



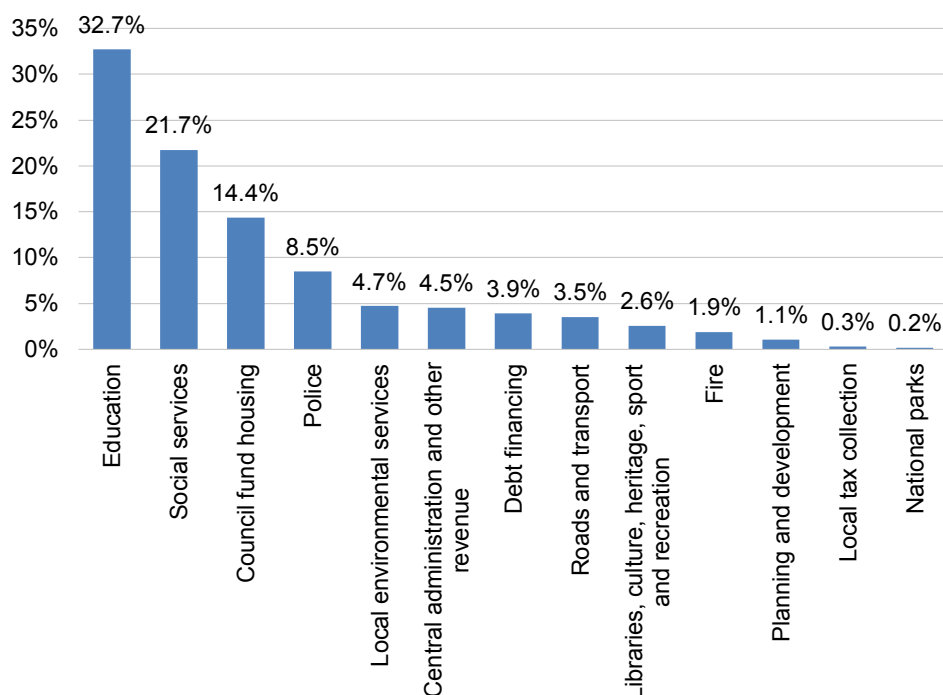
Local Authority Revenue Budget and Capital Forecast: 2017-18

22 June 2017
SFR 64/2017

Key points

- Total budgeted gross revenue expenditure as reported by Welsh local authorities for 2017-18 is £7.9 billion, an increase of 1.4% on the previous year (table 1).
- County and county borough councils reported increases of 1.4% or £96 million in their budgeted expenditure whilst police reported an increase of 1.1%. Fire authorities reported an increase of 2.0% and national park authorities an increase of 6.1% (table 2).
- Vale of Glamorgan shows the largest county increase in gross revenue expenditure at 5.3%. Pembrokeshire shows the largest decrease at 4.7% (table 2).
- Net revenue expenditure, i.e. excluding specific and special grants, is forecast to increase by 1.4% in 2017-18 (table 1).
- In 2017-18, total capital forecast expenditure by Welsh local authorities, including police, fire and national parks is £1,345 million. This represents a year-on-year increase of £95 million or 8% (table 3).

Chart 1: Service level budgeted revenue expenditure, 2017-18



Additional information is available from StatsWales.

About this release

This statistical release analyses the revenue and capital expenditure that Welsh local authorities are forecast to spend in the 2017-18 financial year.

Revenue expenditure is the cost of running local authority services such as staffing, heating, lighting and cleaning, together with expenditure on goods and services consumed within the year.

Capital spending is mainly buying, constructing or improving physical assets such as buildings, land and vehicles.

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Revenue budget

Table 1 shows revenue expenditure by service area. The gross revenue expenditure per head for Wales in 2017-18 is budgeted to be £2,565, an increase of £29 compared to the previous year. Education expenditure is forecast to increase by 0.9% and Social Services expenditure is forecast to increase by 3.7%. Central administration and other revenue is forecast to increase by 4.6% partly due to an increase in Capital Expenditure Charged to the Revenue Account (CERA) and Adjustments to Capital Charges.

