

Revenue account expenditure

2005-06 Settlement ^(a)

Aggregate External Finance (AEF) includes:

	2004-05	2004-05 adjusted	2005-06	Change ^(b)
	(£ million)	(£ million)	(£ million)	%
Revenue Support Grant	27,010	27,315	26,726	-2.2
<i>of which: Specified bodies</i>	54	54	63	16.3
Non domestic rates	15,000	15,000	18,000	20.0
Specific and special grants ^(c)	9,093	10,111	11,065	9.4
Police Grant	4,168	4,168	4,353	4.4
Total Aggregate	55,272	56,594	60,144	6.3

External Finance

^(a) Figures consistent with Settlement announcement of 2 February 2005. Does not include grants allocated after the Settlement.

^(b) All comparisons adjusted for change in responsibility in 2005-06, previously agreed transfers where amounts differ from that for 2004-05, and grants that were announced or the amounts charged after the 2004-05 Settlement.

^(c) Excluding Police grant.

General fund revenue account (2001-02 to 2003-04) and budget 2004-05 to 2005-06^(a)

	2001-02	2002-03	2003-04	2004-05 Budget ^(b)	£ million 2005-06 Budget
Education	26,121	28,405	31,201	32,510	34,960
Highways and Transport	3,052	3,407	4,495	5,363	4,984
Social Services	11,505	12,931	14,817	15,585	16,874
Housing (excluding HRA)	6,523	7,504	8,670	12,590	13,763
Cultural, environmental and planning	6,430	7,420	7,990	8,137	8,772
Police	7,912	8,246	9,192	9,739	10,313
Fire	1,608	1,698	1,844	2,029	2,110
Courts	398	356	431	398	57
Central services	2,465	2,311	2,948	2,941	3,457
Other	414	366	141	582	156
Net current expenditure	66,427	72,645	81,729	89,874	95,446
Capital financing	1,861	1,922	2,209	2,544	2,721
Capital Expenditure charged to Revenue Account	672	694	563	524	868
Other non-current expenditure	2,349	2,508	3,038	2,800	3,067
Interest receipts	-917	-851	-765	-717	-834
Specific grants outside AEF	-8,443	-11,019	-11,897	-15,649	-17,274
Revenue expenditure	61,952	65,898	74,877	79,376	83,995
Specific grants inside AEF	-6,552	-8,901	-13,074	-12,240	-13,014
Net revenue expenditure	55,400	56,996	61,803	67,136	70,980
Use of reserves	-8	177	1,266	-573	-510
Other adjustments	-49	-30	-52	-2	12
Budget requirement	55,343	57,144	63,016	66,561	70,481
Revenue Support Grant	-21,093	-19,889	-24,215	-26,964	-26,663
Redistributed business rates	-15,137	-16,632	-15,611	-15,004	-18,004
Police Grant	-3,798	-3,808	-4,079	-4,168	-4,353
Other grants etc.	-69	-166	-166	-126	-141
Council tax requirement	15,246	16,648	18,946	20,299	21,320

^(a) Produced on a non-Financial Reporting Standard 17 (FRS17) basis.

^(b) As only a small number of authorities provided 2004-05 budget data on a FRS17 basis, this data has been adjusted to a non-FRS17 basis by allocating the difference to central services.

^(c) For more information on what is included in each line see ODPM's Local Government Financial Statistics publications at: <http://www.local.odpm.gov.uk/finance/stats/index.htm>

