



# *Statistical Release*

30 June 2005

## LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

### ENGLAND

#### 2005-06 BUDGET

- **Budgeted net current expenditure by local authorities in England for 2005-06 is £95.4 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 revenue expenditure in 2005-06 is £84.0 billion. 25% of this is to be raised through council tax, 58% from formula grant and 16% from specific grants. These percentages are very similar to those in 2004-05.**
- **Budgeted net current expenditure in 2005-06 is 7% higher than in 2004-05. This is an increase of just under £6 billion.**

This Release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2005 to March 2006.

This information is derived from ODPM/ 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 ODPM.

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

Budgeted net current expenditure is summarised in **Table 1** and **Chart A**. This is shown on a non-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 £95.4 billion in 2005-06.
- Education, social services and police make up 65% (£62.1 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 2005-06** <sup>(a) (b)</sup>

	<b>Net current expenditure £ million</b>	<b>% of total</b>
Education <sup>(c)</sup>	34,960	36.6
Highways and transport	4,984	5.2
Social services	16,874	17.7
Housing (excluding Housing Revenue Account)	2,314	2.4
Cultural, environment and planning	8,772	9.2
Police	10,313	10.8
Fire	2,110	2.2
Courts	57	0.1
Central services	3,457	3.6
Other	156	0.2
Mandatory rent allowances	7,201	7.5
Mandatory rent rebates	466	0.5
Rent rebates granted to HRA tenants <sup>(d)</sup>	3,783	4.0
<b>Total net current expenditure</b>	<b>95,446</b>	

(a) Produced on a non-Financial Reporting Standard 17 (FRS17) basis  
(b) See Table 6 for a breakdown of individual service lines  
(c) Includes mandatory student awards  
(d) Previously paid through the Housing Revenue Account (HRA)

## **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 non-Financial Reporting Standard 17 (FRS17) basis. A more detailed breakdown of this information can be found in **Table 4**.

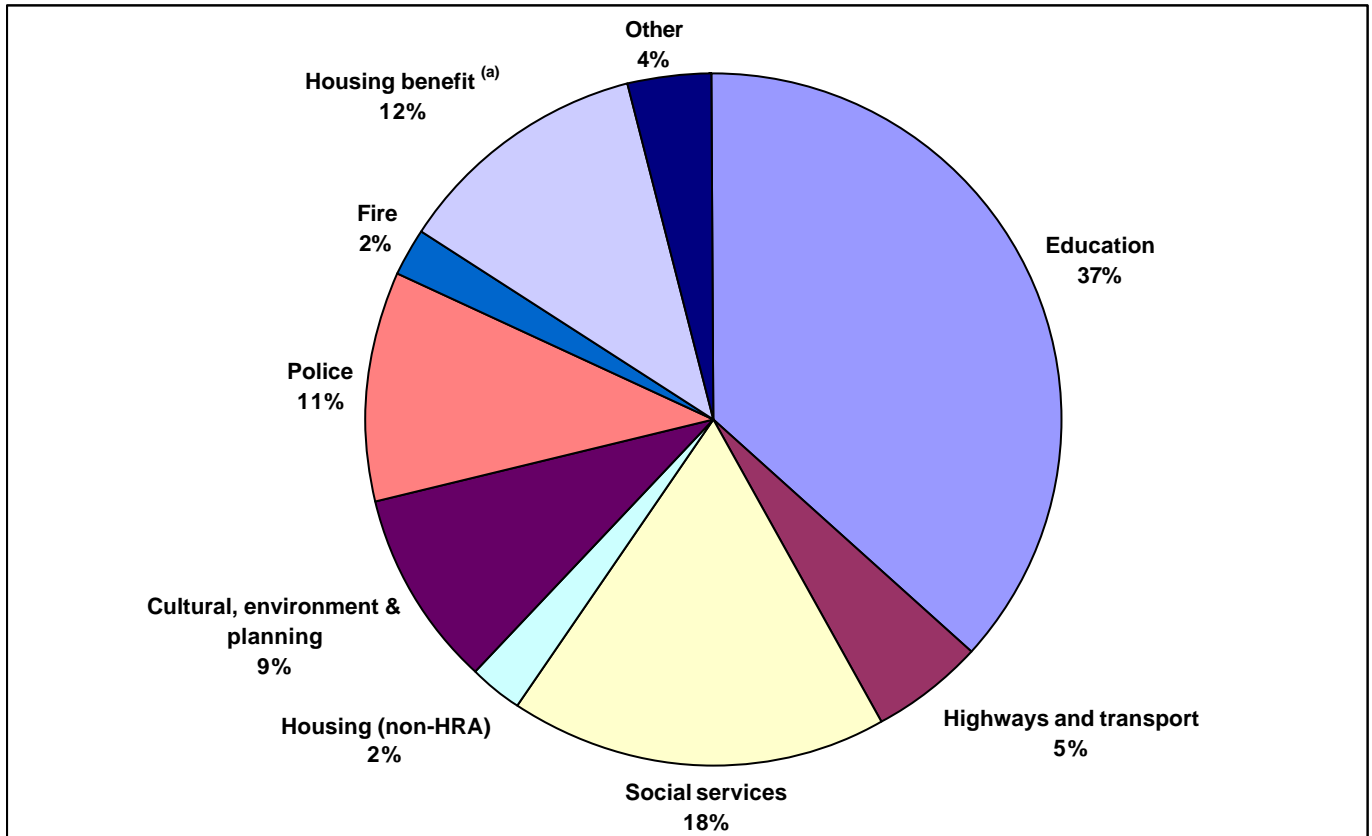
- Budgeted revenue expenditure in 2005-06 is £84.0 billion.
- Capital financing costs in the 2005-06 budget amount to £2.7 billion, while £0.9 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts in 2005-06 are estimated to be £0.8 billion. Other non-current expenditure includes the payment of council tax benefit of £3.0 billion, but this is netted off by income from specific grants outside Aggregate External Finance (AEF).

