,200	1,820,536
623 Local tax collection: council tax discounts - locally funded	4,438	33	4,471
625 Local tax collection: council tax benefits administration	301,813	3,892	305,705
628 Local tax collection: other	334,821	7,943	342,764
650 Emergency planning	50,612	344	50,956
675 Central services to the public: other	208,776	39,848	248,623
681 Non-distributed costs - retirement benefits	375,809	3,518	379,327
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	79,404	54,688	134,092
<b>690 TOTAL CENTRAL SERVICES (total of lines 610 to 682)</b>	<b>3,115,008</b>	<b>171,467</b>	<b>3,286,475</b>
<b>698 TOTAL OTHER SERVICES</b>	<b>245,196</b>	<b>183,410</b>	<b>428,608</b>
<b>699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 609, 690 and 698)</b>	<b>88,183,261</b>	<b>7,411,577</b>	<b>95,594,839</b>

**Table 4: RA06 General Fund Revenue Accounts Budget Estimate 2006-07 (continued)**

	£ thousand
	<b>Net current expenditure</b>
701 Education: student support - mandatory awards	4,524
711 Housing benefits: rent allowances - mandatory payments	7,676,362
712 Housing benefits: non-HRA rent rebates - mandatory payments	593,372
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,784,598
714 Housing benefits: subsidy limitation transfers from HRA	-23,013
715 Housing benefits: transfers to/from HRA under transitional measures	-16,688
718 Contribution to the HRA re items shared by the whole community	12,108
<b>Precepts and levies</b>	
721 Parish Precepts	281,725
722 Passenger Transport Authority levy	164
724 Waste Disposal Authority levy	14,234
727 London Pensions Fund Authority levy	22,062
728 Other levies	23,946
731 External Trading Accounts net surplus(-)/ deficit(+)	-72,616
732 Internal Trading Accounts net surplus(-)/ deficit(+)	35,484
748 Adjustments to net current expenditure	15,924
<b>Total precepts and levies</b>	<b>320,923</b>
<b>749 NET CURRENT EXPENDITURE (total of lines 699 to 748)</b>	<b>100,535,446</b>
754 Local tax collection: Council tax benefit paid to the Collection Fund	3,149,514
757 Local tax collection: Non-domestic rate relief - discretionary payments	24,189
759 Levy: Environment Agency flood defence	23,192
761 Capital charges accounted for in External Trading Accounts	-154,725
762 Capital charges accounted for in Internal Trading Accounts	-116,144
765 Capital expenditure charged to the GF Revenue Account (CERA)	819,156
771 Provision for bad debts	25,196
773 Provision for repayment of principal	1,257,924
776 Leasing payments	35,151
781 Interest: external payments	2,782,527
783 Interest: HRA item 8 payments and receipts	-836,814
<b>785 SUB-TOTAL (total of lines 749 to 783)</b>	<b>107,544,613</b>
786 Interest and investment income (-): external receipts and dividends	-909,422
787 Pensions interest cost and expected return on pensions assets	3,014,041
791 Specific and special grants outside AEF [SG line 799 as income]	-18,207,583
<b>795 REVENUE EXPENDITURE (total of lines 785 to 791)</b>	<b>91,441,651</b>
797 Specific and special grants inside AEF [SG line 699 as income]	-39,994,335
<b>799 NET REVENUE EXPENDITURE (total of lines 795 and 797)</b>	<b>51,447,317</b>

**Table 4: RA06 General Fund Revenue Accounts Budget Estimate 2006-07 (continued)**

	£ thousand
	<b>Net current expenditure</b>
801 Inter-authority transfers in respect of reorganisation	443
802 Adjustments to Formula Grant re 2004-05 and 2005-06 Amending Reports	-5,091
811 Appropriations to(+)/ from(-) schools' reserves	-12,287
815 Appropriations to(+)/ from(-) other earmarked financial reserves	-236,493
816 Appropriations to(+)/ from(-) unallocated financial reserves	-323,648
817 Appropriations to(+)/ from(-) pensions reserve	-3,449,163
<b>830 THE BUDGET REQUIREMENT (total of lines 799 to 817)</b>	<b>47,421,081</b>
851 Revenue Support Grant	-3,378,111
856 Police grant	-3,935,789
858 General GLA grant	-37,868
870 Redistributed non-domestic rates	-17,505,606
880 Other items	-110,897
<b>890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)</b>	<b>22,452,811</b>

