

Statistical Release

30 October 2008

UPDATED LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING ENGLAND 2008-09 BUDGET

- Budgeted total net current expenditure by local authorities in England totals £112.1 billion in 2008-09, compared with £106.3 billion in 2007-08, an increase of 5%.
- 37% of budgeted total net current expenditure in 2008-09 is on education, 17% on social care, 12% on housing benefits and 11% on police.
- 25% of budgeted revenue expenditure on a non-Financial Reporting Standard 17 basis in 2008-09 is estimated to be funded through council tax, 28% through formula grant and 46% through specific grants inside Aggregate External Finance and Area Based Grant.

This release provides updated budget estimates of local authority revenue expenditure and financing for the financial year April 2008 to March 2009. This is following the designation of Lincolnshire Police Authority by the Secretary of State requiring it to recalculate its budget requirement and council tax for 2008-09. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008. These estimates are on a Financial Reporting Standard 17 (FRS17) basis except where stated otherwise. This information is derived from Communities and Local Government / Chartered Institute of Public Finance and Accountancy (CIPFA) Revenue Account (RA) budget forms submitted by local authorities in England. This release is based on returns from all 478 local authorities. The release has been compiled by the Local Government Finance Analysis and Capital Finance division of Communities and Local Government.

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Updated local authority revenue expenditure and financing England 2008-09 budget

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Budgeted net current expenditure by service

1. Budgeted net current expenditure in 2008-09 is summarised in **Table 1** and **Chart A**. **Table 1** also shows budgeted net current expenditure in 2007-08 and the percentage change to 2008-09. 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 D** of this release. It should be noted that year on year comparisons may not be valid due to local government changes in function and responsibility.

- Budgeted total net current expenditure by local authorities in England totals £112.1 billion in 2008-09 compared with £106.3 billion in 2007-08, an increase of 5%.
- 37% of budgeted total net current expenditure in 2008-09 is on education, 17% on social care, 12% on housing benefits and 11% on police.

Table 1: Budgeted net current expenditure by service 2007-08 and 2008-09

	£ million		
	Net current expenditure 2007-08	Net current expenditure 2008-09 ^(a)	% Change
Education	39,628	41,480	5
Highways & transport	5,598	6,101	9
Social care	18,471	19,478	5
Housing (excluding Housing Revenue Account)	2,452	2,484	1
Cultural, environment & planning	9,906	10,361	5
Police	11,609	12,229	5
Fire & rescue	2,227	2,364	6
Courts	62	69	13
Central services	3,353	3,695	10
Mandatory rent allowances	8,365	9,075	8
Mandatory rent rebates	626	671	7
Rent rebates granted to HRA tenants	3,803	3,757	-1
Other services	250	328	31
Total net current expenditure	106,350	112,094	5

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

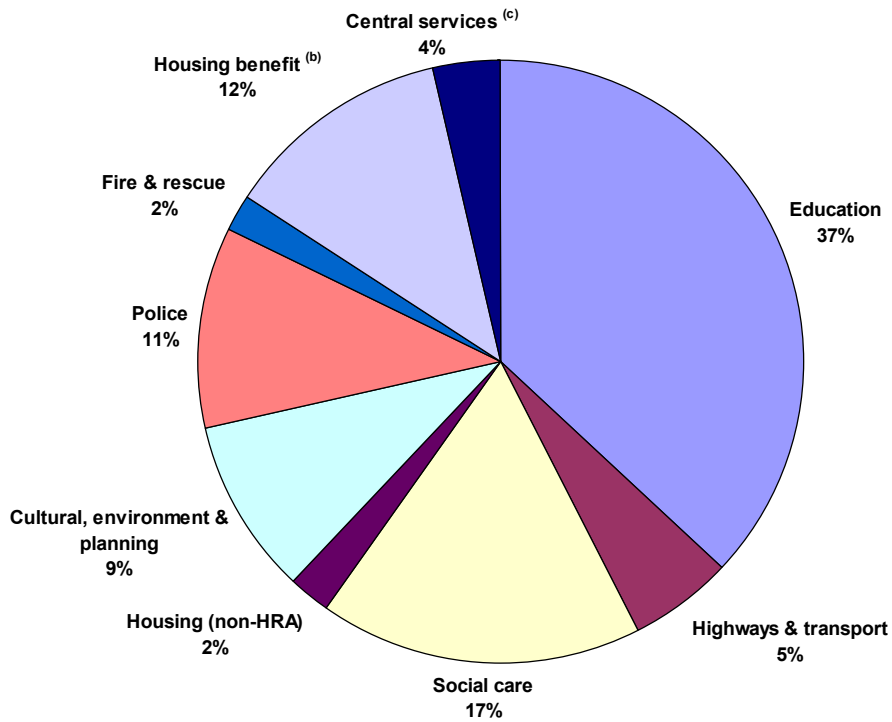
Budgeted revenue expenditure and financing

2. **Table 2** shows the link between the definitions of net current and revenue expenditure and how revenue expenditure is financed on both a FRS17 and non-FRS17 basis in 2008-09. 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-FRS17 basis in 2008-09.