<b>Table 2: Budgeted revenue expenditure and financing 2005-06 <sup>(a)</sup></b>	
	<b>£ million</b>
<b>Net current expenditure</b>	<b>95,446</b>
<u>plus non-current expenditure</u>	
Capital financing	2,721
Capital Expenditure charged to Revenue Account	868
Council tax benefit	2,994
Discretionary Non-Domestic Rate relief	26
Bad debt provision	20
Flood defence payments to Environment Agency	27
<i>less interest receipts</i>	834
<i>less specific grants outside AEF</i>	17,274
<b>Revenue expenditure</b>	<b>83,995</b>
<i>less specific grants inside AEF</i>	13,014
<b>Net revenue expenditure</b>	<b>70,980</b>
<i>less appropriations from reserves</i>	510
<i>less adjustments</i>	-12
<b>Budget requirement</b>	<b>70,481</b>
<u>financed by:</u>	
Revenue Support Grant	26,663
Redistributed business rates	18,004
Police grant	4,353
General Greater London Authority (GLA) grant	37
Other items	104
<b>Council tax requirement</b>	<b>21,320</b>
(a) Produced on a non-FRS17 basis	

**Chart B** illustrates the way that budgeted revenue expenditure is to be financed in 2005-06.

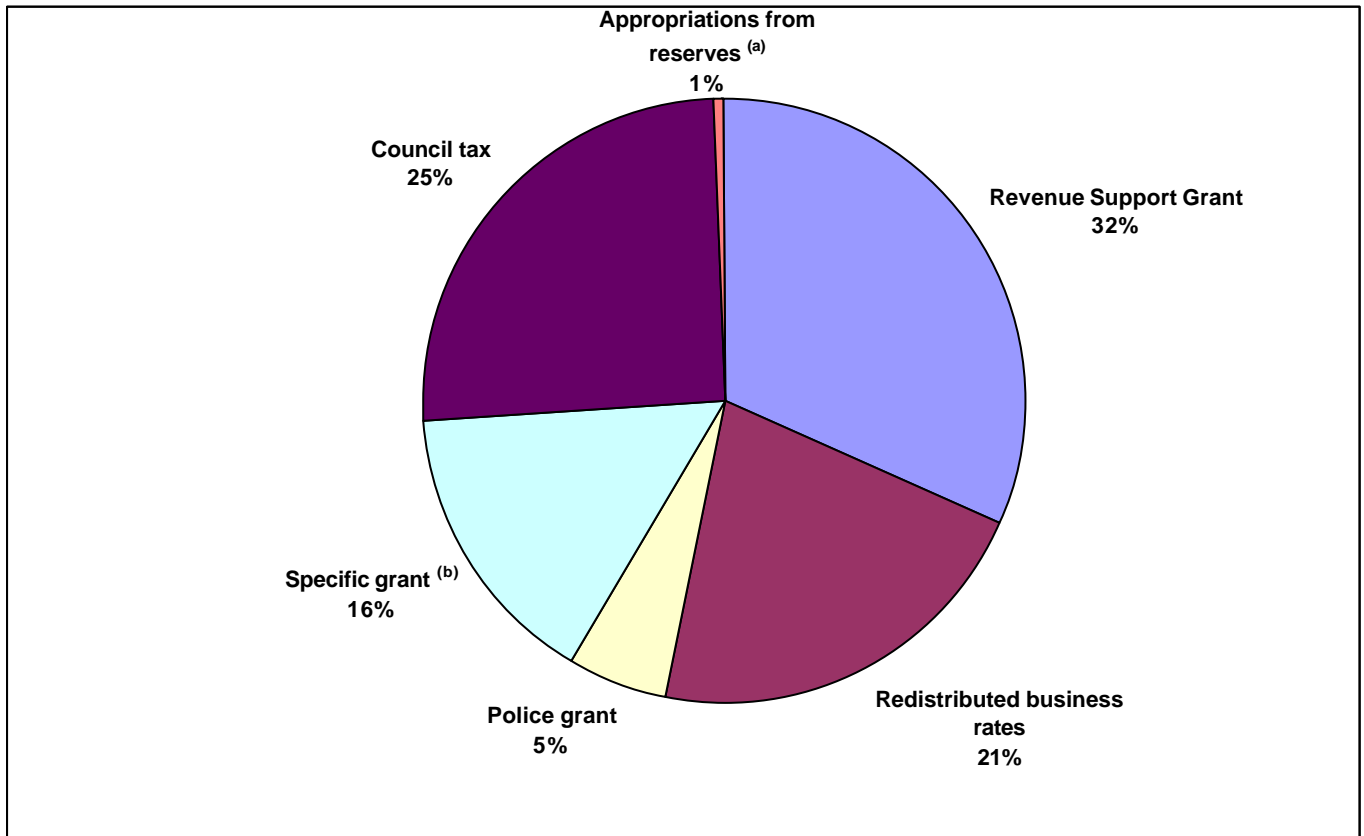
- Formula grant (Revenue Support Grant, Redistributed business rates and Police grant) totals £49.0 billion in 2005-06. Specific grants inside AEF are estimated to amount to £13.0 billion. £21.3 billion is being raised locally through council tax.

