

Statistical Release

6 June 2007

LOCAL AUTHORITY REVENUE EXPENDITURE AND FINANCING

ENGLAND

2007-08 BUDGET

- **Budgeted net current expenditure by local authorities in England for 2007-08 is £106.3 billion. 37% of this expenditure is on education, 17% is on social services and 11% is on police, similar to the spending pattern of recent years.**
- **Budgeted net current expenditure in 2007-08 is 6% higher than in 2006-07. This is an increase of £5.8 billion.**
- **Budgeted revenue expenditure in 2007-08 is £97.3 billion. 24% of this is to be raised through council tax, 26% from formula grant and 44% from specific grants.**

This release provides budget estimates of local authority revenue expenditure and financing for the financial year April 2007 to March 2008 on an FRS17 basis.

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 Capital Finance and Analysis division of Communities and Local Government.

Budgeted net current expenditure by service

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

- Budgeted net current expenditure totals £106.3 billion in 2007-08.
- Two thirds of net current expenditure is accounted for by the three largest services - education, social services and police.
- The largest proportion of budgeted net current expenditure is on education with a share of 37%.

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

	Net current expenditure £ million	% of total
Education	39,620	37.3
Highways & transport	5,600	5.3
Social services	18,469	17.4
Housing (excluding Housing Revenue Account)	2,452	2.3
Cultural, environment & planning	9,902	9.3
Police	11,609	10.9
Fire & rescue	2,227	2.1
Courts	62	0.1
Central services	3,350	3.2
Mandatory rent allowances	8,365	7.9
Mandatory rent rebates	626	0.6
Rent rebates granted to HRA tenants	3,803	3.6
Other services	248	0.2
Total net current expenditure	106,333	

Revenue expenditure

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

- Budgeted revenue expenditure in 2007-08 is £97.3 billion.
- Capital financing costs in the 2007-08 budget amount to £3.4 billion, while £1.2 billion has been budgeted for capital expenditure charged to the revenue account. Interest receipts in 2007-08 are estimated to be £1.1 billion.

Table 2: Budgeted revenue expenditure and financing 2007-08

	£ million
Net current expenditure	106,333
plus non-current expenditure	
Capital financing	3,352
Capital Expenditure charged to Revenue Account	1,245
Council tax benefit	3,338
Discretionary Non-Domestic Rate relief	25
Bad debt provision	29
Flood defence payments to Environment Agency	26
Pensions interest cost and expected return on pensions assets	3,531
/less interest receipts	1,123
/less specific grants outside AEF ^(a)	19,444
Revenue expenditure	97,312
/less specific grants inside AEF ^(a)	43,035
Net revenue expenditure	54,277
/less appropriations from pensions reserves	3,990
/less appropriations from other revenue reserves	890
/less adjustments	0
Budget requirement	49,398
financed by:	
Revenue Support Grant	3,105
Redistributed non-domestic rates	18,506
Police grant	4,028
General Greater London Authority (GLA) grant	38
Other items	112
Council tax requirement	23,608
(a) Aggregate External Finance; see Background Notes for definition.	

Chart B illustrates the way that budgeted revenue expenditure is to be financed in 2007-08.

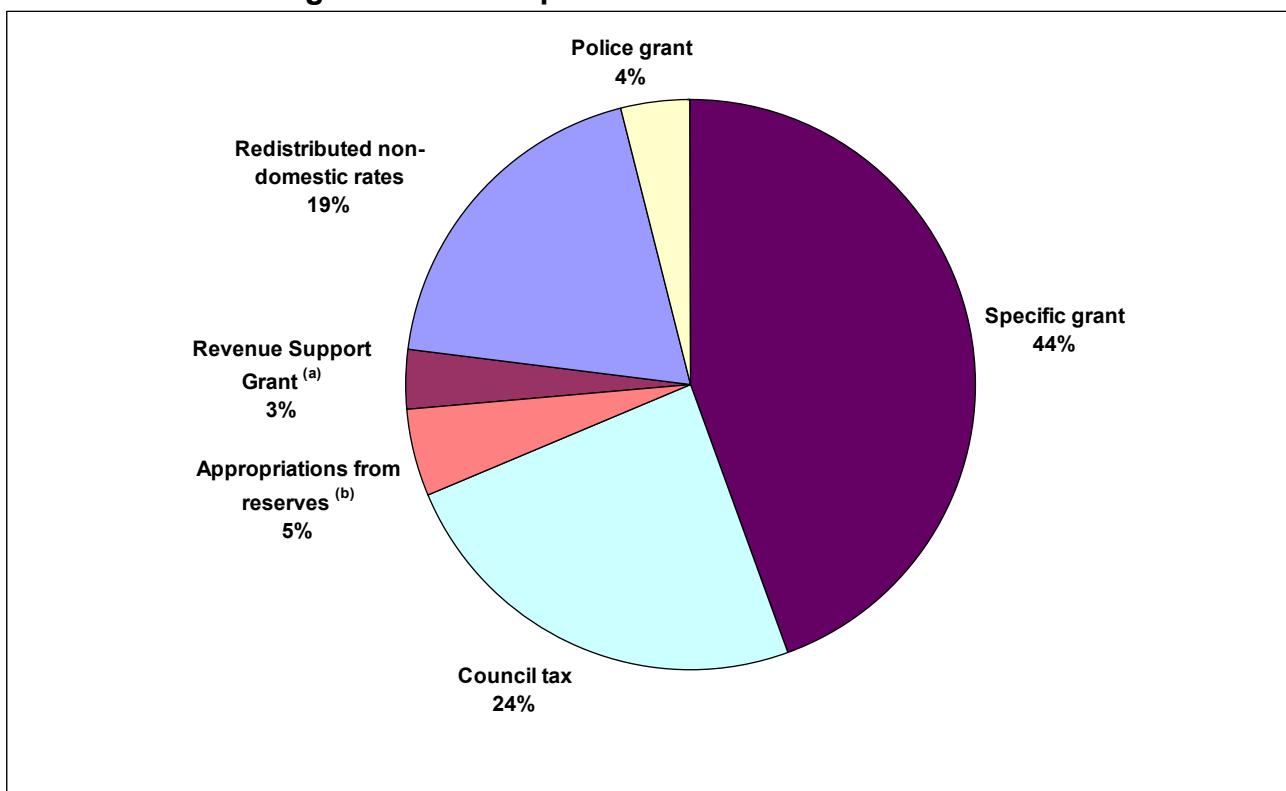
- Formula grant (Revenue Support Grant, redistributed non-domestic rates and Police grant) totals £25.6 billion in 2007-08.
- Specific grants inside AEF are estimated to amount to £43.0 billion.
- £23.6 billion is being raised locally through council tax.