- Revenue expenditure on a non-FRS17 basis is budgeted to be £98.5 billion in 2008-09.
- 25% of budgeted revenue expenditure on a non-FRS17 basis in 2008-09 is estimated to be funded through council tax, 28% through formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) and 46% through specific grants inside Aggregate External Finance and Area Based Grant.
- Formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) totals £27.5 billion in 2008-09.
- Specific grants inside Aggregate External Finance are estimated to amount to £42.1 billion.
- £24.8 billion is being raised locally through council tax.
- Area Based Grant (ABG) is a new non-ringfenced grant replacing a number of grants previously reported as specific grants on the RA(SG) form. ABG is estimated to amount to £2.7 billion in 2008-09.
- Capital financing costs in the 2008-09 budget amount to £3.6 billion, while £1.2 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts are estimated to be £1.3 billion in 2008-09.

Table 2: Budgeted revenue expenditure and financing on a FRS17 and non-FRS17 basis 2008-09 ^(a)		
	£ million	
	Net current expenditure FRS17	Net current expenditure non-FRS17
Total net current expenditure	112,094	111,172
<u>plus non-current expenditure</u>		
Capital financing	3,570	3,570
Capital Expenditure charged to Revenue Account	1,234	1,234
Council tax benefit	3,468	3,468
Discretionary Non-Domestic Rate relief	28	28
Bad debt provision	35	35
Flood defence payments to Environment Agency	29	29
Pensions interest cost and expected return on pensions assets (FRS17)	3,782	0
/less interest receipts	1,264	1,264
/less specific grants outside AEF ^(b)	19,817	19,817
Revenue expenditure	103,159	98,455
/less specific grants inside AEF ^(b)	42,133	42,133
/less Area Based Grant (ABG)	2,731	2,731
Net revenue expenditure	58,295	53,591
/less appropriations from pensions reserves (FRS17)	4,704	0
/less appropriations from other revenue reserves	1,204	1,204
/less adjustments	0	0
Budget requirement	52,387	52,387
<u>financed by:</u>		
Revenue Support Grant	2,854	2,854
Redistributed non-domestic rates	20,506	20,506
Police grant	4,136	4,136
General Greater London Authority (GLA) grant	48	48
Other items	85	85
Council tax requirement	24,759	24,759
^(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.		
^(b) Aggregate External Finance; see Background Notes for definition		

Chart A: Budgeted total net current expenditure by service 2008-09 ^(a)

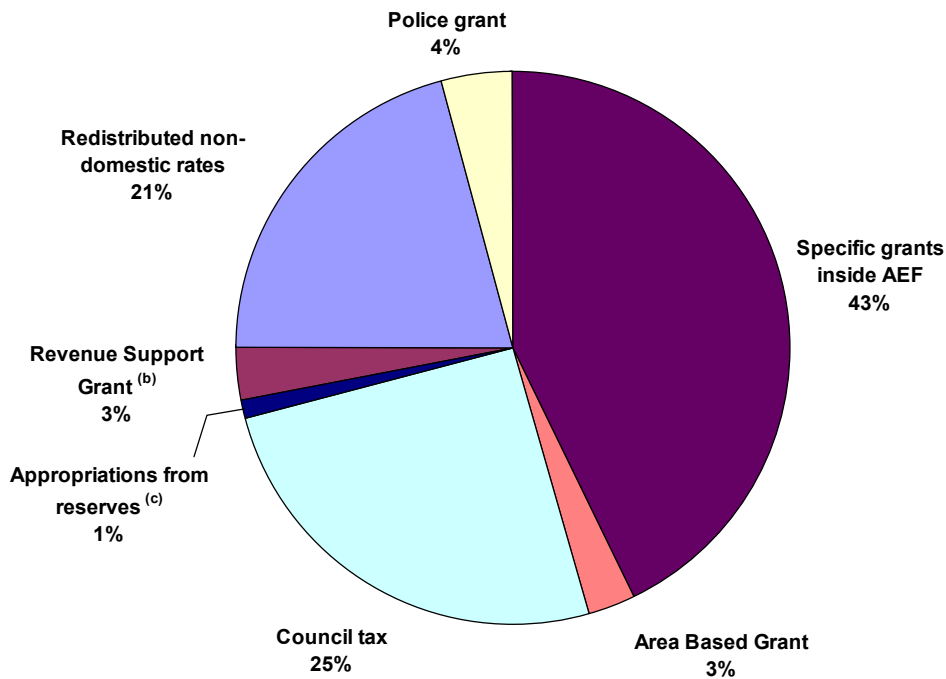


(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

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

(c) Central services include courts and other services

Chart B: Budgeted financing of revenue expenditure 2008-09 ^(a)