Financing of revenue expenditure since 1985-86

	Revenue expenditure (£ million)	Government grants (£ million)	Business % of total	Domestic rates/ Comm. charges/ Council taxes (£ million)	% of total
Rating system					
1985-86	24,284	11,715	48	6,740	28
1986-87	26,630	11,950	45	7,566	28
1987-88	28,980	12,723	44	8,088	28
1988-89	31,240	13,201	42	8,819	28
1989-90	33,282	13,481	41	9,595	29
Community charge system					
1990-91	35,851	12,927	36	10,429	29
1991-92	39,472	18,620	47	12,408	32
1992-93	42,020	20,968	50	12,306	29
Council tax system					
1993-94	41,506	21,685	52	11,584	28
1994-95	43,602	23,679	54	10,692	25
1995-96	44,827	23,335	52	11,361	25
1996-97	46,532	23,003	49	12,743	27
1997-98	47,256	23,840	50	12,034	25
1998-99	50,189	25,291	50	12,531	25
1999-00	53,651	26,421	49	13,619	25
2000-01	57,329	27,809	49	15,407	27
2001-02	61,952	31,469	50	15,144	24
2002-03	65,906	32,634	50	16,639	25
2003-04	74,877	41,404	55	15,611	21
2004-05 ^(a)	79,376	43,408	55	15,004	19
2005-06 ^(a)	83,995	44,067	52	18,004	21

^(a) Budget estimates.

^(b) For more information on what is included in each line see ODPM's Local Government Financial Statistics publications at: <http://www.local.odpm.gov.uk/finance/stats/index.htm>

Level and use of reserves at 1 April 2003 and 1 April 2004

	London boroughs	Met districts	Unitary authorities	Shire counties	Shire districts	Other authorities	£ million All English authorities
Level of reserves at 1 April 2003							
School financial reserves	185	233	201	513	0	0	1,132
Other earmarked reserves	729	642	511	722	1,162	433	4,198
Unallocated reserves	522	307	247	298	640	210	2,224
Total General Fund reserves at 1 April 2003	1,436	1,182	959	1,533	1,802	643	7,554
Level of reserves at 1 April 2004^(a)							
School financial reserves	208	269	226	576	0	1	1,280
Other earmarked reserves	1,304	596	549	850	1,151	494	4,945
Unallocated reserves	690	336	263	417	622	267	2,595
Total General Fund reserves at 1 April 2004	2,202	1,201	1,038	1,843	1,774	762	8,820
Level of unallocated reserves at 1 April 2003 as a percentage of revenue expenditure	4.8	2.1	2.4	1.3	19.2	1.7	3.0

^(a) Figures for 1 April 2004 are estimates.

Level of revenue reserves

	Schools reserves	Other Earmarked reserves	Unallocated reserves	£ million Total reserves
At 1 April				
1995	671	2,991	2,559	6,221
1996	593	3,172	2,328	6,093
1997	538	3,354	2,254	6,146
1998	499	3,336	2,011	5,846
1999	539	3,799	2,064	6,402
2000	694	3,895	1,863	6,452
2001	1,007	4,047	1,755	6,809
2002	1,103	3,732	1,756	6,592
2003	1,132	4,198	2,224	7,554
2004 ^(a)	1,280	4,945	2,595	8,820

^(a) Estimate.

Local authority capital expenditure

	2001-02	2002-03	2003-04	2004-05 (P)	2005-06 (F)
Capital expenditure					
Education	2.1	2.3	2.8	3.1	3.4
Transport	1.9	2.5	2.6	3.1	3.6
Housing	3.1	3.8	3.5	4.0	4.3
Other	2.7	2.9	3.5	4.1	5.4
Total gross capital expenditure	9.7	11.5	12.3	14.6	16.7
Total capital receipts	3.6	5.0	5.3	4.9	5.4
Net capital expenditure	6.1	6.5	7.0	9.7	11.3
Financing				<i>(a)</i>	<i>(a)</i>
Credit approvals/ supported borrowing	2.6	3.2	3.9	3.9	3.6
Self-financed borrowing				1.0	2.4
Central government grants	2.0	2.5	2.7	3.3	3.4
Use of usable capital receipts	2.0	2.4	2.0	2.7	3.5
General Fund, HRA & MRR financing	2.3	2.5	2.7	2.5	2.7
Other resources	1.1	1.1	1.1	1.2	1.2
Total	10.0	11.7	12.4	14.6	16.8