**Chart A: Budgeted net current expenditure by service 2005-06**



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

**Chart B: Financing of revenue expenditure in 2005-06**



(a) Appropriations from reserves includes adjustments

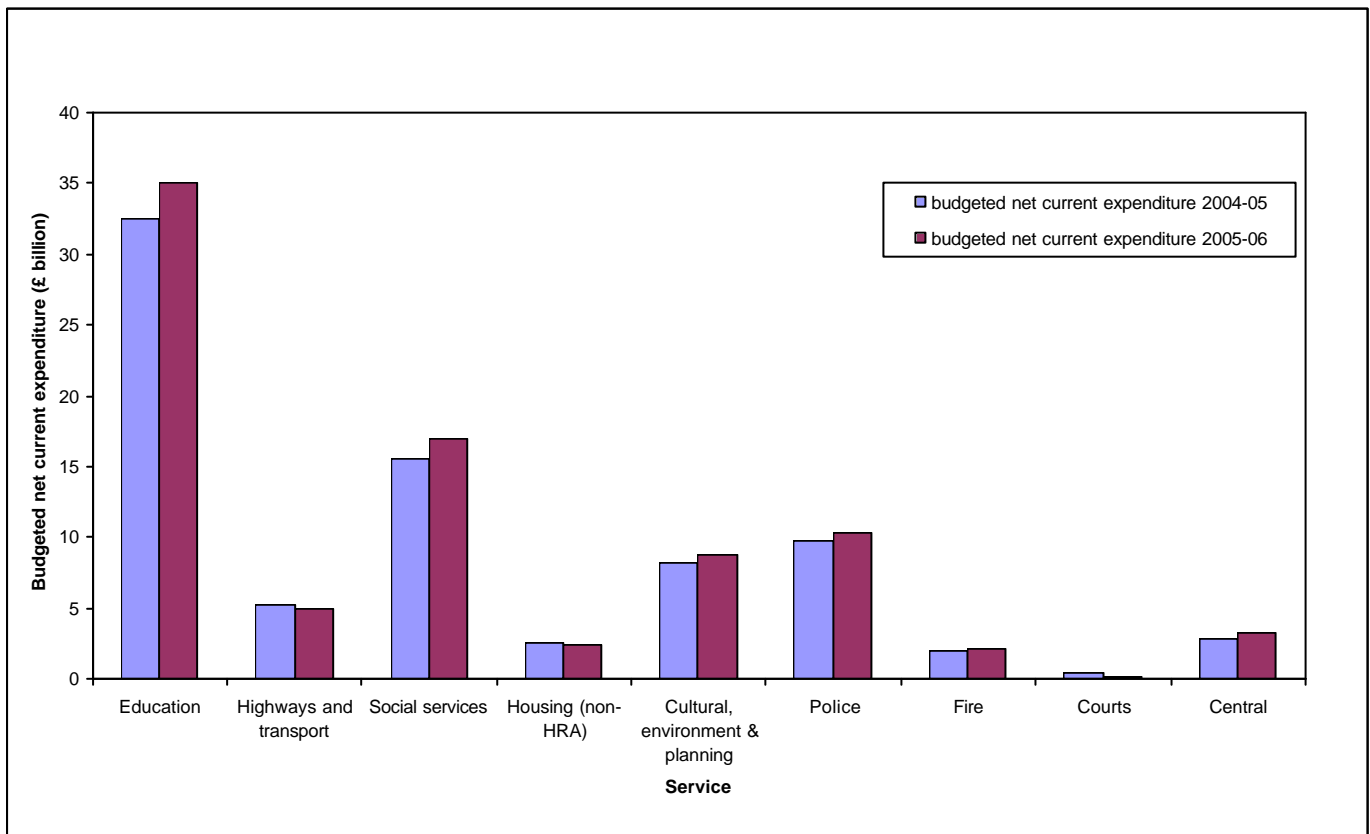
(b) Specific grant includes GLA grant and 'Other items'

## Comparison of 2004-05 and 2005-06 budgeted expenditure

**Table 3** compares the 2005-06 budgets with figures from the 2004-05 RA budget return. Figures for both 2004-05 and 2005-06 are as reported by local authorities. **Chart C** compares budgeted net current expenditure by service in 2004-05 and 2005-06.

- Budgeted service expenditure increased by £4.6 billion (6%) between 2004-05 and 2005-06.
- Of the main service blocks, the largest percentage increase in budgeted service expenditure is in environmental services, which has increased by 10% since 2004-05. Education and social services budgeted expenditure have both increased by 8%.
- Budgeted Net Current Expenditure increased by £5.8 billion (7%) between 2004-05 and 2005-06.

**Chart C: Comparing budgeted net current expenditure (£ billion) by service <sup>(a)</sup> in 2004-05 and 2005-06**



(a) These figures have not been adjusted to take into account changes in local authority responsibilities between 2004-05 and 2005-06; the chart excludes the 'Other services' category

- Budgeted income from specific grants inside AEF has increased by £0.8 billion (7%). Formula grant has increased by £2.9 billion (6%) and the council tax requirement increased by £1.0 billion (5%), compared to 2004-05.