(a) Produced on a non-Financial Reporting Standard 17 basis. Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

(b) Revenue Support Grant includes General GLA grant and 'Other items'

(c) Appropriations from reserves include adjustments

3. **Table 3** shows the funding of budgeted revenue expenditure in terms of government grants, redistributed non-domestic rates and council taxes from 2002-03 onwards. All years are produced on a non-FRS17 basis. This is because local authorities set their council tax with regard to their expenditure on a non-FRS17 basis. A fuller definition of FRS17 can be found in the **Terminology used in this release** section.

- In 2008-09, 53% of budgeted revenue expenditure on a non-FRS17 basis is estimated to be funded by government grants (including Revenue Support Grant, specific grants inside Aggregate External Finance, Area Based Grant and Police grant), 25% by council tax and 21% by redistributed non-domestic rates.

Table 3: Financing of revenue expenditure since 2002-03 ^(a)

	Revenue Expenditure (£ million)	Government grants (£ million)	% of total	Redistributed non-domestic rates (£ million)	% of total	Council tax (£ million)	% of total
Outturn							
2002-03	65,898	32,634	50	16,639	25	16,648	25
2003-04	75,244	41,777	56	15,611	21	18,946	25
2004-05	79,303	45,258	57	15,004	19	20,299	26
2005-06	84,422	45,838	54	18,004	21	21,315	25
2006-07	88,482	49,123	56	17,506	20	22,453	25
Budget							
2007-08	93,300	50,184	54	18,506	20	23,608	25
2008-09 ^(b)	98,455	51,902	53	20,506	21	24,759	25

(a) Produced on a non-Financial Reporting Standard 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) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Budgeted income from specific grants

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

- In 2008-09, Dedicated Schools Grant (DSG) is budgeted to account for 69% of the income received by local authorities through specific grants inside Aggregate External Finance.

Table 4: Top five incomes from specific grants budget 2008-09 ^(a)

		£ million
Grants inside Aggregate External Finance		
Dedicated Schools Grant (DSG)	SG line 102	29,012
GLA Transport Grant	SG line 221	2,663
Standards Fund (excluding elements now in ABG)	SG line 145	2,661
School Standards Grant (including Personalisation)	SG line 141	1,459
Sure Start, Early Years and Childcare Grant	SG line 150	1,226
Grants outside Aggregate External Finance		
Mandatory Rent Allowances: subsidy	SG line 745	8,919
Council Tax Benefit: subsidy	SG line 741	3,546
Rent Rebates Granted to HRA Tenants: subsidy	SG line 747	3,157
Sixth forms funding from Learning and Skills Council (LSC)	SG line 716	1,766
Mandatory Rent Rebates outside HRA: subsidy	SG line 746	1,101

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Detailed budget information

5. **Annex A** (RA08) and **Annex C** (RASG08) 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: www.local.communities.gov.uk/finance/stats/lqfforms/revenue.htm. **Annex B** shows a summary of the revisions made since the 5 June 2008 Statistical Release.