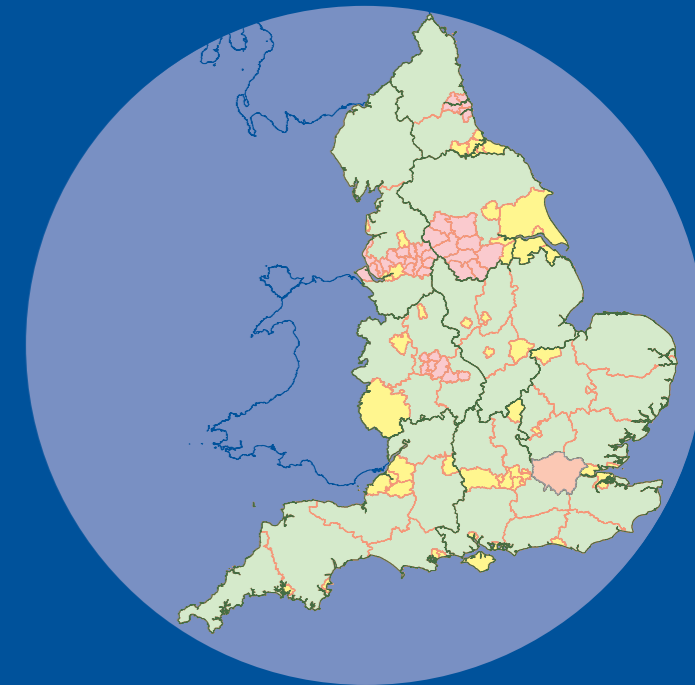
^(P) Provisional outturn

^(F) Forecast

^(a) From 2004-05 credit approvals are abolished. Instead, local authorities can finance capital spending by borrowing with central government financial support or by self-financed borrowing under the CIPFA Prudential Code



Local Government Finance Key Facts: England



National Statistics Publication

For more detailed information, additional tables and more information on sources please refer to ODPM's Local Government Financial Statistics publications at: <http://www.local.odpm.gov.uk/finance/stats/index.htm>

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Local authorities' debt, investments and fixed assets: England

	Amounts outstanding at 31 March				£ billion	
	2001	2002	2003	2004	2005	2006
Temporary debt	0.9	0.8	0.7	1.0		
Longer-term debt	37.6	37.5	37.5	36.7		
Total debt	38.5	38.3	38.2	37.7		
less Investments	16.0	16.8	17.7	19.3		
Net debt	22.5	21.5	20.5	18.4		
Total value of fixed assets	157.4	170.1	188.4	211.0		

Local government Net Cash Requirement: England

	£ billion			
	2000-01	2001-02	2002-03	2003-04
Change in borrowing				
Temporary borrowing	17	-93	-107	245
Longer-term borrowing	436	-104	-6	-765
Total borrowing	453	-197	-113	-520
less Net investments	1,240	797	823	1,373
Net Cash Requirement	-787	-994	-936	-1,893

Local government net borrowing: UK

	£ billion				
	2000-01	2001-02	2002-03	2003-04	2004-05
Local Government net borrowing	-0.3	0.9	-1.6	-2.1	0.8
Public sector net borrowing	-15.4	0.5	25.0	37.2	36.9

Local government expenditure in national expenditure: UK

Local Government % of Total Managed Expenditure (2004-05)	26%
Local Government % of Domestic Expenditure (2004)	10%

Average council taxes and increases by class: 2001-2002 to 2005-06

	Council Tax (a) Band D, 2 adults for area					Average council tax per dwelling
	2001-02	2002-03	2003-04	2004-05	2005-06	2005-06
	£	£	£	£	£	£
Inner London	757	797	942	987	1,020	924
Outer London	889	952	1,125	1,197	1,247	1,174
Met districts	968	1,017	1,098	1,143	1,190	849
Unitary authorities	879	958	1,066	1,145	1,197	937
Shire districts	903	992	1,129	1,198	1,245	1,088
England	901	976	1,102	1,167	1,214	1,009
	% change on previous year					
Inner London		5.3%	18.1%	4.8%	3.3%	
Outer London		7.1%	18.2%	6.4%	4.1%	
Met districts		5.1%	8.0%	4.1%	4.1%	
Unitary authorities		9.0%	11.3%	7.5%	4.6%	
Shire districts		9.9%	13.8%	6.2%	3.9%	
England		8.2%	12.9%	5.9%	4.1%	