Table 1: Service level gross revenue expenditure and financing, Wales (a)

	£ million			Percentage change	2017-18 £ per head
	2016-17	2017-18	Change		
County and county borough council expenditure (b)					
Education	2,576.9	2,598.9	22.0	0.9	839
Social services	1,666.6	1,728.7	62.1	3.7	558
Council fund housing (c)	1,128.5	1,141.3	12.8	1.1	368
Local environmental services	373.3	373.8	0.5	0.1	121
Roads and transport	283.3	280.5	-2.7	-1.0	91
Libraries, culture and heritage, sport and recreation	207.8	203.9	-4.0	-1.9	66
Planning, economic and community development	80.9	84.9	4.0	4.9	27
Local tax collection	30.2	25.9	-4.3	-14.2	8
Debt financing	320.5	310.2	-10.3	-3.2	100
Central administration and other revenue (d)	345.1	360.9	15.7	4.6	116
Total county and county borough council expenditure	7,013.3	7,109.1	95.8	1.4	2,294
Police	668.4	675.7	7.4	1.1	218
Fire	147.6	150.5	2.9	2.0	49
National parks	13.8	14.6	0.8	6.1	5
Gross revenue expenditure	7,843.0	7,950.0	106.9	1.4	2,565
less specific and special government grants	1,904.0	1,930.7	26.7	1.4	623
Net revenue expenditure	5,939.0	6,019.3	80.2	1.4	1,942
Putting to (+) / drawing from (-) reserves	-105.1	-103.3	1.7	1.6	-33
Council tax reduction scheme	257.7	258.0	0.3	0.1	83
Budget requirement	6,091.7	6,174.0	82.3	1.4	1,992
plus discretionary non-domestic rate relief	3.5	3.6	0.0	1.2	1
less central government support	4,456.4	4,463.6	7.1	0.2	1,440
of which:					
revenue support grant	3,261.3	3,193.3	-68.0	-2.1	1,030
re-distributed non-domestic rates	977.0	1,059.0	82.0	8.4	342
police grant and floor funding	218.1	211.2	-6.9	-3.2	68
Council tax requirement	1,638.8	1,714.0	75.2	4.6	553
of which:					
paid by council tax reduction scheme	257.7	258.0	0.3	0.1	83
paid directly by council tax payers	1,381.0	1,455.9	74.9	5.4	470

(a) Includes police, fire and national park authorities. Service expenditure excludes that financed by sales, fees and charges, but includes that financed by specific and special government grants. The £ per head calculations use the 2015 mid-year estimates of population.

(b) Includes revenue element of private financing initiatives.

(c) Includes housing benefit, and private sector housing costs such as provision for the homeless. Excludes council owned housing.

(d) Includes capital expenditure charged to the revenue account. The figure is net of any interest expected to accrue on balances. Also includes coroners' and other courts, community councils, unallocated contingencies, costs of corporate management, democratic representation and management and central administration costs not allocated to services.

Table 2 shows a year on year comparison of gross revenue expenditure across all authorities. The budgeted change for Wales in 2017-18 is an increase of £107 million or 1.4%.

Table 2: Local authority gross revenue expenditure budgets, by authority (a)