Annex A: RA08 General Fund Revenue Accounts Budget Estimate 2008-09 ^(a)			
			£ thousand
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Education Services			
110 Nursery schools	751,024	12,837	763,861
120 Primary schools	16,417,637	614,799	17,032,436
130 Secondary schools	16,930,128	615,314	17,545,442
140 Special schools	2,580,226	76,828	2,657,054
150 Non-school funding	4,799,021	132,052	4,931,073
190 TOTAL EDUCATION SERVICES (total of lines 110 to 150)	41,478,037	1,451,830	42,929,867
Highways, Roads and Transport Services			
210 Transport planning, policy and strategy	298,581	114,110	412,691
220 Construction	15,815	476,086	491,900
230 Structural maintenance	492,483	142,732	635,215
247 Environmental, safety and routine maintenance	990,384	55,059	1,045,442
248 Winter maintenance	142,387	4,073	146,460
249 Street lighting	453,609	12,057	465,666
251 Traffic management and road safety: congestion charging	-163,579	4	-163,575
254 Traffic management and road safety: safe routes (including school crossing patrols)	64,277	2,494	66,771
258 Traffic management and road safety: other	446,334	29,941	476,275
260 Parking services	-551,871	57,902	-493,969
271 Public transport: concessionary fares	994,414	1,163	995,577
275 Public transport: support to operators	2,541,180	33,704	2,574,884
276 Public transport: co-ordination	381,411	23,914	405,325
280 Airports harbours and toll facilities	-4,497	1,919	-2,578
290 TOTAL HIGHWAYS, ROADS AND TRANSPORT SERVICES (total of lines 210 to 280)	6,100,927	955,157	7,056,084
Social Care			
311 Social care strategy - children	57,944	8,023	65,967
325 Children's and families' services - asylum seekers	189,311	567	189,878
329 Children's and families' services - other	5,436,544	35,882	5,472,426
330 Social care strategy - adults	60,883	3,545	64,428
340 Older people (aged 65 or over) including older mentally ill	7,268,551	64,032	7,332,583
351 Adults aged under 65 with physical disability or sensory impairment	1,459,733	12,440	1,472,173
352 Adults aged under 65 with learning disabilities	3,449,710	43,580	3,493,289
353 Adults aged under 65 with mental health needs	1,091,752	10,399	1,102,151
375 Other adult social care - asylum seekers - lone adults	56,759	128	56,887
379 Other adult social care - other	347,236	4,827	352,063
380 Supported employment	59,785	1,165	60,950
390 TOTAL SOCIAL CARE (total of lines 311 to 380)	19,478,208	184,588	19,662,796
Housing Services (non HRA)			
440 Homelessness	228,010	6,812	234,822
456 Housing benefits: rent allowances and rent rebates - discretionary payments	19,809	22	19,831
457 Housing benefits administration	502,580	6,364	508,944
475 Housing welfare: Supporting People	1,356,345	2,539	1,358,884
480 Other GFRA housing services	386,943	284,944	671,887
490 TOTAL HOUSING SERVICES (non HRA) (total of lines 440 to 480)	2,493,687	300,681	2,794,368
Cultural and related Services			
501 Culture and heritage	587,649	58,702	646,351
502 Recreation and sport	766,049	206,120	972,169
503 Open spaces	832,946	52,591	885,537
504 Tourism	137,454	4,022	141,476
505 Library service	941,241	62,747	1,003,988
509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505)	3,265,339	384,182	3,649,521

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Annex A: RA08 General Fund Revenue Accounts Budget Estimate 2008-09 ^(a) (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excluding specific grants
Environmental Services			
510 Cemetery, cremation and mortuary services	-264	11,154	10,890
521 Environmental health: food safety	119,504	792	120,296
527 Environmental health: public conveniences	91,382	12,336	103,718
528 Environmental health: other	412,983	13,308	426,291
529 Licensing	40,982	841	41,823
530 Community safety	468,532	17,347	485,879
541 Flood defence	19,012	2,634	21,646
543 Land drainage	30,508	948	31,456
547 Coast protection	14,856	13,007	27,863
550 Agriculture and fisheries services	-3,527	2,747	-780
560 Trading Standards	186,956	1,966	188,922
570 Street cleansing (not chargeable to Highways)	725,393	7,767	733,160
581 Waste collection	1,240,048	57,094	1,297,142
582 Waste disposal	1,859,018	13,388	1,872,406
590 TOTAL ENVIRONMENTAL SERVICES (total of lines 510 to 582)	5,205,383	155,329	5,360,712
Planning and development Services			
591 Building and development control; Planning policy; Environmental initiatives	804,618	29,623	834,241
595 Economic development	585,512	85,726	671,238
596 Community development	499,973	17,974	517,947
599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596)	1,890,103	133,323	2,023,426
601 TOTAL POLICE SERVICES	12,229,376	280,722	12,510,098
602 TOTAL FIRE & RESCUE SERVICES	2,363,928	81,464	2,445,392
Court Services			
604 Coroners' court services	66,294	390	66,684
605 Other court services	3,069	1,156	4,225
609 TOTAL COURT SERVICES (total of lines 604 and 605)	69,363	1,546	70,909
Central services			
610 Corporate and democratic core	1,806,143	53,003	1,859,146
623 Local tax collection: council tax discounts - locally funded	6,638	42	6,680
625 Local tax collection: council tax benefits administration	320,398	2,922	323,320
628 Local tax collection: other	359,870	6,261	366,131
650 Emergency planning	58,692	626	59,318
675 Central services to the public: other	293,693	22,828	316,521
681 Non-distributed costs - retirement benefits	417,799	4,275	422,074
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	85,175	34,605	119,780
683 Non-distributed costs - depreciation/impairment of surplus costs etc	n/a	14,214	14,214
690 TOTAL CENTRAL SERVICES (total of lines 610 to 683)	3,348,407	138,776	3,487,183
698 TOTAL OTHER SERVICES	371,706	97,968	469,674
699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 609, 690 and 698)	98,294,461	4,165,566	102,460,027