**Table 3: Comparison of budgeted net current expenditure estimates between 2004-05 and 2005-06 <sup>(1) (2)</sup>**

	£ million			
	Budget 2004-05	Budget 2005-06	Change	Change %
<b>Education</b>				
110 Nursery schools		not comparable		
120 Primary schools		not comparable		
130 Secondary schools		not comparable		
140 Special schools		not comparable		
150 Non-school funding		not comparable		
<b>Total Education</b>	<b>32,436</b>	<b>34,950</b>	<b>2,513</b>	<b>8</b>
<b>Highways, Roads and Transport</b>				
210 Transport planning, policy and strategy	198	222	24	12
220 Construction	52	17	-35	-67
230 Structural maintenance	}	1,424	164	13
247 Environmental, safety and routine maintenance				
248 Winter maintenance	}	476	-218	-31
249 Street lighting				
251 Traffic management and road safety: congestion charging	-45	-104	-59	130
254 Traffic management and road safety: safe routes (including school crossing patrols)	43	51	8	18
258 Traffic management and road safety: other	236	168	-68	-29
260 Parking services	-444	-503	-59	13
271 Public transport: concessionary fares	533	558	25	5
275 Public transport: support to operators	}	2,675	12	0
276 Public transport: co-ordination				
280 Airports, harbours and toll facilities				
<b>Total Highways, Roads and Transport</b>	<b>5,190</b>	<b>4,985</b>	<b>-206</b>	<b>-4</b>
<b>Social Services</b>				
310 Social Services strategy	106	83	-23	-22
320 Children's and families' services (including youth justice)	4,213	4,640	427	10
340 Older people (aged 65 or over) including older mentally ill	6,251	6,729	478	8
351 Adults aged under 65 with physical disability or sensory impairment	1,099	1,203	105	10
352 Adults aged under 65 with learning disabilities	2,316	2,629	312	13
353 Adults aged under 65 with mental health needs	878	944	66	8
360 Asylum seekers	398	293	-104	-26
370 Other adult Social Services	264	318	54	20
380 Supported employment	61	59	-1	-2
<b>Total Social Services</b>	<b>15,586</b>	<b>16,900</b>	<b>1,314</b>	<b>8</b>
<b>Housing (GFRA only)</b>				
440 Homelessness	229	229	0	0
456 Housing benefits: rent allowances and rent rebates - discretionary payments	95	22	-72	-76
457 Housing benefits administration	457	470	13	3
475 Housing welfare: Supporting People	1,258	1,294	36	3
480 Other GFRA housing services	397	347	-50	-12
<b>Total Housing (GFRA only)</b>	<b>2,436</b>	<b>2,364</b>	<b>-72</b>	<b>-3</b>
<b>Cultural and related</b>				
501 Culture and heritage	489	518	29	6
502 Recreation and sport	652	683	32	5
503 Open spaces	716	753	37	5
504 Tourism	129	132	3	3
505 Library service	833	869	36	4
<b>Total Cultural and related</b>	<b>2,819</b>	<b>2,956</b>	<b>137</b>	<b>5</b>

**Table 3: Comparison of budgeted net current expenditure estimates between 2004-05 and 2005-06 <sup>(1) (2)</sup>**  
**(continued)**

	£ million			
	Budget 2004-05	Budget 2005-06	Change	Change %
<b>Environmental</b>				
510 Cemetery, cremation and mortuary services	6	4	-3	-44
521 Environmental health: food safety	104	112	8	8
527 Environmental health: public conveniences	84	85	0	0
528 Environmental health: other	360	375	14	4
529 Licensing	24	33	8	34
530 Community safety	221	292	71	32
541 Flood defence	22	19	-3	-14
543 Land drainage: internal drainage levy work	23	27	4	19
547 Coast protection	13	13	0	2
550 Agriculture and fisheries services	-2	-3	-2	91
560 Consumer protection	162	168	6	4
570 Street cleansing (not chargeable to Highways)	586	622	37	6
581 Waste collection	896	1,021	125	14
582 Waste disposal	1,276	1,389	114	9
<b>Total Environmental</b>	<b>3,776</b>	<b>4,157</b>	<b>381</b>	<b>10</b>
<b>Planning and development</b>				
591 Building and development control; Planning policy; Environmental initiatives	642	690	49	8
595 Economic development	495	515	20	4
596 Community development	396	451	55	14
<b>Total Planning and development</b>	<b>1,532</b>	<b>1,656</b>	<b>124</b>	<b>8</b>
<b>601 Police services</b>	<b>9,739</b>	<b>10,360</b>	<b>620</b>	<b>6</b>
<b>602 Fire services</b>	<b>2,030</b>	<b>2,095</b>	<b>65</b>	<b>3</b>
<b>Court Services</b>				
604 Coroners' court services	48	49	1	3
605 Other court services <sup>(3)</sup>	350	8	-343	-98
<b>Total Court Services</b>	<b>398</b>	<b>57</b>	<b>-341</b>	<b>-86</b>
<b>Central services</b>				
610 Corporate and democratic core	1,580	1,667	88	6
623 Local tax collection: council tax discounts - locally funded	1	13	12	1,680
625 Local tax collection: council tax benefits administration	257	290	33	13
628 Local tax collection: other	337	318	-19	-6
650 Emergency planning	32	46	14	44
675 Central services to the public: other	168	222	53	32
681 Non-distributed costs - retirement benefits	536	578	42	8
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	536	578	42	8
<b>Total Central services</b>	<b>2,911</b>	<b>3,134</b>	<b>223</b>	<b>8</b>
<b>698 Other services</b>	<b>394</b>	<b>227</b>	<b>-167</b>	<b>-42</b>
<b>699 TOTAL SERVICE EXPENDITURE (total of lines 110 to 698)</b>	<b>79,248</b>	<b>83,840</b>	<b>4,591</b>	<b>6</b>

**Table 3: Comparison of budgeted net current expenditure estimates between 2004-05 and 2005-06 <sup>(1) (2)</sup>**  
**(continued)**