Chart A: Budgeted net current expenditure by service 2007-08



(a) Housing benefit includes mandatory rent allowances and mandatory rent rebates.
 (b) Central services includes courts and other services.

Chart B: Financing of revenue expenditure in 2007-08



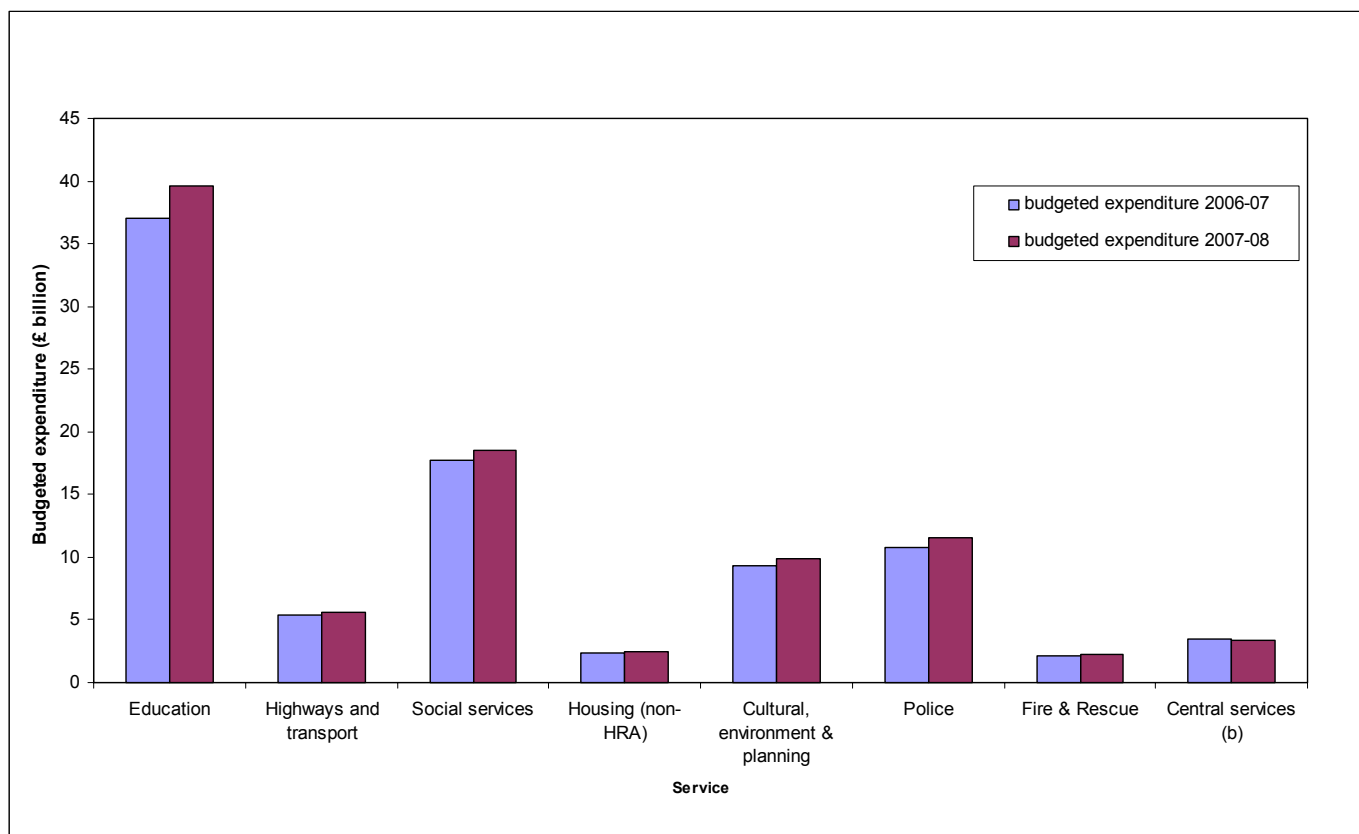
(a) Revenue Support Grant includes General GLA grant and 'Other items'.
 (b) Appropriations from reserves includes adjustments, and appropriations from the FRS17 pensions reserve.