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Annex A: RA08 General Fund Revenue Accounts Budget Estimate 2008-09 ^(a) (continued)

	£ thousand
	Net current expenditure
701 Education: student support - mandatory awards	2,219
711 Housing benefits: rent allowances - mandatory payments	9,075,048
712 Housing benefits: non-HRA rent rebates - mandatory payments	670,795
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,757,447
714 Housing benefits: subsidy limitation transfers from HRA	-21,804
718 Contribution to the HRA re items shared by the whole community	11,919
Precepts and levies	
721 Parish Precepts	321,794
722 Passenger Transport Authority levy	1
724 Waste Disposal Authority levy	-1
727 London Pensions Fund Authority levy	25,285
728 Other levies	23,639
731 External Trading Accounts net surplus(-)/deficit(+)	-198,125
732 Internal Trading Accounts net surplus(-)/deficit(+)	12,961
748 Adjustments to net current expenditure	118,259
Total precepts and levies	303,813
749 NET CURRENT EXPENDITURE (total of lines 699 to 748)	112,093,898
754 Local tax collection: Council tax benefit paid to the Collection Fund	3,468,379
757 Local tax collection: Non-domestic rate relief - discretionary payments	28,080
759 Levy: Environment Agency flood defence	28,747
761 Capital charges accounted for in External Trading Accounts	-40,245
762 Capital charges accounted for in Internal Trading Accounts	-86,299
765 Capital expenditure charged to the GF Revenue Account (CERA)	1,234,133
771 Provision for bad debts	35,348
773 Provision for repayment of principal	1,533,853
776 Leasing payments	33,404
781 Interest: external payments	3,036,626
783 Interest: HRA item 8 payments and receipts	-907,697
785 SUB-TOTAL (total of lines 749 to 783)	120,458,226
786 Interest and investment income: external receipts and dividends	-1,264,356
787 Pensions interest cost and expected return on pensions assets	3,782,236
791 Specific and special grants outside AEF [SG line 799 as income]	-19,817,065
795 REVENUE EXPENDITURE (total of lines 785 to 791)	103,159,043
797 Specific and special grants inside AEF [SG line 699 as income]	-42,133,455
798 Area Based Grant (ABG)	-2,730,752
799 NET REVENUE EXPENDITURE (total of lines 795 to 798)	58,294,836

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Annex A: RA08 General Fund Revenue Accounts Budget Estimate 2008-09 ^(a) (continued)

	£ thousand
	Net current expenditure
801 Inter-authority transfers in respect of reorganisation	411
811 Appropriations to(+)/from(-) schools' reserves	-35,101
815 Appropriations to(+)/from(-) other earmarked financial reserves	-937,061
816 Appropriations to(+)/from(-) unallocated financial reserves	-231,482
817 Appropriations to(+)/from(-) pensions reserves	-4,704,290
830 THE BUDGET REQUIREMENT (total of lines 799 to 817)	52,387,309
851 Revenue Support Grant	-2,853,771
856 Police grant	-4,136,050
858 General GLA grant	-48,006
870 Redistributed non-domestic rates	-20,505,595
880 Other items	-84,692
890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)	24,759,197

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Annex A: RA08 General Fund Revenue Accounts Budget Estimate 2008-09 ^(a) (continued)

	£ thousand	
	At 1 April 2008	At 31 March 2009
Financial reserves		
911 Estimated schools reserves level	1,664,533	1,629,432
915 Estimated other earmarked financial reserves level	6,822,092	5,885,030
916 Estimated unallocated financial reserves level	2,986,339	2,754,856
917 Estimated pensions reserve level ^(b)	-100,130,587	...
920 Prior Year Adjustments	12,673	
Capital Charges	2008-09	
931 Depreciation	3,978,216	
933 Loss on impairment of assets	72,078	
934 Amortisation of deferred charges	640,359	
935 Credit for amortisation of capital grants ^(c)	-525,087	
939 Total capital charges (total of lines 931 to 935)	4,165,566	

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

(b) Data not collected at 31 March 2009, because the year end balance is affected by actuarial gains and losses on the assets and liabilities of the pension scheme, and it is not practical for authorities to estimate this figure in advance.