	£ million			Percentage change	2017-18 £ per head
	2016-17	2017-18	Change		
County/county borough councils:					
Isle of Anglesey	155.1	154.4	-0.7	-0.5	2,206
Gwynedd	278.9	283.7	4.7	1.7	2,309
Conwy	260.4	264.4	4.0	1.5	2,275
Denbighshire	227.0	237.5	10.5	4.6	2,508
Flintshire	309.2	314.9	5.6	1.8	2,044
Wrexham	287.4	285.2	-2.2	-0.8	2,087
Powys	290.9	303.3	12.4	4.2	2,286
Ceredigion	167.4	169.6	2.1	1.3	2,272
Pembrokeshire	271.7	259.1	-12.7	-4.7	2,098
Carmarthenshire	414.9	424.4	9.5	2.3	2,293
Swansea	541.2	549.2	8.0	1.5	2,266
Neath Port Talbot	342.5	346.7	4.2	1.2	2,459
Bridgend	322.0	328.0	6.0	1.9	2,309
Vale of Glamorgan	275.2	289.9	14.7	5.3	2,272
Cardiff	794.9	808.8	14.0	1.8	2,265
Rhondda Cynon Taf	594.7	595.4	0.7	0.1	2,508
Merthyr Tydfil	147.1	148.2	1.1	0.8	2,498
Caerphilly	423.5	414.7	-8.8	-2.1	2,302
Blaenau Gwent	172.4	175.5	3.1	1.8	2,523
Torfaen	217.1	219.1	2.0	0.9	2,386
Monmouthshire	174.5	178.8	4.3	2.5	1,933
Newport	345.0	358.3	13.3	3.9	2,425
All county and county borough councils	7,013.3	7,109.1	95.8	1.4	2,294
Police and Crime Commissioners:					
Dyfed Powys	103.8	104.8	0.9	0.9	203
Gwent	127.1	131.8	4.7	3.7	227
North Wales	151.0	153.0	2.0	1.3	220
South Wales	286.5	286.2	-0.2	-0.1	219
All Police and Crime Commissioners	668.4	675.7	7.4	1.1	218
Fire authorities:					
Mid and West Wales	45.5	46.8	1.3	2.8	52
North Wales	32.6	33.6	0.9	2.8	48
South Wales	69.5	70.2	0.7	1.0	47
All fire authorities	147.6	150.5	2.9	2.0	49
National park authorities:					
Brecon Beacons	3.9	4.6	0.7	16.5	.
Pembrokeshire Coast	4.5	4.6	0.1	1.2	.
Snowdonia	5.3	5.5	0.1	2.5	.
All national park authorities	13.8	14.6	0.8	6.1	5
Wales	7,843.0	7,950.0	106.9	1.4	2,565

. data not applicable.

(a) Gross revenue is normally net of income from levies. However in order to show the full spend, levies are scored as expenditure for the fire and national park authorities and are netted off the gross expenditure of the counties.

Chart 2 shows the financing of budget requirement. Budget requirement is the amount each authority estimates as its planned spending, after deducting any funding from reserves and specific grants. 28% of budget requirement is funded from council tax.