	£ million			
	Budget 2004-05	Budget 2005-06	Change	Change %
701 Education: student support - mandatory awards	40	17	-23	-58
711 Housing benefits: rent allowances - mandatory payments	6,661	7,201	539	8
712 Housing benefits: non-HRA rent rebates - mandatory payments	602	466	-136	-23
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	2,917	3,783	866	30
714 Housing benefits: subsidy limitation transfers from HRA				
715 Housing benefits: transfers to/from HRA under transitional measures	-26	-50	-24	93
718 Contribution to the HRA re items shared by the whole community				
<b>Precepts and levies</b>				
721 Parish Precepts	242	260	18	8
722 Passenger Transport Authority levy	4	1	-3	-79
724 Waste Disposal Authority levy	10	12	2	20
726 Transfer of Reserves to/received by Combined Fire Authority	-1	0	1	-100
727 London Pensions Fund Authority levy	23	23	0	2
728 Other levies	17	22	5	32
731 External Trading Accounts net surplus/deficit	-80	-79	1	-1
732 Internal Trading Accounts net surplus/deficit	2	26	23	935
748 Adjustments to net current expenditure	-19	-33	-14	75
<b>Total precepts and levies</b>	<b>197</b>	<b>231</b>	<b>34</b>	<b>17</b>
<b>749 NET CURRENT EXPENDITURE (total of lines 699 to 748)</b>	<b>89,639</b>	<b>95,487</b>	<b>5,848</b>	<b>7</b>
754 Local tax collection: Council tax benefit paid to the Collection Fund	2,747	2,994	247	9
757 Local tax collection: Non-domestic rate relief - discretionary payments	24	26	2	8
759 Levy: Environment Agency flood defence	28	27	-1	-5
761 Capital charges accounted for in External Trading Accounts	-182	-157	25	-14
762 Capital charges accounted for in Internal Trading Accounts	-77	-93	-17	22
765 Capital expenditure charged to the GF Revenue Account (CERA)	681	868	188	28
771 Provision for bad debts <sup>(4)</sup>	n/a	20		
773 Provision for repayment of principal	970	1,135	165	17
776 Leasing payments	16	32	16	98
781 Interest: external payments	2,647	2,667	20	1
783 Interest: HRA item 8 payments and receipts	-828	-863	-35	4
<b>785 SUB-TOTAL (total of lines 749 to 783)</b>	<b>95,667</b>	<b>102,143</b>	<b>6,477</b>	<b>7</b>
786 Interest and investment income: external receipts and dividends	-717	-834	-118	16
787 Pensions interest cost and expected return on assets	57	616	559	983
791 Specific and special grants outside AEF [SG line 799 as income]	-15,653	-17,274	-1,621	10
<b>795 REVENUE EXPENDITURE (total of lines 785 to 791)</b>	<b>79,354</b>	<b>84,651</b>	<b>5,297</b>	<b>7</b>
797 Specific and special grants inside AEF [SG line 699 as income]	-12,204	-13,014	-810	7
<b>799 NET REVENUE EXPENDITURE (total of lines 795 to 797)</b>	<b>67,150</b>	<b>71,637</b>	<b>4,487</b>	<b>7</b>

**Table 3: Comparison of budgeted net current expenditure estimates between 2004-05 and 2005-06 <sup>(1) (2)</sup>**  
**(continued)**

	£ million			
	Budget 2004-05	Budget 2005-06	Change	Change %
801 Inter-authority transfers in respect of reorganisation	-2	3	5	-271
802 Adjustments to Formula Grant re 2003-04 Amending Report	0	8	8	
811 Appropriations to/from schools' reserves	1	2	0	37
815 Appropriations to/from other earmarked financial reserves	-337	-128	209	-62
816 Appropriations to/from unallocated financial reserves	-230	-384	-154	67
817 Appropriations to/from pensions reserves	-21	-657	-636	3,030
<b>830 THE BUDGET REQUIREMENT (total of lines 799 to 817)</b>	<b>66,561</b>	<b>70,481</b>	<b>3,920</b>	<b>6</b>
851 Revenue Support Grant	-26,964	-26,663	301	-1
856 Police grant	-4,168	-4,353	-185	4
858 General GLA grant	-36	-37	-1	3
870 Redistributed non-domestic rates	-15,004	-18,004	-3,000	20
880 Other items	-90	-104	-14	16
<b>890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)</b>	<b>20,299</b>	<b>21,320</b>	<b>1,021</b>	<b>5</b>

## Notes

1. In 2005-06 105 authorities have presented budgets under Financial Reporting Standard 17 (FRS17), compared to 26 in 2004-05. 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 (Pension interest cost and expected return on assets), 817 (Appropriations to/from pensions reserves) and line 917 (Estimated pension reserves at 1 April 2005) only relate to those authorities presenting budgets on a FRS17 basis. Figures in **Table 3** are therefore not consistent with those in **Table 1** and **Table 2**. More information on FRS17 can be found in the Background Notes of this Release.
2. In producing budget estimates for 2005-06 a small number of amendments were made to 2004-05 budget data.
3. In 2005-06 line 605 (Other court services) no longer includes Magistrates Courts, which are now the responsibility of Her Majesty's Courts Service (HMCS).
4. Provision for bad debts was not separately identified in 2003-04.

## Detailed budget information

**Table 4** (RA05) and **Table 5** (RASG05) 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. 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.odpm.gov.uk/finance/stats/lqfforms/revenue.htm](http://www.local.odpm.gov.uk/finance/stats/lqfforms/revenue.htm)