(c) Where capital expenditure has been financed by capital grant, the grant is credited to the income and expenditure account over the useful life of the asset in the line with the depreciation charge.

Annex B: Summary of revisions 2008-09

	£ million	
	Net current expenditure 5 June Release	Net current expenditure Revised
Education	41,474	41,480
Highways & transport	6,099	6,101
Social care	19,460	19,478
Housing (excluding Housing Revenue Account)	2,483	2,484
Cultural, environment & planning	10,355	10,361
Police	12,245	12,229
Fire & rescue	2,364	2,364
Courts	69	69
Central services	3,704	3,695
Mandatory rent allowances	9,075	9,075
Mandatory rent rebates	671	671
Rent rebates granted to HRA tenants	3,757	3,757
Other services	320	328
Total net current expenditure	112,077	112,094
<u>plus non-current expenditure</u>		
Capital financing	3,572	3,570
Capital Expenditure charged to Revenue Account	1,225	1,234
Council tax benefit	3,468	3,468
Discretionary Non-Domestic Rate relief	28	28
Bad debt provision	35	35
Flood defence payments to Environment Agency	29	29
Pensions interest cost and expected return on pensions assets (FRS17)	3,782	3,782
/less interest receipts	1,264	1,264
/less specific grants outside AEF ^(a)	19,816	19,817
Revenue expenditure	103,136	103,159
/less specific grants inside AEF ^(a)	42,123	42,133
/less Area Based Grant (ABG)	2,725	2,731
Net revenue expenditure	58,288	58,295
/less appropriations from pensions reserves (FRS17)	4,704	4,704
/less appropriations from other revenue reserves	1,194	1,204
/less adjustments	-13	0
Budget requirement	52,403	52,387
<u>financed by:</u>		
Revenue Support Grant	2,854	2,854
Redistributed non-domestic rates	20,506	20,506
Police grant	4,136	4,136
General Greater London Authority (GLA) grant	48	48
Other items	85	85
Council tax requirement	24,775	24,759

(a) Aggregate External Finance; see Background Notes for definition

Annex C: RA(SG08) Income from specific grants budget 2008-09 ^(a)

	£ thousand
Grants inside Aggregate External Finance	
102 Dedicated Schools Grant (DSG)	29,011,777
107 Treatment Foster Care	1,173
109 Contact Point	21,364
141 School Standards Grant (including Personalisation)	1,458,843
145 Standards Fund (excluding elements now in ABG)	2,661,089
150 Sure Start, Early Years and Childcare Grant	1,225,795
155 Parenting Practitioner Grant	2,106
156 Aiming High for Disabled Children	8,127
157 Targetted Mental Health in Schools	2,302
195 Youth Opportunity	28,066
210 Specific Road Safety Grant	4,050
212 Kerbcraft Road Safety	37
213 Work Related Road Safety	0
214 Rural Road Safety	79
215 Road Safety Partnerships	3,270
217 Congestion Performance Fund	0
218 Transport Innovation Fund	0
219 Inner City Demonstration Projects	0
220 Concessionary Fares	113,708
221 GLA Transport Grant	2,663,204
231 Metropolitan Railway Passenger Services	268,800
241 Personalised Travel Pilot	0
243 Roadside Vehicle Testing	0
251 Rural Bus Challenge and Kickstart	4,341
257 Travel Plan Bursaries	199
260 Urban congestion	0
261 Urban Bus Challenge and Kickstart	2,822
311 AIDS Support	15,988
320 Social Care Reform	62,385
324 Learning Disability Campus Closure Programme	519
405 Housing Benefit and Council Tax Benefit Administration	584,687
481 Workstep	13,031
511 Homelessness	34,723
514 The Growth Fund	4,083
515 Local Authority Business Growth Incentives (LABGI) scheme	20,375
521 Local Area Agreements (LAA) Reward Grant or Local Public Service Agreement (LPSA) Performance Reward Grant	34,469
522 Local Area Agreements (LAA) Pump Priming Grant	5,627
523 Other Local Area Agreements (LAA) Revenue Grants	56,090
537 New Dimension Grants	13,934
541 Housing Planning Delivery Grant	33,774
542 Fire Control Implementation Funding	4,716
545 The Private Finance Initiative (PFI)	342,092
553 Supporting People Grant- Housing	809,886
554 Supporting People Grant - Social Care	807,832
571 Animal Movement Licenses	2,650
572 Animal Health and Welfare Enforcement	414
581 National Parks & Broads	44,810
592 Waste Performance and Efficiency	5,085
593 Waste Management Pilots	0
611 Asylum Seekers	157,761
613 Sexual Assault Referral Centres	1,331
614 Alcohol Arrest Referral Pilots	25
615 Multi Agency Risk Assessment Conferences	60