Budgeted expenditure in 2006-07 and 2007-08

Table 3 compares the 2007-08 and 2006-07 budgets on a net current expenditure basis. **Chart C** compares budgeted expenditure by service in 2006-07 and 2007-08.

- Budgeted total service expenditure increased by £5.1 billion (6%) between 2006-07 and 2007-08.
- Of the main service blocks, the largest percentage increase in budgeted service expenditure was in environmental services, which increased by 8% since 2006-07. Education, police and fire & rescue budgeted expenditure all increased by 7%.
- Budgeted Net Current Expenditure increased by £5.8 billion (6%) between 2006-07 and 2007-08.

Chart C: Comparison of budgeted expenditure by service ^(a) in 2006-07 and 2007-08



(a) These figures have not been adjusted to take into account changes in local authority responsibilities between 2006-07 and 2007-08.

(b) Central services includes courts and other services.

- Budgeted income from specific grants inside AEF has increased from £40.0 billion in 2006-07 to £43.0 billion in 2007-08 and formula grant has increased from £24.8 billion in 2006-07 to £25.6 billion in 2007-08.
- The council tax requirement increased by £1.2 billion (5%), compared to 2006-07.

Table 3: Budgeted net current expenditure estimates in 2006-07 and 2007-08

	£ million			
	Budget 2006-07	Budget 2007-08	Change	% Change
Education Services				
110 Nursery schools	630	645	15	2
120 Primary schools	14,749	15,732	982	7
130 Secondary schools	15,128	16,358	1,231	8
140 Special schools	2,246	2,386	140	6
150 Non-school funding	4,235	4,496	261	6
190 TOTAL EDUCATION SERVICES (total of lines 110 to 150)	36,989	39,617	2,628	7
Highways, Roads and Transport Services				
210 Transport planning policy and strategy	231	314	83	36
220 Construction	16	13	-2	-14
230 Structural maintenance	497	479	-18	-4
247 Environmental safety and routine maintenance	864	935	71	8
248 Winter maintenance	153	145	-9	-6
249 Street lighting	396	433	36	9
251 Traffic management and road safety: congestion charging	-94	-150	-56	-59
254 Traffic management and road safety: safe routes (including school crossing patrols)	50	59	9	17
258 Traffic management and road safety: other	333	409	76	23
260 Parking services	-512	-520	-8	-2
271 Public transport: concessionary fares	780	855	75	10
275 Public transport: support to operators	2,211	2,272	61	3
276 Public transport: co-ordination	414	366	-48	-12
280 Airports harbours and toll facilities	-6	-11	-5	-88
290 TOTAL HIGHWAYS ROADS AND TRANSPORT SERVICES (total of lines 210 to 280)	5,335	5,600	265	5
Social Services				
311 Social services strategy - children	85	136	51	60
330 Social services strategy - adults	208	218	11	5
325 Childrens and families services - asylum seekers	4,960	5,105	145	3
375 Other adult Social Services - asylum seekers - lone adults	317	335	18	6
329 Childrens and families services - other	6,955	7,063	108	2
379 Other adult social services - other	1,298	1,372	74	6
340 Older people (aged 65 or over) including older mentally ill	2,897	3,155	258	9
351 Adults aged under 65 with physical disability or sensory impairment	984	1,026	42	4
352 Adults aged under 65 with learning disabilities	58	58	0	0
353 Adults aged under 65 with mental health needs	17,761	18,469	708	4
380 Supported employment	17,761	18,469	708	4
390 TOTAL SOCIAL SERVICES (total of lines 311 to 380)	17,761	18,469	708	4
Housing Services (non HRA)				
440 Homelessness	218	227	9	4
456 Housing benefits: rent allowances and rent rebates - discretionary payments	18	22	4	22
457 Housing benefits administration	501	518	17	3
475 Housing welfare: Supporting People	1,301	1,336	36	3
480 Other GFRA housing services	353	377	24	7
490 TOTAL HOUSING SERVICES (non HRA) (total of lines 440 to 480)	2,391	2,480	89	4
Cultural and related Services				
501 Culture and heritage	537	553	16	3
502 Recreation and sport	711	749	38	5
503 Open spaces	781	807	26	3
504 Tourism	134	140	6	5
505 Library service	906	915	9	1
509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505)	3,069	3,165	96	3

Table 3: Budgeted net current expenditure estimates in 2006-07 and 2007-08 (continued)