Chart 2: Financing of budget requirement in Wales, 2017-18

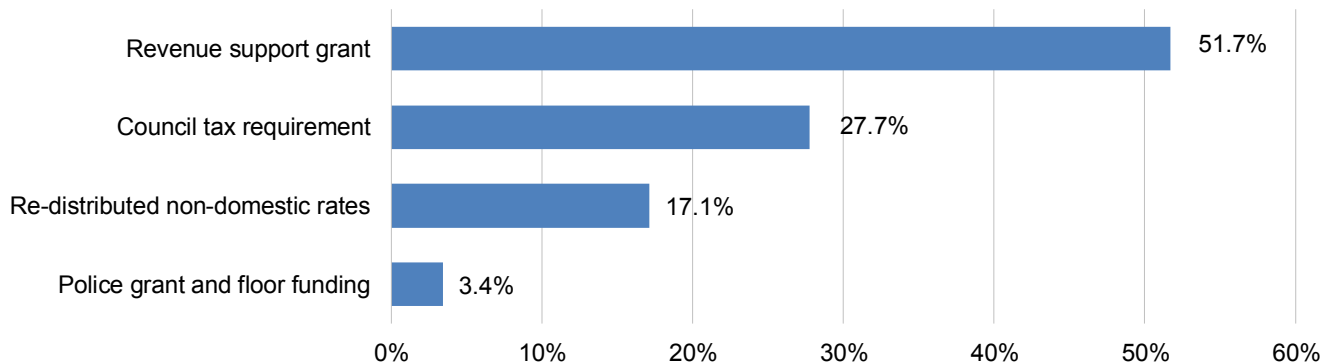
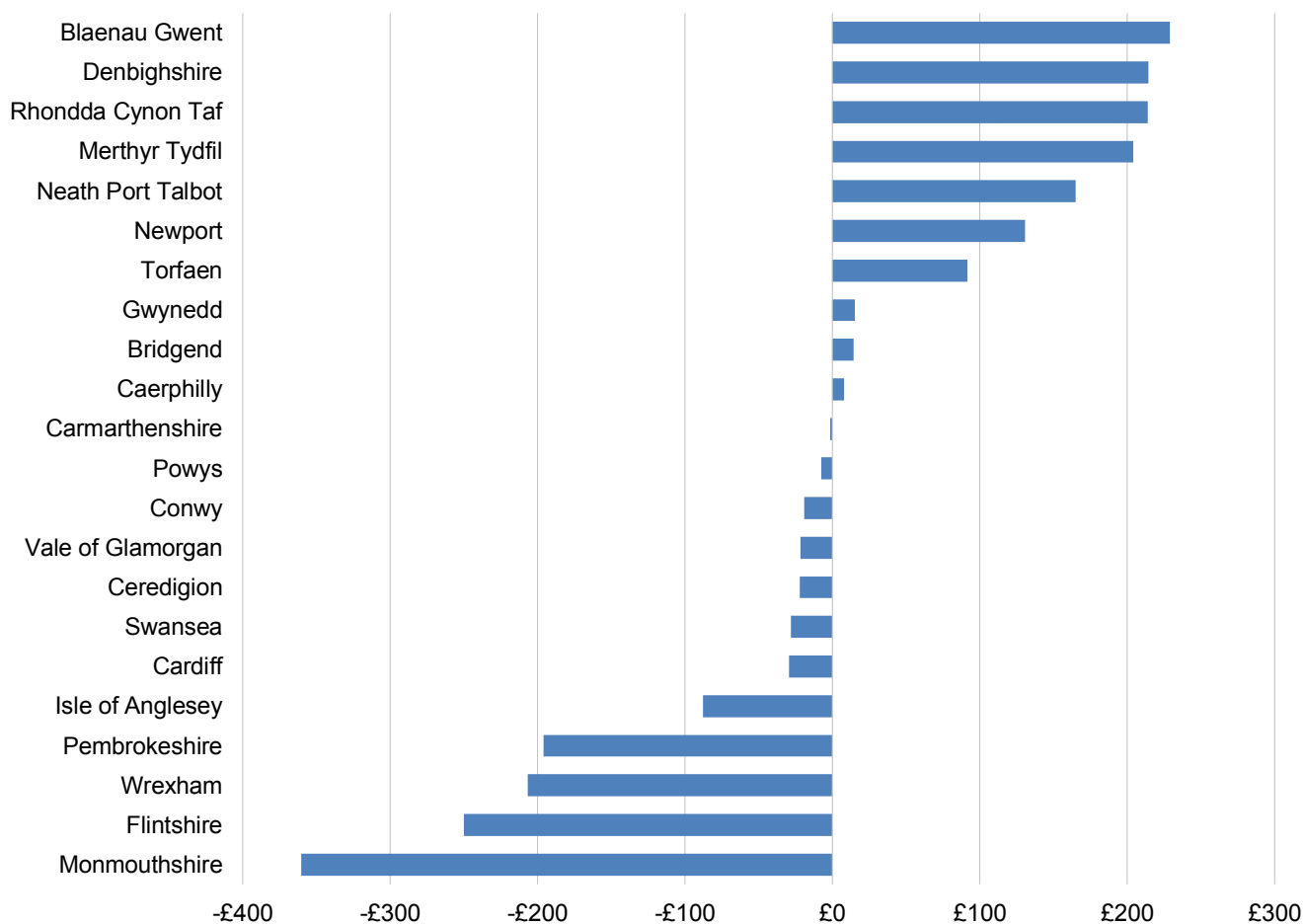


Chart 3 shows the gross revenue expenditure £ per head difference from the Wales County average of £2,294. The £ per head difference between the largest and smallest authority is £590.