(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

Annex C: RA(SG08) Income from specific grants budget 2008-09 ^(a) (continued)	
	£ thousand
616 Guns, Gangs & Knives	256
617 Drug Action Teams	57,003
618 Crime and Disorder Reduction Partnerships	1,432
621 Basic Command Units (BCU) Fund	28,991
625 Community Support Officers	81,217
631 Counter Terrorism	403,443
635 Crime Fighting Fund	263,182
643 Neighbourhood Policing Fund	227,689
647 Probation Loan Charges	3,008
648 Reform Deal	2,239
650 Additional Rule 2 Grant	165,043
669 LFEPA Civil Contingencies	641
698 Other grants within AEF	361,812
699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698) (Transferred to RA line 797 as income)	42,133,454
Grants outside Aggregate External Finance	
708 Further Education funding from Learning and Skills Council (LSC) - 19+ funding	33,761
711 Education Maintenance Allowance	20,776
712 Further Education funding from Learning and Skills Council (LSC) - 16-18 funding	197,413
713 Higher Education Funding Council (HEFC) Payments	15,841
715 Adult and Community Learning from Learning and Skills Council (LSC)	364,344
716 Sixth forms funding from Learning and Skills Council (LSC)	1,765,987
718 Mandatory Student Awards	28,290
719 DVLA Trading Fund	0
720 Free Flowing Cities	0
721 Mersey Travel	11,090
741 Council Tax Benefit: subsidy	3,545,624
745 Mandatory Rent Allowances: subsidy	8,919,356
746 Mandatory Rent Rebates outside HRA: subsidy	1,100,647
747 Rent Rebates Granted to HRA Tenants: subsidy	3,157,326
750 Beacon	290
751 Capacity Building	950
752 Housing Acts/ Urban Developments - contributions towards cost of loan charges	810
753 New Deal for Communities (NDC)	65,192
754 LG Efficiency Challenge Fund	0
755 Efficiency Improvements in Local Government	1,389
756 Fire Services	2,168
757 New Ventures Fund	0
758 Best Value Parishes	0
759 Invest to Save	698
760 Neighbourhood Management Pathfinder	8,557
761 Neighbourhood Element	3,070
762 Joint Liveability	0
766 Tackling Extremism	750
767 Cleaner, Safer, Greener Element	486
769 Housing Market Renewal Grant	15,792
771 Countryside Commission Grant	3,761
772 Rural Social and Community Programme	334
782 Tackling Violent Crime Programme	121
783 Crime Reduction Grants	6,197
788 Youth Offending Teams Grant	38,834
791 European Community grants	47,970
798 Other grants outside AEF	459,242
799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 708 to 798) (Transferred to RA line 791 as income)	19,817,065
800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)	61,950,519
<small>(a) Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.</small>	

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

	Line reference	Additional levies/transfers
Education	RA line 190	
	RA line 701	Mandatory student awards
Highways and transport	RA line 290	
	RA line 722	Passenger transport authority levy
Social care	RA line 390	
Housing (excluding Housing Revenue Account)	RA line 490	
	RA line 714	Subsidy limitation transfers from HRA
	RA line 718	Contribution to HRA re items shared by whole community
Cultural	RA line 509	
Environment	RA line 590	
	RA line 724	Waste disposal authority levy
Planning	RA line 599	
Police	RA line 601	
Fire & rescue	RA line 602	
Courts	RA line 609	
Central services	RA line 690	
	RA line 721	Parish precepts
	RA line 727	London Pensions Fund Authority levy
Other	RA line 698	
	RA line 728	Other levies
	RA line 731	External Trading Accounts net surplus/deficit
	RA line 732	Internal Trading Accounts net surplus/deficit
	RA line 748	Adjustments
Total net current expenditure	RA line 749	

Terminology used in this release

A list of terms relating to local government finance is given in the glossary at Annex G of *Local Government Finance Statistics England* No. 18 2008. This is accessible at <http://www.local.communities.gov.uk/finance/stats/lgfs/2008/lgfs18/annexG.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.

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.

Financial Reporting Standard 17 (FRS17) - Local authorities account for retirement benefits (pensions) in their service expenditure in accordance with FRS17. This requirement is enshrined in the Code of Practice on Local Authority Accounting in the UK, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in CIPFA's Best Value Accounting Code of Practice (BVACOP). The estimates in this release are on a FRS17 basis except where stated otherwise.