	£ million			
	Budget 2006-07	Budget 2007-08	Change	% Change
Environmental Services				
510 Cemetery cremation and mortuary services	3	3	0	-3
521 Environmental health: food safety	113	120	7	6
527 Environmental health: public conveniences	86	89	3	3
528 Environmental health: other	395	417	22	6
529 Licensing	44	42	-2	-5
530 Community safety	358	426	68	19
541 Flood defence	21	18	-3	-15
543 Land drainage: internal drainage levy work	27	28	1	4
547 Coast protection	14	14	0	0
550 Agriculture and fisheries services	-4	-2	2	51
560 Trading Standards	173	177	4	2
570 Street cleansing (not chargeable to Highways)	663	701	37	6
581 Waste collection	1,094	1,153	59	5
582 Waste disposal	1,523	1,687	164	11
590 TOTAL ENVIRONMENTAL SERVICES (total of lines 510 to 582)	4,511	4,872	361	8
Planning and development Services				
591 Building and development control; Planning policy; Environmental initiatives	756	780	23	3
595 Economic development	593	601	9	1
596 Community development	435	485	50	12
599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596)	1,784	1,866	82	5
601 TOTAL POLICE SERVICES	10,828	11,609	781	7
602 TOTAL FIRE & RESCUE SERVICES	2,086	2,227	141	7
Court Services				
604 Coroners court services	55	59	4	8
605 Other court services	4	3	-1	-29
609 TOTAL COURT SERVICES (total of lines 604 and 605)	59	62	3	5
Central services				
610 Corporate and democratic core	1,766	1,795	29	2
623 Local tax collection: council tax discounts - locally funded	4	5	1	23
625 Local tax collection: council tax benefits administration	302	310	8	3
628 Local tax collection: other	335	334	-2	0
650 Emergency planning	51	55	5	9
675 Central services to the public: other	209	253	44	21
681 Non-distributed costs - retirement benefits	376	240	-136	-36
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	79	36	-43	-54
683 Non-distributed costs - depreciation/impairment of surplus costs etc	n/a	0	n/a	n/a
690 TOTAL CENTRAL SERVICES (total of lines 610 to 683)	3,122	3,029	-93	-3
698 TOTAL OTHER SERVICES	245	330	85	34
699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 609, 690 and 698)	88,182	93,326	5,145	6

Table 3: Budgeted net current expenditure estimates in 2006-07 and 2007-08 (continued)

	£ million			
	Budget 2006-07	Budget 2007-08	Change	% Change
701 Education: student support - mandatory awards	5	3	-2	-44
711 Housing benefits: rent allowances - mandatory payments	7,676	8,365	689	9
712 Housing benefits: non-HRA rent rebates - mandatory payments	593	626	32	5
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,785	3,803	18	0
714 Housing benefits: subsidy limitation transfers from HRA	-23	-40	-17	-76
715 Housing benefits: transfers to/from HRA under transitional measures	-17	n/a	n/a	n/a
718 Contribution to the HRA re items shared by the whole community	12	12	0	-2
Precepts and levies				
721 Parish Precepts	282	299	17	6
722 Passenger Transport Authority levy	0	0	0	-100
724 Waste Disposal Authority levy	14	0	-14	-100
727 London Pensions Fund Authority levy	22	23	1	3
728 Other levies	24	23	-1	-3
731 External Trading Accounts net surplus/deficit	-73	-183	-110	-152
732 Internal Trading Accounts net surplus/deficit	35	20	-15	-43
748 Adjustments to net current expenditure	16	57	41	259
Total precepts and levies	320	239	-82	-25
749 NET CURRENT EXPENDITURE (total of lines 699 to 748)	100,534	106,333	5,800	6
754 Local tax collection: Council tax benefit paid to the Collection Fund	3,161	3,338	176	6
757 Local tax collection: Non-domestic rate relief - discretionary payments	24	25	1	2
759 Levy: Environment Agency flood defence	23	26	3	13
761 Capital charges accounted for in External Trading Accounts	-155	-42	113	73
762 Capital charges accounted for in Internal Trading Accounts	-116	-83	33	28
765 Capital expenditure charged to the GF Revenue Account (CERA)	819	1,245	426	52
771 Provision for bad debts	25	29	3	13
773 Provision for repayment of principal	1,258	1,386	128	10
776 Leasing payments	35	24	-11	-31
781 Interest: external payments	2,783	2,983	201	7
783 Interest: HRA item 8 payments and receipts	-837	-916	-79	-9
785 SUB-TOTAL (total of lines 749 to 783)	107,555	114,348	6,793	6
786 Interest and investment income: external receipts and dividends	-909	-1,123	-213	-23
787 Pensions interest cost and expected return on pensions assets	3,014	3,531	517	17
791 Specific and special grants outside AEF [SG line 799 as income]	-18,219	-19,444	-1,225	-7
795 REVENUE EXPENDITURE (total of lines 785 to 791)	91,440	97,312	5,872	6
797 Specific and special grants inside AEF [SG line 699 as income]	-39,993	-43,035	-3,042	-8
799 NET REVENUE EXPENDITURE (total of lines 795 to 797)	51,447	54,277	2,829	5

Table 3: Budgeted net current expenditure estimates in 2006-07 and 2007-08 (continued)

	£ million			
	Budget 2006-07	Budget 2007-08	Change	% Change
801 Inter-authority transfers in respect of reorganisation	0	0	0	-3
802 Adjustments to Formula Grant re 2004-05 and 2005-06				
Amending Reports	-5	n/a	n/a	n/a
811 Appropriations to/from schools reserves	-12	-16	-4	-31
815 Appropriations to/from other earmarked financial reserves	-237	-513	-276	-117
816 Appropriations to/from unallocated financial reserves(1)	-324	-361	-37	-11
817 Appropriations to/from pensions reserves	-3,449	-3,990	-541	-16
830 THE BUDGET REQUIREMENT (total of lines 799 to 817)	47,421	49,398	1,976	4
851 Revenue Support Grant	-3,378	-3,105	273	8
856 Police grant	-3,936	-4,028	-93	-2
858 General GLA grant	-38	-38	0	-1
870 Redistributed non-domestic rates	-17,506	-18,506	-1,000	-6
880 Other items	-111	-112	-1	-1
890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)	22,453	23,608	1,156	5