Chart 3: £ per head, difference from the Wales County average, 2017-18



Capital forecast

Table 3 shows the most recent outturn figures along with the latest forecast years for comparison. It also shows how local authorities intend to pay for the expenditure. Year-on-year, education is expected to increase by £68 million (16%), social services is expected to increase by £3 million (17%) and roads and transport is expected to decrease by £16 million (13%).

External support for local authorities shows a decrease of £3 million (1%). Internal financing is expected to increase by £98 million (13%) partly due to the 21st Century Schools Programme.

Table 3: Capital expenditure and financing (a)

	£ million				
	2015-16 outturn (b)	2016-17 forecast	2017-18 forecast	Change between 2017-18 and 2016	
				17 £m	17 %
Capital expenditure					
County/county borough councils:					
Education	335.0	415.0	482.9	67.9	16
Social services	12.6	19.8	23.2	3.4	17
Roads and transport	119.7	126.6	110.7	-15.9	-13
Housing:					
Housing revenue account (HRA)	223.5	295.3	319.0	23.7	8
Non-HRA housing	93.0	57.5	57.4	-0.1	-0
Total housing	316.5	352.8	376.4	23.6	7
Local services:					
Environmental	54.4	40.6	36.2	-4.4	-11
Planning and economic development	99.0	98.3	95.9	-2.4	-2
Libraries, culture, heritage, sport and recreation	48.0	48.4	53.4	5.0	10
Other	46.8	89.2	92.7	3.5	4
Total local services	248.2	276.5	278.2	1.7	1
Total county/county borough councils	1,032.0	1,190.8	1,271.6	80.8	7
Police	38.3	45.6	58.1	12.5	27
Fire authorities	19.0	12.0	14.7	2.7	22
National park authorities	1.2	2.3	1.0	-1.3	-56
Total capital expenditure	1,090.6	1,250.7	1,345.4	94.7	8
Capital financing					
External support:					
General capital funding / general government grant	343.1	287.6	300.4	12.9	4
Grants from European Community Structural Funds	24.4	12.0	8.7	-3.3	-28
Capital grants and contributions from other sources	51.4	55.4	43.6	-11.8	-21
Supported borrowing	82.4	103.8	102.9	-0.9	-1
Major repairs allowance	60.4	60.2	60.4	0.2	0
Sub-total external support	561.6	518.9	515.9	-3.0	-1
Internal financing:					
Unsupported borrowing	238.6	363.1	431.2	68.2	19
Use of capital receipts	78.2	113.9	152.6	38.7	34
Capital expenditure charged to a revenue account (non-HRA)	103.6	144.9	148.1	3.3	2
Capital expenditure charged to a revenue account (HRA)	108.7	109.9	97.5	-12.3	-11
Sub-total internal financing	529.0	731.8	829.5	97.7	13
Total capital financing	1,090.6	1,250.7	1,345.4	94.7	8

(a) See definitions on the backpage.

(b) The 2015-16 figures have been adjusted to remove the HRA subsidy buyout expenditure and financing.

Table 4 shows which services local authorities intend to spend money on in 2017-18. County councils plan to spend £483 million on education with overall expenditure of £1,272 million or £410 per head of the Welsh population. Police, Fire and National park authorities forecast expenditure of £58 million, £15 million and £1 million respectively.

Table 4: Capital forecast expenditure by authority and service, 2017-18 £ million