Under FRS17 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. 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 FRS17. In the analysis this is shown - after taking account of a further element of the FRS17 charge, "Pensions interest cost and expected return on pensions assets" (line 787) - by the entry "Appropriations to/from pensions reserves" (line 817). Line 787 is a small difference between two large numbers and hence can show volatile movements from year to year. More than three quarters of line 787 relates to police and fire authorities, where most employees belong to the unfunded pension schemes for

police and firefighters. The appropriation in line 817 equals the difference between the FRS17 charges (including Line 787) and the employer's contributions for the year.

The information excluding FRS17 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-FRS17 basis for their key statistics on Public Sector Finances and National Accounts. The following table shows summary service expenditure on both an FRS17 and a non-FRS17 basis from the RA form. The non-FRS17 basis estimates of expenditure are not affected by the changes in the assessment of pension liabilities described above.

Budgeted net current expenditure by service on a FRS17 and non-FRS17 basis 2008-09 ^(a)		
	£ million	
	Net current expenditure FRS17	Net current expenditure non-FRS17
961 Education services	41,478	41,448
962 Highways, roads and transport services	6,101	6,089
963 Social care	19,478	19,369
964 Housing services (non HRA)	2,494	2,485
965 Cultural and related services	3,265	3,240
966 Environmental services	5,205	5,177
967 Planning and development services	1,890	1,867
971 Police services	12,229	11,710
972 Fire & rescue services	2,364	2,220
973 Court services	69	70
975 Central services (excluding Non-distributed costs - retirement benefits)	2,931	2,992
976 Non-distributed costs - retirement benefits	418	355
978 Other services	372	373
981 External Trading Accounts net surplus/deficit	-198	-199
982 Internal Trading Accounts net surplus/deficit	13	-9
986 Pensions interest cost and expected return on pensions asset	3,782	n/a
987 Appropriations to/from pensions reserve	-4,704	n/a
989 TOTAL (Total of lines 961 to 987)	97,187	97,187

(a) Figures are for individual service lines and do not include additions such as some housing benefits which are included in Table 1. Some figures revised as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

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

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

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

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

Data quality

1. This Statistical Release contains National Statistics and as such has been produced to the high professional standards set out in the National Statistics Code of Practice. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.
2. The information in this Statistical Release is derived from Communities and Local Government / CIPFA Revenue Account (RA) returns submitted by all 478 local authorities in England.
3. Figures are subjected to rigorous pre-defined validation tests both within the form itself, while the form is being completed by the authority, and also by Communities and Local Government and CIPFA as the data are received and stored.
4. Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.
5. Please note that the figures in this release have not been adjusted to take into account changes of responsibility between 2007-08 and 2008-09.
6. Figures have been updated as a result of the designation of Lincolnshire Police Authority requiring it to recalculate its budget requirement and council tax for 2008-09. It also includes a few minor revisions submitted by authorities and corrections of errors since the publication on 5 June 2008.

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-FRS17 basis are used by the Office for National Statistics in compiling the Public Sector Finances and National Accounts, which are used to set fiscal and monetary policy.
2. The data are also important sources for various evidence based policy and financial decisions and answering numerous parliamentary questions. In addition it is used by local authorities and their associations, regional bodies, members of the business community and the general public.

Background Notes

1. This Statistical Release can be found at the following web address:
<http://www.local.communities.gov.uk/finance/stats/natstats.htm#rev>
2. For press enquiries about this Statistical Release, please contact the Local Government press desk on 020 7944 3042 or email press.office@communities.gsi.gov.uk. For other enquiries, please contact Peter Gibb on 020 7944 4176 or email LGF1.REVENUE@communities.gsi.gov.uk.

3. The figures in this release use recalculated budget requirement and council tax levels for Lincolnshire Police Authority, following its designation by the Secretary of State in 2008-09.
4. This updated release replaces the version published on 5 June 2008.
5. Timings of future releases are regularly placed on the Department's website, www.communities.gov.uk and on the National Statistics website, www.statistics.gov.uk/press_release/currentreleases.asp
6. For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Finance Statistics England* No. 18 2008, which is available in hard copy from Wetherby Publications Centre at communities@twoten.com (Tel. 0870 1226 236) and electronically from the Communities and Local Government website: <http://www.local.communities.gov.uk/finance/stats/lgfs/2008/index.htm>
7. The CIPFA *Finance and General Statistics* publication also contains detailed information on local government finance.
8. Both the Scottish Government and the Welsh Assembly 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/theme/loc-gov/?lang=en>

Symbols and conventions

... = not available
0 = zero or negligible
n/a = not applicable

Rounding

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