**Table 4: RA05 General Fund Revenue Accounts Budget Estimate 2005-06**

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excl spec grant
<b>Education</b>			
110 Nursery schools	627,762	26,919	654,681
120 Primary schools	14,033,892	1,295,223	15,329,115
130 Secondary schools	14,422,524	1,264,881	15,687,405
140 Special schools	2,052,505	127,761	2,180,266
150 Non-school funding	3,812,997	268,865	4,081,862
<b>Total Education</b>	<b>34,949,680</b>	<b>2,983,649</b>	<b>37,933,329</b>
<b>Highways, Roads and Transport</b>			
210 Transport planning, policy and strategy	221,978	58,555	280,534
220 Construction	17,194	753,731	770,924
230 Structural maintenance	569,718	347,892	917,610
247 Environmental, safety and routine maintenance	853,914	135,166	989,080
248 Winter maintenance	132,557	4,572	137,129
249 Street lighting	343,380	24,428	367,808
251 Traffic management and road safety: congestion charging	-103,733	3,846	-99,887
254 Traffic management and road safety: safe routes (including school crossing patrols)	51,388	2,705	54,093
258 Traffic management and road safety: other	168,089	54,138	222,227
260 Parking services	-502,655	121,100	-381,554
271 Public transport: concessionary fares	557,940	1,496	559,436
275 Public transport: support to operators	2,394,642	33,660	2,428,302
276 Public transport: co-ordination	287,657	124,495	412,152
280 Airports, harbours and toll facilities	-7,252	5,549	-1,703
<b>Total Highways, Roads and Transport</b>	<b>4,984,817</b>	<b>1,671,333</b>	<b>6,656,151</b>
<b>Social Services</b>			
310 Social Services strategy	82,862	5,259	88,121
320 Children's and families' services (including youth justice)	4,640,422	56,157	4,696,579
340 Older people (aged 65 or over) including older mentally ill	6,729,484	90,301	6,819,785
351 Adults aged under 65 with physical disability or sensory impairment	1,203,184	18,690	1,221,873
352 Adults aged under 65 with learning disabilities	2,628,823	61,070	2,689,892
353 Adults aged under 65 with mental health needs	944,131	13,913	958,045
360 Asylum seekers	293,399	449	293,848
370 Other adult Social Services	318,039	4,210	322,250
380 Supported employment	59,486	1,642	61,128
<b>Total Social Services</b>	<b>16,899,830</b>	<b>251,691</b>	<b>17,151,521</b>
<b>Housing (GFRA only)</b>			
440 Homelessness	229,295	7,064	236,359
456 Housing benefits: rent allowances and rent rebates - discretionary payments	22,470	9	22,479
457 Housing benefits administration	470,199	6,542	476,741
475 Housing welfare: Supporting People	1,294,323	2,117	1,296,440
480 Other GFRA housing services	347,471	355,396	702,867
<b>Total Housing (GFRA only)</b>	<b>2,363,758</b>	<b>371,128</b>	<b>2,734,886</b>
<b>Cultural and related</b>			
501 Culture and heritage	517,927	123,911	641,837
502 Recreation and sport	683,357	361,997	1,045,356
503 Open spaces	753,199	95,778	848,976
504 Tourism	132,497	7,324	139,820
505 Library service	869,080	108,065	977,145
<b>Total Cultural and related</b>	<b>2,956,060</b>	<b>697,075</b>	<b>3,653,134</b>

**Table 4: RA05 General Fund Revenue Accounts Budget Estimate 2005-06 (continued)**

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excl spec grant
<b>Environmental</b>			
510 Cemetery, cremation and mortuary services	3,610	19,084	22,694
521 Environmental health: food safety	112,281	982	113,263
527 Environmental health: public conveniences	84,630	19,409	104,039
528 Environmental health: other	374,703	19,571	394,274
529 Licensing	32,741	601	33,342
530 Community safety	292,188	19,514	311,702
541 Flood defence	19,454	7,811	27,265
543 Land drainage: internal drainage levy work	27,384	764	28,148
547 Coast protection	12,752	33,115	45,866
550 Agriculture and fisheries services	-3,447	16,030	12,583
560 Consumer protection	167,624	2,600	170,222
570 Street cleansing (not chargeable to Highways)	622,189	6,238	628,427
581 Waste collection	1,021,461	34,601	1,056,061
582 Waste disposal	1,389,447	20,364	1,409,811
<b>Total Environmental</b>	<b>4,157,017</b>	<b>200,684</b>	<b>4,357,697</b>
<b>Planning and development</b>			
591 Building and development control; Planning policy; Environmental initiatives	690,183	41,173	731,356
595 Economic development	515,119	212,833	727,953
596 Community development	450,515	12,598	463,113
<b>Total Planning and development</b>	<b>1,655,817</b>	<b>266,604</b>	<b>1,922,422</b>
<b>601 Police services</b>	<b>10,359,552</b>	<b>455,949</b>	<b>10,815,501</b>
<b>602 Fire services</b>	<b>2,095,023</b>	<b>120,532</b>	<b>2,215,555</b>
<b>Court Services</b>			
604 Coroners' court services	49,055	444	49,499
605 Other court services	7,511	13,017	20,528
<b>Total Court Services</b>	<b>56,566</b>	<b>13,461</b>	<b>70,027</b>
<b>Central services</b>			
610 Corporate and democratic core	1,667,096	75,218	1,742,315
623 Local tax collection: council tax discounts - locally funded	13,098	693	13,791
625 Local tax collection: council tax benefits administration	290,048	2,806	292,854
628 Local tax collection: other	318,063	5,044	323,107
650 Emergency planning	46,419	293	46,712
675 Central services to the public: other	221,580	20,681	242,262
681 Non-distributed costs - retirement benefits	480,731	1,921	482,652
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	97,382	41,300	138,682
<b>Total Central services</b>	<b>3,134,417</b>	<b>147,956</b>	<b>3,282,375</b>
<b>698 Other services</b>	<b>227,107</b>	<b>168,815</b>	<b>395,922</b>
<b>699 TOTAL SERVICE EXPENDITURE (total of lines 110 to 698)</b>	<b>83,839,637</b>	<b>7,348,874</b>	<b>91,188,510</b>