	Education	Social services	Local transport	Housing	Local services (a)	Law, order and protective services	Total capital expenditure	Total capital expenditure: £ per head (b)
County/county borough councils:								
Isle of Anglesey	7.8	1.5	8.7	15.1	11.2	.	44.3	634
Gwynedd	11.0	0.4	4.3	2.5	8.0	.	26.1	212
Conwy	5.8	0.2	2.0	1.8	22.3	.	32.2	277
Denbighshire	19.3	3.5	3.5	11.3	5.1	.	42.8	451
Flintshire	7.4	2.1	1.1	32.8	3.8	.	47.2	306
Wrexham	4.6	0.5	1.4	57.8	9.1	.	73.5	538
Powys	30.1	0.0	6.8	24.2	25.3	.	86.4	651
Ceredigion	4.0	0.0	0.5	2.1	6.7	.	13.4	179
Pembrokeshire	55.4	0.2	6.3	14.1	9.8	.	85.8	695
Carmarthenshire	24.2	5.7	13.1	21.2	26.8	.	90.9	491
Swansea	20.1	0.0	5.2	66.3	15.4	.	107.0	441
Neath Port Talbot	41.8	0.2	5.9	3.0	8.5	.	59.3	420
Bridgend	31.6	3.5	2.5	2.5	23.7	.	63.9	449
Vale of Glamorgan	9.5	0.5	5.7	21.0	27.8	.	64.5	506
Cardiff	58.4	2.5	19.8	35.4	26.9	.	143.0	401
Rhondda Cynon Taf	70.1	0.6	14.0	7.4	15.1	.	107.2	452
Merthyr Tydfil	4.5	0.0	1.3	0.9	5.2	.	11.8	199
Caerphilly	1.4	0.4	1.9	52.4	10.6	.	66.7	370
Blaenau Gwent	8.1	0.4	0.2	1.6	6.7	.	17.0	244
Torfaen	12.2	0.0	1.7	1.6	1.8	.	17.3	188
Monmouthshire	29.2	1.0	3.0	0.0	1.5	.	34.7	375
Newport	26.1	0.2	2.0	1.5	6.9	.	36.7	249
All county/county borough councils	482.9	23.2	110.7	376.4	278.2	.	1,271.6	410
Police:								
Dyfed Powys	.	.	.	.	.	9.2	9.2	18
Gwent	.	.	.	.	.	7.2	7.2	12
North Wales	.	.	.	.	.	18.5	18.5	27
South Wales	.	.	.	.	.	23.3	23.3	18
All police	.	.	.	.	.	58.1	58.1	19
Fire authorities:								
Mid and West Wales	.	.	.	.	.	4.4	4.4	5
North Wales	.	.	.	.	.	2.3	2.3	3
South Wales	.	.	.	.	.	8.0	8.0	5
All fire authorities	.	.	.	.	.	14.7	14.7	5
National park authorities:								
Brecon Beacons	.	.	.	.	0.1	.	0.1	.
Pembrokeshire Coast	.	.	.	.	0.4	.	0.4	.
Snowdonia	.	.	.	.	0.5	.	0.5	.
All national park authorities	.	.	.	.	1.0	.	1.0	.
Wales	482.9	23.2	110.7	376.4	279.2	72.8	1,345.4	434

(a) Includes expenditure on environment, planning, economic development, libraries, culture, sport, community safety and other services.

(b) The £ per head calculations use the 2015 mid-year estimates of population.

. Data not applicable.

Chart 4 shows capital forecast expenditure by service, as a percentage of overall expenditure in 2017-18. Education makes up 36 percent of all expenditure.