**Table 4: RA06 General Fund Revenue Accounts Budget Estimate 2006-07 (continued)**

	£ thousand	
	At 1 April 2006	At 31 March 2007
<b>Financial reserves levels at start and end of 2006-07</b>		
911 Estimated schools reserves level	1,387,758	1,375,471
915 Estimated other earmarked financial reserves level	8,342,370	8,105,877
916 Estimated unallocated financial reserves level	3,236,380	2,912,732
917 Estimated pensions reserve level	-89,496,559	-92,945,723
920 Prior Year Adjustments	-163	
<b>Capital Charges</b>	<b>2006-07</b>	
931 Depreciation	3,250,273	
932 Notional interest	3,635,232	
933 Loss on impairment of assets	52,387	
934 Amortisation of deferred charges	473,685	
<b>939 Total capital charges (total of lines 931 to 934)</b>	<b>7,411,577</b>	

**Table 5: RA(SG) Income from specific grants budget 2006-07****£ thousand****Grants within AEF**

102 Dedicated Schools Grant (DSG)	26,604,312
105 Children's Services	251,447
111 General Sure Start grant	815,655
141 Standards Fund - School Standards Grant	981,787
145 Standards Fund - Other	2,569,558
161 Teenage Pregnancy Local Implementation	28,096
181 Unaccompanied Asylum Seeking Children (UASC) Leaving Care Costs	20,326
195 Youth Opportunity	12,671
211 Detrunking	32,275
221 GLA Transport Grant	2,383,005
231 Metropolitan Railway Passenger Services	194,630
241 Personalised Travel Pilot	388
243 Roadside Vehicle Testing	0
251 Rural Bus Challenge	7,711
255 Rural Bus Subsidy	50,003
257 Travel Plan Bursaries	2,769
261 Urban Bus Challenge	5,470
301 Access & Systems Capacity	547,161
311 AIDS Support	17,317
321 Carers	183,235
325 Child and Adolescent Mental Health Services (CAMHS)	86,570
341 Delayed Discharges	99,702
351 Human Resources Development Strategy	46,371
353 Individual Budgets Pilots	2,570
355 Mental Health	135,464
361 National Training Strategy	94,234
365 Partnerships for Older People Projects	17,146
366 Preventative Technology	22,924
371 Preserved Rights	296,706
405 Housing Benefit and Council Tax Benefit Administration	416,934
451 Performance Standards Fund	2,935
481 Workstep	13,734
511 Homelessness Strategies	27,202
515 Local Authority Business Growth Incentives (LABGI) scheme	37,985
521 Local Public Service Agreement (LPSA) Performance Reward Grant	58,195
531 Neighbourhood Renewal Fund	344,977
535 Neighbourhood Wardens	1,342
537 New Dimension Crewing	9,062
541 Planning Delivery	64,332
545 The Private Finance Initiative (PFI)	268,147
551 Supporting People Administration Grant	53,630
553 Supporting People Programme - Housing	736,366
554 Supporting People Programme - Social Services	835,033
571 Animal Movement Licenses	2,686
581 National Parks & Broads	37,360
592 Waste Performance and Efficiency	38,564
611 Asylum Seekers	168,107
621 Basic Command Units (BCU) Fund	30,767
625 Community Support Officers	55,803

**Table 5: RA(SG) Income from specific grants budget 2006-07 (continued)**

	£ thousand
631 Counter Terrorism	312,006
632 Initial Police Learning and Development Programme	10,008
635 Crime Fighting Fund	265,503
642 London Travel	5,574
643 Neighbourhood Policing Fund	76,580
645 Police Negotiating Board	29,282
646 Police Officers 30+ service	0
647 Probation Loan Charges	445
648 Reform Deal	4,338
655 Street Crime Initiative	4,956
661 Young People Substance Misuse Partnership	48,612
698 Other grants within AEF (enter in memorandum box A below)	524,369
<b>699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)* (Transferred to RA line 797 as income)</b>	<b>39,994,335</b>
<b>Grants outside AEF</b>	
711 Education Maintenance Allowance	2,085
713 Higher Education Funding Council (HEFC) Payments	51,405
715 Learning and Skills Council (LSC) grant for Adult Education	356,946
716 Learning and Skills Council (LSC) grant for Sixth Forms	1,785,946
718 Mandatory Student Awards	7,040
719 DVLA Trading Fund	0
720 Free Flowing Cities	43
721 Mersey Travel	91,348
741 Council Tax Benefit Grant	3,349,120
743 Fraud Incentive Scheme	25,288
745 Mandatory Rent Allowances: subsidy	7,418,756
746 Mandatory Rent Rebates outside HRA: subsidy	956,470
747 Rent Rebates Granted to HRA Tenants	3,266,024
750 Beacon	91,249
751 Capacity Building	612
752 Housing Acts/ Urban Developments - grants to debt charges	4,817
753 New Deal for Communities (NDC)	82,726
754 LG Efficiency Challenge Fund	68
755 Single Regeneration Budget (SRB)	36,883
756 Fire Services	6,144
757 New Ventures Fund	0
758 Best Value Parishes	0
759 Invest to Save	617
771 Countryside Commission Grant	6,719
781 Police: small grants/ grants to loan charges	9,932
783 Crime Reduction Grants	20,381
788 Youth Offending Teams Grant	30,520
791 European Community grants	98,978
798 Other grants outside AEF (enter in memorandum box B below)	507,465
<b>799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 711 to 798)* (Transferred to RA line 791 as income)</b>	<b>18,207,583</b>
<b>800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)</b>	<b>58,201,915</b>