**Table 4: RA05 General Fund Revenue Accounts Budget Estimate 2005-06 (continued)**

	£ thousand
	<b>Net current expenditure</b>
701 Education: student support - mandatory awards	17,076
711 Housing benefits: rent allowances - mandatory payments	7,200,613
712 Housing benefits: non-HRA rent rebates - mandatory payments	465,708
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,783,002
714 Housing benefits: subsidy limitation transfers from HRA	-37,409
715 Housing benefits: transfers to/from HRA under transitional measures	-21,593
718 Contribution to the HRA re items shared by the whole community	8,684
<b>Precepts and levies</b>	
721 Parish Precepts	259,930
722 Passenger Transport Authority levy	779
724 Waste Disposal Authority levy	11,641
727 London Pensions Fund Authority levy	23,093
728 Other levies	21,836
731 External Trading Accounts net surplus/deficit	-79,062
732 Internal Trading Accounts net surplus/deficit	25,638
748 Adjustments to net current expenditure	-32,555
<b>Total precepts and levies</b>	<b>231,300</b>
<b>749 NET CURRENT EXPENDITURE (total of lines 699 to 748)</b>	<b>95,487,018</b>
754 Local tax collection: Council tax benefit paid to the Collection Fund	2,994,106
757 Local tax collection: Non-domestic rate relief - discretionary payments	26,123
759 Levy: Environment Agency flood defence	26,833
761 Capital charges accounted for in External Trading Accounts	-156,744
762 Capital charges accounted for in Internal Trading Accounts	-93,169
765 Capital expenditure charged to the GF Revenue Account (CERA)	868,287
771 Provision for bad debts	19,939
773 Provision for repayment of principal	1,134,815
776 Leasing payments	31,976
781 Interest: external payments	2,667,176
783 Interest: HRA item 8 payments and receipts	-863,040
<b>785 SUB-TOTAL (total of lines 749 to 783)</b>	<b>102,143,322</b>
786 Interest and investment income: external receipts and dividends	-834,350
787 Pensions interest cost and expected return on assets	616,066
791 Specific and special grants outside AEF [SG line 799 as income]	-17,273,773
<b>795 REVENUE EXPENDITURE (total of lines 785 to 791)</b>	<b>84,651,264</b>
797 Specific and special grants inside AEF [SG line 699 as income]	-13,014,444
<b>799 NET REVENUE EXPENDITURE (total of lines 795 to 797)</b>	<b>71,636,823</b>

**Table 4: RA05 General Fund Revenue Accounts Budget Estimate 2005-06 (continued)**

	<b>£ thousand</b>
	<b>Net current expenditure</b>
801 Inter-authority transfers in respect of reorganisation	3,294
802 Adjustments to Formula Grant re 2003-04 Amending Report	8,386
811 Appropriations to/from schools' reserves	1,692
815 Appropriations to/from other earmarked financial reserves	-128,406
816 Appropriations to/from unallocated financial reserves	-383,763
817 Appropriations to/from pensions reserves	-656,740
<b>830 THE BUDGET REQUIREMENT (total of lines 799 to 817)</b>	<b>70,481,290</b>
851 Revenue Support Grant	-26,663,245
856 Police grant	-4,352,630
858 General GLA grant	-37,493
870 Redistributed non-domestic rates	-18,004,170
880 Other items	-103,973
<b>890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)</b>	<b>21,319,777</b>
911 Estimated Schools Reserves at 1 April 2005	1,142,381
915 Estimated Other Earmarked Financial Reserves at 1 April 2005	4,323,720
916 Estimated Unallocated Financial Reserves at 1 April 2005	2,539,049
917 Estimated Pensions Reserves at 1 April 2005	-11,298,578
920 Prior Year Adjustments	0
931 Depreciation	2,937,113
932 Notional interest	3,907,604
933 Loss on impairment of assets	7,626
934 Amortisation of deferred charges	496,530
<b>939 Total capital charges (total of lines 931 to 934)</b>	<b>7,348,874</b>

**Table 5: RA(SG) Income from specific grants budget 2005-06****£ thousand****Grants within AEF**

101 Adoption Support and Guardianship Special Orders	30,762
105 Choice Protects	53,517
111 General Sure Start grant	461,255
121 Excellence in Cities	306,089
125 Leadership Incentive	119,802
131 Safeguarding Children	97,810
141 School Standards	870,896
145 Standards Fund	1,846,931
151 Teachers' Pay Reform / Threshold	854,291
161 Teenage Pregnancy Local Implementation	35,144
171 Transitional Support	50,867
181 Unaccompanied Asylum Seeking Children (UASC) Leaving Care Costs	23,103
211 Detrunking	29,184
221 GLA Transport Grant	2,168,025
231 Metropolitan Railway Passenger Services	212,866
251 Rural Bus Challenge	11,305
255 Rural Bus Subsidy	49,220
261 Urban Bus Challenge	6,068
301 Access & Systems Capacity	575,333
311 AIDS Support	15,714
321 Carers	182,461
325 Child and Adolescent Mental Health Services (CAMHS)	86,055
341 Delayed Discharges	99,119
351 Human Resources Development Strategy	51,751
355 Mental Health	134,211
361 National Training Strategy	84,649
371 Preserved Rights	350,632
381 Residential Allowance	215,939
405 Housing Benefit and Council Tax Benefit Administration	381,054
451 Performance Standards Fund	9,336
481 Workstep	16,812
511 Homelessness Strategies	25,478
515 Local Authority Business Growth Incentives (LABGI) scheme	5,425
521 Local Public Service Agreement (LPSA) Performance Reward	33,753
531 Neighbourhood Renewal Fund	341,528
535 Neighbourhood Wardens	4,683
537 New Dimension Crewing	4,103
541 Planning Delivery	55,022
545 The Private Finance Initiative (PFI)	212,203
551 Supporting People Administration	53,311
553 Supporting People Programme - Housing	819,431
554 Supporting People Programme - Social Services	792,574
581 National Parks & Broads	37,246
591 Waste Minimisation Recycling Fund	8,397
592 Waste Performance and Efficiency	11,945
601 Airwaves Communication Project	14,734
611 Asylum Seekers	242,607
621 Basic Command Units (BCU) Challenge Fund	30,332
625 Community Support Officers	50,776