Chart 4: Forecast capital expenditure by service, 2017-18

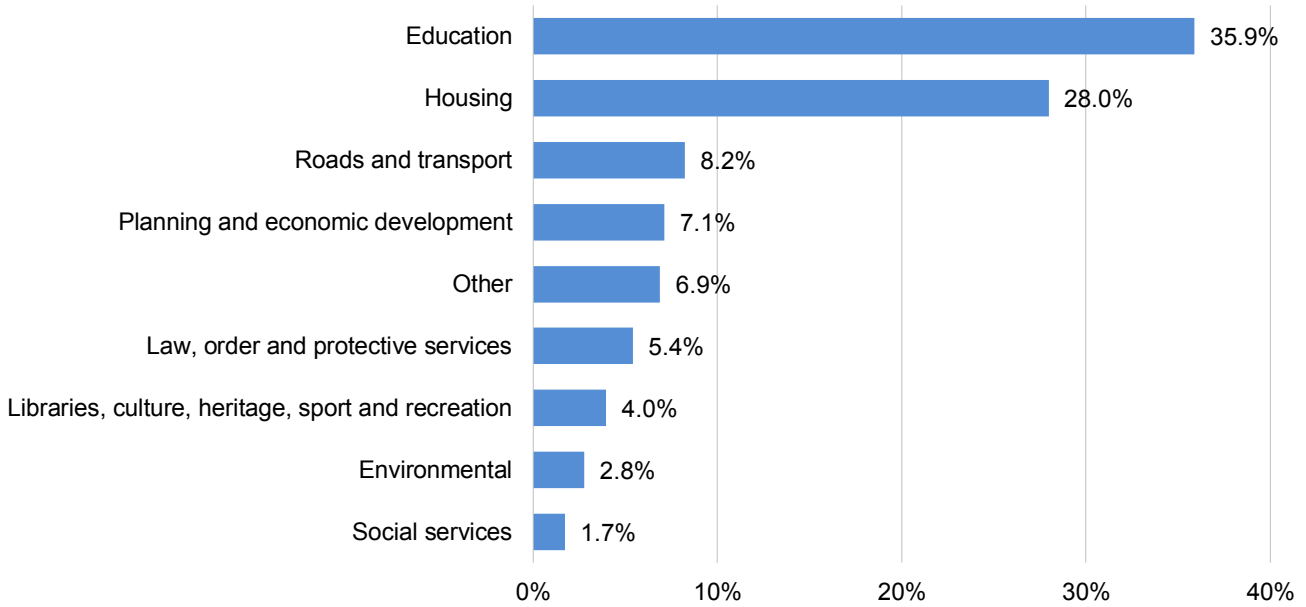
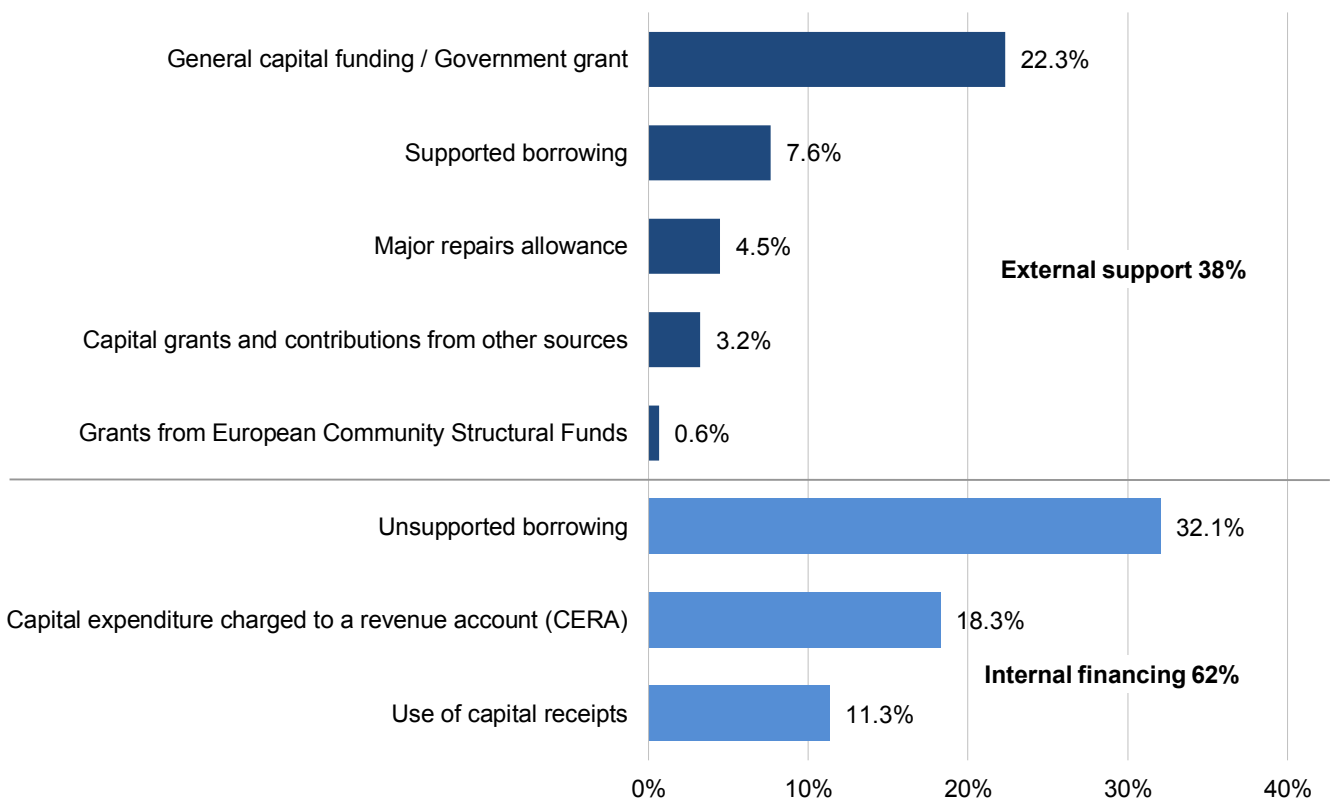