Table 4: RA(SG07) Top Five incomes from specific grants budget 2007-08 ^(a)

	£ million
Grants within Aggregate External Finance	
102 Dedicated Schools Grant (DSG)	28,061
145 Standards Fund - Other	2,772
221 GLA Transport Grant	2,521
141 Standards Fund - School Standards Grant	1,428
111 General Sure Start grant (includes Local Sure Start)	963
Grants outside Aggregate External Finance	
745 Mandatory Rent Allowances: subsidy	8,123
741 Council Tax Benefit: subsidy	3,532
747 Rent Rebates Granted to HRA Tenants: subsidy	3,263
716 Sixth forms funding from Learning and Skills Council (LSC)	1,913
746 Mandatory Rent Rebates outside HRA: subsidy	1,020
(a) Annex B contains data on all specific grants.	

Detailed budget information

Annex A (RA07) and **Annex B** (RASG07) show all England summaries of the budget information in the same way as it is returned to Communities and Local Government and at the same level of detail. All figures 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/lqfforms/revenue.htm

Annex A: RA07 General Fund Revenue Accounts Budget Estimate 2007-08
£ thousand

	Net current expenditure	Capital charges	Net total cost excl spec grant
Education Services			
110 Nursery schools	644,797	8,546	653,342
120 Primary schools	15,731,618	590,219	16,321,837
130 Secondary schools	16,358,378	568,041	16,926,418
140 Special schools	2,386,145	63,219	2,449,364
150 Non-school funding	4,496,415	125,801	4,622,216
190 TOTAL EDUCATION SERVICES (total of lines 110 to 150)	39,617,350	1,355,825	40,973,175
Highways, Roads and Transport Services			
210 Transport planning policy and strategy	314,324	34,955	349,279
220 Construction	13,407	419,422	432,829
230 Structural maintenance	479,378	184,328	663,707
247 Environmental safety and routine maintenance	935,144	119,885	1,055,028
248 Winter maintenance	144,745	2,360	147,105
249 Street lighting	432,635	10,096	442,731
251 Traffic management and road safety: congestion charging	-149,887	42	-149,845
254 Traffic management and road safety: safe routes (including school crossing patrols)	59,099	2,879	61,979
258 Traffic management and road safety: other	409,415	45,006	454,421
260 Parking services	-519,807	54,024	-465,784
271 Public transport: concessionary fares	854,713	755	855,468
275 Public transport: support to operators	2,271,603	38,836	2,310,439
276 Public transport: co-ordination	366,438	23,224	389,660
280 Airports harbours and toll facilities	-11,195	4,949	-6,246
290 TOTAL HIGHWAYS ROADS AND TRANSPORT SERVICES (total of lines 210 to 280)	5,600,013	940,760	6,540,774
Social Services			
311 Social services strategy - children	67,038	4,097	71,135
325 Childrens and families services - asylum seekers	180,947	434	181,381
329 Childrens and families services - other	5,105,455	30,412	5,135,867
330 Social services strategy - adults	68,536	6,608	75,143
340 Older people (aged 65 or over) including older mentally ill	7,063,248	51,992	7,115,241
351 Adults aged under 65 with physical disability or sensory impairment	1,372,161	11,768	1,383,928
352 Adults aged under 65 with learning disabilities	3,155,224	35,440	3,190,664
353 Adults aged under 65 with mental health needs	1,025,912	9,879	1,035,790
375 Other adult Social Services - asylum seekers - lone adults	37,177	42	37,219
379 Other adult social services - other	335,038	5,093	340,131
380 Supported employment	58,438	815	59,253
390 TOTAL SOCIAL SERVICES (total of lines 311 to 380)	18,469,176	156,577	18,625,753
Housing Services (non HRA)			
440 Homelessness	226,783	4,927	231,710
456 Housing benefits: rent allowances and rent rebates - discretionary payments	22,247	50	22,297
457 Housing benefits administration	518,113	6,001	524,114
475 Housing welfare: Supporting People	1,336,483	1,510	1,337,993
480 Other GFRA housing services	376,776	301,522	678,297
490 TOTAL HOUSING SERVICES (non HRA) (total of lines 440 to 480)	2,480,401	314,010	2,794,410
Cultural and related Services			
501 Culture and heritage	553,455	66,388	619,843
502 Recreation and sport	748,849	189,242	938,091
503 Open spaces	807,174	55,228	862,401
504 Tourism	140,067	3,816	143,883
505 Library service	915,116	56,840	971,956
509 TOTAL CULTURAL AND RELATED SERVICES (total of lines 501 to 505)	3,164,657	371,513	3,536,172

Annex A: RA07 General Fund Revenue Accounts Budget Estimate 2007-08 (continued)