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

	<b>RA Form Reference</b>	<b>Additional levies/transfers</b>
<b>Education</b>	line 190 line 701	Mandatory student awards
<b>Highways and transport</b>	line 290 line 722	Passenger transport levy
<b>Social services</b>	line 390	
<b>Housing (non-HRA)</b>	line 490 lines 714 to 718	Subsidy limitation transfers from HRA, Transfers to/from HRA under transitional measures, Contribution to HRA re items shared by whole community
<b>Cultural services</b>	line 509	
<b>Environment</b>	line 590 line 724	Waste disposal authority levy
<b>Planning</b>	line 599	
<b>Police</b>	line 601	
<b>Fire</b>	line 602	
<b>Courts</b>	line 609	
<b>Central services</b>	line 690 line 721 line 727	Parish precepts London pensions fund levy
<b>Other</b>	line 698 line 728 line 731 line 732 line 748	Other levies Net surplus/deficit on ext TSR Net surplus/deficit on int TSR Adjustments
<hr style="border-top: 1px dashed black;"/>		
<b>Capital financing</b>	lines 761 and 762 lines 773 to 783	

## 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 DCLG/ CIPFA RA Returns submitted by local authorities in England and is based on a full response from all 477 authorities.
3. Enquiries about this Statistical Release should be addressed to Mansukh Makwana at [LGF1.REVENUE@odpm.gsi.gov.uk](mailto:LGF1.REVENUE@odpm.gsi.gov.uk) (Tel. 020 7944 4151).
4. Timings of future Releases are regularly placed on the DCLG website, [www.communities.gov.uk](http://www.communities.gov.uk) and on the National Statistics website, [www.statistics.gov.uk/press\\_release/currentreleases.asp](http://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. 16 2005, which is available in hard copy from Wetherby Publications Centre at [odpm@twoten.press.net](mailto:odpm@twoten.press.net) (Tel. 0870 1226 236) and electronically in PDF format via the Department for Communities and Local Government's web site:

<http://www.local.communities.gov.uk/finance/stats/lgfs/2005/index.htm>

6. The CIPFA "Finance and General Statistics" publication also contains detailed information on local government finance.
7. The figures in this Release have not been adjusted to take into account changes of responsibility between 2005-06 and 2006-07.
8. 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 have generally revealed 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.

### **Financial Reporting Standard 17 (FRS17)**

FRS17 recognises the costs of retirement benefits in the period that the employer took responsibility for them. This differs from the previous treatment of retirement benefits, which were recognised when employers' pension contributions were paid, in the case of funded pension schemes, and when pensions were paid, in the case of unfunded schemes. In this Statistical Release, all local authorities have prepared their budgets for 2006-07 on a FRS17 basis, but for 2005-06 105 authorities' budgets were prepared on a FRS17 basis, with the remainder of local authorities having prepared their budgets on the old basis of accounting for retirement benefits.

**Table 1** and **Table 2** of this Statistical Release are shown on a consistent FRS17 basis for all local authorities. The main aggregates of expenditure can be adjusted to the previous treatment of retirement benefits using data provided by authorities, which is summarised in the table below.

<b>Budgeted net current expenditure by service on a FRS17 and non-FRS17 basis 2006-07.</b>		
	£ million	
	Net current expenditure FRS17	Net current expenditure non-FRS17
961 Education services	36,993	36,927
962 Highways, roads and transport services	5,335	5,314
963 Social services	17,767	17,623
964 Housing services (GFRA only)	2,389	2,381
965 Cultural and related services	3,069	3,039
966 Environmental services	4,511	4,487
967 Planning and development services	1,784	1,764
971 Police services	10,828	10,610
972 Fire services	2,086	2,059
973 Court services	59	58
975 Central services	3,115	3,225
978 Other services	245	273
981 External Trading Accounts net surplus/deficit	-73	-75
982 Internal Trading Accounts net surplus/deficit	35	24
986 Pensions interest cost and expected return on pensions assets	3,014	0
987 Appropriations to/from pensions reserve	-3,449	0
<b>989 TOTAL (Total of lines 961 to 987)</b>	<b>87,711</b>	<b>87,711</b>

**Table 3** and **Table 4** record each local authority's budget as it was delivered. While in 2006-07 all authorities have delivered their budgets on a FRS17 basis, there were only some local authority budgets in 2005-06 on a FRS17 basis of recording retirement benefits, and some were on the old basis of recording retirement benefits.