(a) Amounts shown are headline taxes, before council tax benefit and after capping

Average council taxes by Government Office Region: 2001-2002 to 2005-06

	Council Tax (a) Band D, 2 adults for area					Average council tax per dwelling
	2001-02	2002-03	2003-04	2004-05	2005-06	2005-06
	£	£	£	£	£	£
North East	987	1,068	1,161	1,229	1,280	891
North West	991	1,044	1,135	1,187	1,235	918
Yorkshire & the Humber	906	971	1,071	1,132	1,182	876
East Midlands	939	1,030	1,125	1,198	1,242	952
West Midlands	922	994	1,093	1,152	1,197	939
East of England	878	969	1,115	1,186	1,232	1,078
London	841	895	1,058	1,119	1,162	1,078
South East	866	949	1,098	1,169	1,218	1,147
South West	886	978	1,113	1,186	1,236	1,054
England	901	976	1,102	1,167	1,214	1,009

(a) Amounts shown are headline taxes, before council tax benefit and after capping

Council tax in-year collection rates: 1997-98 to 2004-05

Receipts as a percentage of net collectable debit

	Inner London Outer					Shire districts
	boroughs & City	London boroughs	Metropolitan districts	Unitary authorities	Shire districts	
1997-98	95.5	88.0	93.8	94.5	94.5	97.2
1998-99	95.6	88.5	93.9	94.9	94.9	97.1
1999-00	95.6	88.7	93.7	94.8	95.1	97.1
2000-01	95.8	89.6	94.3	95.1	95.0	97.2
2001-02	96.1	91.1	94.9	95.2	95.3	97.4
2002-03	96.4	91.9	95.0	95.2	95.7	97.6
2003-04	96.5	92.0	95.0	95.6	95.5	97.8
2004-05	96.6	92.9	95.1	95.7	95.8	97.8

Non-domestic rates in-year collection rates: 1997-98 to 2004-05

Receipts as a percentage of net collectable debit

	Inner London Outer					Shire districts
	boroughs & City	London boroughs	Metropolitan districts	Unitary authorities	Shire districts	
1997-98	96.6	95.6	93.4	97.0	96.8	97.7
1998-99	96.7	95.6	93.8	97.1	96.8	97.7
1999-00	97.2	97.0	95.1	97.0	97.1	97.9
2000-01	97.4	96.8	96.7	97.3	97.3	97.9
2001-02	97.9	97.9	97.1	97.4	97.9	98.2
2002-03	98.2	98.0	98.1	97.8	98.1	98.5
2003-04	98.3	98.5	98.2	97.8	97.8	98.6
2004-05	98.3	98.3	98.3	97.9	98.1	98.7

Average council taxes and increases: 1993-94 to 2005-06

	Council tax (a) (Band D, 2 adults for area)			Average council tax (a) per dwelling		
	£	% increase	% increase real terms (b)	£	% increase	% increase real terms (b)
	increase			increase		
1993-94	568			456		
1994-95	580	2.1	-0.4	473	3.7	1.2
1995-96	609	5.0	1.6	498	5.3	1.9
1996-97	646	6.1	3.6	525	5.4	2.9
1997-98	688	6.5	4.0	564	7.4	4.9
1998-99	747	8.6	4.4	614	8.9	4.6
1999-00	798	6.8	5.1	656	6.8	5.2
2000-01	847	6.1	3.1	697	6.3	3.2
2001-02	901	6.4	4.5	741	6.3	4.5
2002-03	976	8.2	6.7	804	8.5	6.9
2003-04	1,102	12.9	9.5	908	13.1	9.5
2004-05 (c)	1,167	5.9	3.3	967	6.5	3.9
2005-06 (c)	1,214	4.1	0.8	1,009	4.3	1.1
% change 93-94 to 05-06		113.7%	56.8%		121.3%	62.4%

(a) Amounts shown are headline taxes, before transitional reliefs and benefits or rebates.

(b) Adjusted using the All Items Retail Prices Index (RPI) as at April each year.

(c) After capping.