	£ thousand		
	Net current expenditure	Capital charges	Net total cost excl spec grant
Environmental Services			
510 Cemetery cremation and mortuary services	2,831	9,864	12,694
521 Environmental health: food safety	119,632	610	120,242
527 Environmental health: public conveniences	89,036	11,559	100,595
528 Environmental health: other	416,630	12,792	429,422
529 Licensing	42,100	397	42,497
530 Community safety	425,960	16,422	442,382
541 Flood defence	18,299	3,242	21,541
543 Land drainage: internal drainage levy work	28,002	575	28,577
547 Coast protection	14,135	21,991	36,126
550 Agriculture and fisheries services	-1,926	2,881	955
560 Trading Standards	176,974	1,971	178,944
570 Street cleansing (not chargeable to Highways)	700,542	7,501	708,041
581 Waste collection	1,152,723	48,287	1,201,010
582 Waste disposal	1,686,703	16,007	1,702,710
590 TOTAL ENVIRONMENTAL SERVICES (total of lines 510 to 582)	4,871,641	154,098	5,025,737
Planning and development Services			
591 Building and development control; Planning policy; Environmental initiatives	779,614	29,493	809,106
595 Economic development	601,312	73,700	675,014
596 Community development	484,908	5,964	490,873
599 TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 596)	1,865,834	109,159	1,974,993
601 TOTAL POLICE SERVICES	11,609,435	294,957	11,904,392
602 TOTAL FIRE & RESCUE SERVICES	2,227,065	78,992	2,306,057
Court Services			
604 Coroners court services	59,252	324	59,576
605 Other court services	2,816	2,100	4,916
609 TOTAL COURT SERVICES (total of lines 604 and 605)	62,068	2,424	64,492
Central services			
610 Corporate and democratic core	1,795,150	47,277	1,842,428
623 Local tax collection: council tax discounts - locally funded	5,478	22	5,500
625 Local tax collection: council tax benefits administration	309,879	2,443	312,323
628 Local tax collection: other	333,744	6,203	339,947
650 Emergency planning	55,350	319	55,668
675 Central services to the public: other	253,228	25,361	278,590
681 Non-distributed costs - retirement benefits	239,714	6,634	246,348
682 Non-distributed costs - costs of unused shares of IT facilities and other assets	36,367	40,189	76,556
683 Non-distributed costs - depreciation/impairment of surplus costs etc	0	8,899	8,899
690 TOTAL CENTRAL SERVICES (total of lines 610 to 683)	3,028,908	137,348	3,166,256
698 TOTAL OTHER SERVICES	329,747	117,545	447,292
699 TOTAL SERVICE EXPENDITURE (total of lines 190, 290, 390, 490, 509, 590, 599, 601, 602, 609, 690 and 698)	93,326,296	4,033,208	97,359,504

Annex A: RA07 General Fund Revenue Accounts Budget Estimate 2007-08 (continued)

	£ thousand
	Net current expenditure
701 Education: student support - mandatory awards	2,549
711 Housing benefits: rent allowances - mandatory payments	8,365,171
712 Housing benefits: non-HRA rent rebates - mandatory payments	625,682
713 Housing benefits: rent rebates to HRA tenants - mandatory payments	3,802,862
714 Housing benefits: subsidy limitation transfers from HRA	-40,450
718 Contribution to the HRA re items shared by the whole community	11,887
Precepts and levies	
721 Parish Precepts	298,652
722 Passenger Transport Authority levy	0
724 Waste Disposal Authority levy	0
727 London Pensions Fund Authority levy	22,685
728 Other levies	23,227
731 External Trading Accounts net surplus/deficit	-182,883
732 Internal Trading Accounts net surplus/deficit	20,391
748 Adjustments to net current expenditure	57,233
Total precepts and levies	239,305
749 NET CURRENT EXPENDITURE (total of lines 699 to 748)	106,333,306
754 Local tax collection: Council tax benefit paid to the Collection Fund	3,337,879
757 Local tax collection: Non-domestic rate relief - discretionary payments	24,729
759 Levy: Environment Agency flood defence	26,216
761 Capital charges accounted for in External Trading Accounts	-41,871
762 Capital charges accounted for in Internal Trading Accounts	-83,153
765 Capital expenditure charged to the GF Revenue Account (CERA)	1,244,874
771 Provision for bad debts	28,526
773 Provision for repayment of principal	1,385,768
776 Leasing payments	24,391
781 Interest: external payments	2,983,343
783 Interest: HRA item 8 payments and receipts	-916,063
785 SUB-TOTAL (total of lines 749 to 783)	114,347,943
786 Interest and investment income: external receipts and dividends	-1,122,664
787 Pensions interest cost and expected return on pensions assets	3,530,692
791 Specific and special grants outside AEF [SG line 799 as income]	-19,444,400
795 REVENUE EXPENDITURE (total of lines 785 to 791)	97,311,571
797 Specific and special grants inside AEF [SG line 699 as income]	-43,034,849
799 NET REVENUE EXPENDITURE (total of lines 795 to 797)	54,276,721

Annex A: RA07 General Fund Revenue Accounts Budget Estimate 2007-08 (continued)

	£ thousand
	Net current expenditure
801 Inter-authority transfers in respect of reorganisation	428
811 Appropriations to/from schools reserves	-16,106
815 Appropriations to/from other earmarked financial reserves	-512,636
816 Appropriations to/from unallocated financial reserves	-360,785
817 Appropriations to/from pensions reserves	-3,990,118
830 THE BUDGET REQUIREMENT (total of lines 799 to 817)	49,397,506
851 Revenue Support Grant	-3,104,685
856 Police grant	-4,028,326
858 General GLA grant	-38,348
870 Redistributed non-domestic rates	-18,505,588
880 Other items	-112,141
890 COUNCIL TAX REQUIREMENT (total of lines 830 to 880)	23,608,423