**Table 5: RA(SG) Income from specific grants budget 2005-06 (continued)**

	£ thousand
631 Counter Terrorism	63,986
635 Crime Fighting Fund	265,723
637 DNA	27,116
641 London & South East Allowance	47,917
643 Neighbourhood Policing Fund	25,844
645 Police Negotiating Board	56,642
651 Rural Policing Fund	25,040
655 Street Crime Initiative	7,516
661 Young People Substance Misuse Partnership	23,402
698 Other grants within AEF	297,511
<b>699 TOTAL GRANTS WITHIN AEF (total of lines 101 to 698)* (Transferred to RA line 797 as income)</b>	<b>13,014,444</b>
711 Education Maintenance Allowances	9,836
713 Higher Education Funding Council (HEFC) Payments	27,347
715 Learning and Skills Council (LSC) grant for Adult Education	367,349
716 Learning and Skills Council (LSC) grant for Sixth Forms	1,656,738
718 Mandatory Student Awards	116,570
721 Mersey Travel	77,956
741 Council Tax Benefit	2,965,842
743 Fraud Incentive Scheme	32,339
745 Mandatory Rent Allowances: subsidy	7,083,306
746 Mandatory Rent Rebates outside HRA: subsidy	812,623
747 Rent Rebates Granted to HRA Tenants	3,347,702
751 Capacity Building	1,448
752 Housing Acts Urban Developments - grants to debt charges	4,004
753 New Deal for Communities (NDC)	91,471
755 Single Regeneration Budget (SRB)	75,884
761 Historic Buildings and Monuments Commission Grant (English Heritage)	715
771 Countryside Commission	6,535
781 Police: small grants/grants to loan charges	10,250
791 European Community	118,415
798 Other grants outside AEF	467,444
<b>799 TOTAL GRANTS OUTSIDE AEF (total of lines 711 to 798)* (Transferred to RA line 791 as income)</b>	<b>17,273,774</b>
<b>800 TOTAL SPECIFIC AND SPECIAL GRANTS (total of lines 699 + 799)</b>	<b>30,288,217</b>

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

	<b>RA Form Reference</b>	<b>Service expenditure</b>	<b>Levies/transfers</b>
<b>Education</b>	lines 110 to 150 line 701		Mandatory student awards
<b>Highways and transport</b>	lines 210 to 280 line 722		Passenger transport levy
<b>Social services</b>	lines 310 to 380		
<b>Housing (non-HRA)</b>	lines 440 to 480 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>	lines 501 to 505		
<b>Environment</b>	lines 510 to 582 line 724		Waste disposal authority levy
<b>Planning</b>	lines 591 to 596		
<b>Police</b>	line 601		
<b>Fire</b>	line 602		
<b>Courts</b>	lines 604 and 605		
<b>Central services</b>	lines 610 to 682 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 ODPM/ 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 Jay Symonds at [Jay.Symonds@odpm.gsi.gov.uk](mailto:Jay.Symonds@odpm.gsi.gov.uk) (Tel. 020 7944 4176).
4. Timings of future Releases are regularly placed on the ODPM website, [www.odpm.gov.uk](http://www.odpm.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. 15 2004, 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 Office of the Deputy Prime Minister's web site:

[www.local.odpm.gov.uk/finance/stats/lgfs/2004/index.htm](http://www.local.odpm.gov.uk/finance/stats/lgfs/2004/index.htm)

6. The CIPFA "Finance and General" 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 2004-05 and 2005-06.
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, some local authorities have prepared their budgets on a FRS17 basis, but the majority of local authorities have prepared their budgets on the old basis of accounting for retirement benefits.

**Table 1** and **Table 2** of this Statistical Release are on a consistent basis for all local authorities. In these tables, budgets for those authorities delivered on a FRS17 basis have been adjusted back to the previous treatment of retirement benefits. This has been achieved using data provided by those authorities, which is summarised in the table below.

<b>Budgeted net current expenditure by service on a FRS17 and non-FRS17 basis 2005-06 (for 105 authorities reporting on a FRS17 basis)</b>		
	<b>£ million</b>	
	<b>Net current expenditure FRS17</b>	<b>Net current expenditure non-FRS17</b>
961 Education services (col 1 is sum of lines 110 to 150)	6,484	6,477
962 Highways, roads and transport services (col 1 is sum of lines 210 to 280)	465	463
963 Social services (col 1 is sum of lines 310 to 380)	3,033	3,008
964 Housing services (GFRA only) (col 1 is sum of lines 440 to 480)	466	467
965 Cultural, environmental and planning services (col 1 is sum of lines 501 to 596)	1,739	1,731
966 Police services (col 1 is equal to line 601)	1,311	1,264
967 Fire services (col 1 is equal to line 602)	258	274
968 Court services (col 1 is sum of lines 604 to 605)	11	11
969 Central services (col 1 is sum of lines 610 to 682)	556	596
971 Other services (col 1 is equal to line 698)	31	28
973 Net surplus/deficit on trading services (col 1 is sum of lines 731 to 732)	-7	-11
977 Pensions interest cost and expected return on assets (col 1 is equal to line 787)	616	0
978 Appropriations to/from pensions reserves (col 1 is equal to line 817)	-657	0
<b>979 TOTAL (Total of lines 961 to 978)</b>	<b>14,309</b>	<b>14,309</b>

**Table 3** and **Table 4**, however, record each local authority's budget as it was delivered, so some local authority budgets are on a FRS17 basis of recording retirement benefits, and some are on the old basis of recording retirement benefits.