Annex A: RA07 General Fund Revenue Accounts Budget Estimate 2007-08 (continued)

	£ thousand	
	At 1 April 2007	At 31 March 2008
Financial reserves		
911 Estimated schools reserves level	1,467,488	1,451,382
915 Estimated other earmarked financial reserves level	6,306,917	5,794,281
916 Estimated unallocated financial reserves level	4,339,866	3,979,080
917 Estimated pensions reserve level ^(a)	-96,930,082	...
920 Prior Year Adjustments	0	
Capital Charges	2007-08	
931 Depreciation	3,704,636	
933 Loss on impairment of assets	81,247	
934 Amortisation of deferred charges	578,971	
935 Credit for amortisation of capital grants ^(b)	-331,646	
939 Total capital charges (total of lines 931 to 935)	4,033,208	

(a) Data not collected at 31 March 2008, 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.

(b) 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: RA(SG07) Income from specific grants budget 2007-08

	£ thousand
Grants within Aggregate External Finance	
102 Dedicated Schools Grant (DSG)	28,061,039
105 Childrens Services	277,831
107 Treatment Foster Care	717
109 Sharing IS Index	22,521
111 General Sure Start grant (includes Local Sure Start)	963,093
141 Standards Fund - School Standards Grant	1,428,272
145 Standards Fund - Other	2,771,984
161 Teenage Pregnancy Local Implementation	26,931
181 Unaccompanied Asylum Seeking Children (UASC) Leaving Care Costs	55,987
195 Youth Opportunity	21,888
196 Positive Activities for Young People programme (PAYP)	17,403
210 Specific Road Safety Grant	17,311
211 Detrunking	34,232
212 Kerbcraft Road Safety	71
213 Work Related Road Safety	0
214 Rural Road Safety	0
215 Road Safety Partnerships	10,646
216 Road Safety Delivery	3,134
217 Congestion Performance Fund	0
218 Transport Innovation Fund	1,100
219 Inner City Demonstration Projects	0
221 GLA Transport Grant	2,520,634
231 Metropolitan Railway Passenger Services	198,897
241 Personalised Travel Pilot	82
243 Roadside Vehicle Testing	0
251 Rural Bus Challenge and Kickstart	6,078
255 Rural Bus Subsidy	49,899
257 Travel Plan Bursaries	685
261 Urban Bus Challenge and Kickstart	3,964
301 Access & Systems Capacity	548,952
311 AIDS Support	15,534
321 Carers	178,572
325 Child and Adolescent Mental Health Services (CAMHS)	84,211
341 Delayed Discharges	99,156
351 Human Resources Development Strategy	45,630
353 Individual Budgets Pilots	4,550
355 Mental Health	129,189
357 Mental Capacity Act and Independent Mental Capacity Advocate Service	9,903
361 National Training Strategy	96,687
365 Partnerships for Older People Projects	31,000
366 Preventative Technology	43,273
371 Preserved Rights	271,610
372 Smokefree Legislation	9,461
375 Commission for Social Care Inspection (CSCI) Reimbursement Grant	1,909
405 Housing Benefit and Council Tax Benefit Administration	587,747
451 Performance Standards Fund	2,121
481 Workstep	13,998
511 Homelessness	31,699
515 Local Authority Business Growth Incentives (LABGI) scheme	85,142
521 Local Public Service Agreement (LPSA) Performance Reward Grant	43,991
531 Neighbourhood Renewal Fund	345,973
537 New Dimension Grants	7,909
541 Planning Delivery Grant	53,893
545 The Private Finance Initiative (PFI)	322,485
551 Supporting People Administration	45,617
553 Supporting People Grant - Housing	851,378
554 Supporting People Grant - Social Services	736,442
571 Animal Movement Licenses	2,610
581 National Parks & Broads	43,201
592 Waste Performance and Efficiency	46,266
595 Copyright Patents and Designs Act grant	1,663
611 Asylum Seekers	98,691
621 Basic Command Units (BCU) Fund	34,668

Annex B: RA(SG07) Income from specific grants budget 2007-08 (continued)	
	£ thousand
625 Community Support Officers	85,326
631 Counter Terrorism	339,206
632 Initial Police Learning and Development Programme	13,555
635 Crime Fighting Fund	264,937
643 Neighbourhood Policing Fund	214,235
647 Probation Loan Charges	378
648 Reform Deal	6,350
661 Young People Substance Misuse Partnership	37,615
669 LFEPA Civil Contingencies	606
698 Other grants within AEF	653,112
699 TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698) (Transferred to RA line 797 as income)	43,034,850
Grants outside Aggregate External Finance	
709 Childrens Fund	81,172
710 Neighbourhood Support Fund	1,198
711 Education Maintenance Allowance	378
713 Higher Education Funding Council (HEFC) Payments	15,623
714 Connexions	183,260
715 Adult and Community Learning from Learning and Skills Council (LSC)	333,108
716 Sixth forms funding from Learning and Skills Council (LSC)	1,913,292
717 Further Education funding from Learning and Skills Council (LSC)	51,626
718 Mandatory Student Awards	1,878
719 DVLA Trading Fund	0
720 Free Flowing Cities	0
721 Mersey Travel	95,229
741 Council Tax Benefit: subsidy	3,532,478
745 Mandatory Rent Allowances: subsidy	8,122,530
746 Mandatory Rent Rebates outside HRA: subsidy	1,020,004
747 Rent Rebates Granted to HRA Tenants: subsidy	3,263,442
750 Beacon	2,272
751 Capacity Building	8,419
752 Housing Acts/ Urban Developments - contributions towards cost of loan charges	10,334
753 New Deal for Communities (NDC)	78,563
754 LG Efficiency Challenge Fund	0
755 Efficiency Improvements in Local Government	4,419
756 Fire Services	5,212
757 New Ventures Fund	0
758 Best Value Parishes	0
759 Invest to Save	1,127
760 Neighbourhood Management Pathfinder	6,669
761 Neighbourhood Element	7,385
762 Joint Liveability	0
763 Safer and Stronger Communities Fund Programme	26,710
764 Local Enterprise Growth Initiative	25,092
765 New Growth Points Funding	1,930
767 Cleaner Safer Greener Element	3,104
769 Housing Market Renewal Grant	16,849
771 Countryside Commission Grant	5,811
772 Rural Social and Community Programme	1,164
774 Aggregates Levy Sustainability Fund	460
780 Building Safer Communities	8,809
782 Tackling Violent Crime Programme	50
783 Crime Reduction Grants	12,019
784 Drug Strategy Partnership Support Grant	7,620
785 Anti-Social Behaviour Trailblazer	695
786 Anti-Social Behaviour Action Area	594
787 Anti-Social Behaviour Grant	2,294
788 Youth Offending Teams Grant	41,673
791 European Community grants	87,734
798 Other grants outside AEF	462,172
799 TOTAL REVENUE GRANTS OUTSIDE AEF (total of lines 709 to 798) (Transferred to RA line 791 as income)	19,444,400
800 TOTAL SPECIFIC AND SPECIAL REVENUE GRANTS (total of lines 699 + 799)	62,479,250

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

	RA Form Reference	Additional levies/transfers
Education	line 190 line 701	Mandatory student awards
Highways and transport	line 290 line 722	Passenger transport authority levy
Social services	line 390	
Housing (non-HRA)	line 490 lines 714 to 718	Subsidy limitation transfers from HRA, Contribution to HRA re items shared by whole community
Cultural services	line 509	
Environment	line 590 line 724	Waste disposal authority levy
Planning	line 599	
Police	line 601	
Fire & Rescue	line 602	
Courts	line 609	
Central services	line 690 line 721 line 727	Parish precepts London pensions fund authority levy
Other	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
Capital financing	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 Communities and Local Government / CIPFA RA Returns submitted by local authorities in England and is based on a full response from all 478 authorities.
3. Enquiries about this Statistical Release should be addressed to Peter Gibb at LGF1.REVENUE@communities.gsi.gov.uk (Tel. 020 7944 4176).
4. 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
5. For a fuller picture of trends in local government finance readers are directed to *Local Government Financial Statistics England* No. 17 2007, which is available in hard copy from Wetherby Publications Centre at communities@twoten.com (Tel. 0870 1207 405) and electronically via the Department's website: <http://www.local.communities.gov.uk/finance/stats/lgfs/2007/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 2006-07 and 2007-08.
8. Comparisons are made on a budget to budget basis because outturn figures differ from budget figures for a given financial year. This is because many authorities budget to use reserves in advance of grant income being confirmed.

Terminology used in this release

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, 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 **net current expenditure**. 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 (AEF)**.

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).

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.

Financial Reporting Standard 17 (FRS17)

Local authorities are instructed to account for service expenditure on what is called a Financial Reporting Standard 17 (FRS17) basis, following an initiative by CIPFA enshrined in the Best Value Accounting Code of Practice (BVACOP).

The main implication is that the costs of entitlements to retirement benefits (pensions) in FRS17 are accounted for in the year in which employment gives rise to the entitlement, rather than the year in which cash payments of contributions or pensions take place. On an FRS17 basis revenue expenditure is now financed by appropriations from pension reserves, in addition to appropriations from other reserves, Revenue Support Grant, redistributed non-domestic rates, Police grant and Council Tax.

All tables 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.

Budgeted net current expenditure by service on a FRS17 and non-FRS17 basis 2007-08 ^(a)		
	£ million	
	Net current expenditure FRS17	Net current expenditure non-FRS17
961 Education services	39,617	39,602
962 Highways roads and transport services	5,600	5,595
963 Social services	18,469	18,385
964 Housing services (non HRA)	2,480	2,469
965 Cultural and related services	3,165	3,136
966 Environmental services	4,872	4,844
967 Planning and development services	1,866	1,851
971 Police services	11,609	11,199
972 Fire & rescue services	2,227	2,159
973 Court services	62	62
975 Central services	2,789	3,238
976 Non-distributed costs-retirement benefits	240	0
978 Other services	330	346
981 External Trading Accounts net surplus/deficit	-183	-185
982 Internal Trading Accounts net surplus/deficit	20	6
986 Pensions interest cost and expected return on pensions asset	3,531	0
987 Appropriations to/from pensions reserve	-3,990	0
989 TOTAL (Total of lines 961 to 987)	92,704	92,704

(a) Figures are for individual service lines and do not include additions such as some housing benefits which are included in Table 1.

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.