Chart 5 shows how local authorities intend to finance their expenditure in 2017-18, external support and internal financing are shown separately. Unsupported borrowing makes up 32 percent of all capital financing.

Chart 5: Financing of capital forecast expenditure, 2017-18



Glossary

Revenue definitions

Gross revenue expenditure is total local authority expenditure on services, plus debt financing costs, but net of any income from sales, fees, and charges and other non-grant sources. It includes expenditure funded by specific and special government grants and expenditure funded from local authority reserves

Net revenue expenditure is gross revenue expenditure excluding that funded by specific and special grants (except police grant).

Budget requirement is the amount of expenditure that is funded by council tax and general support from central government, i.e. revenue support grant, police grant, redistributed non-domestic rates, and any transitional grant relief for council tax. It differs from net revenue by the amount drawn from or added to reserves.

Fire authorities and national park authorities

These authorities fall within the general definition of local authorities. Fire authorities receive all of their funding as a levy from the county and county borough councils, whilst National Park authorities receive about 25% of their funding as a similar levy, and 75% in the form of specific grants from central government. The county and county borough council figures in this release have been reduced by the amount of the levies in order to give the full picture for the expenditure of the fire authorities and national park authorities.

Revenue expenditure funded from capital under statute (RECS)

Prior to 2008-09, authorities used deferred charges to recognise expenditure that regulations permitted to be funded from capital resources, but which did not satisfy criteria to be classified as capital expenditure. Examples of deferred charges included work on property not owned by the authority and grants for economic development purposes, where the grant was to be spent on capital items. In

2008-09 deferred charges were replaced with this new category of expenditure. This required the expenditure to be recorded notionally against the appropriate service with no impact on an authority's Council Tax requirement. From 2010-11 figures are on a non-RECS basis.

International Financial Reporting Standards (IFRS)

This is a set of accounting standards developed by the International Accounting Standards Board (IASB). The goal of IFRS is to provide a global framework for how public sector and private companies prepare and disclose their financial statements. Having an international standard is especially important for large organisations. Adopting a single set of world-wide standards will simplify accounting procedures by allowing a company to use one reporting language throughout. A single standard will also provide customers and auditors with a cohesive view of finances. IFRS should not be confused with IAS (International Accounting Standards), which are older standards that IFRS has now replaced.

Capital definitions

Up to 2003-04

Capital expenditure was financed by a variety of sources. General capital funding was a combination of general capital grant (paid by the Welsh Government) and basic credit approvals (permission to borrow/financed by revenue support grant) which could be used for spending on any project.

Supplementary credit approvals and capital grants were provided by the Welsh Government and UK Government departments for spending on specific projects. Local authorities were also able to augment this spending by applying capital receipts (although part of these receipts had to be set-aside for the repayment of debt) and by making contributions from a revenue account. Expenditure and financing figures were on a cash basis.

From 2004-05 onwards

The prudential framework came into force on 1st April 2004. From that date basic and supplementary credit approvals were replaced by hypothecated supported borrowing (Borrowing and credit arrangements that attract central government support), general capital grant and specific grants such as Major Repairs Allowance. Under this framework, authorities are allowed to borrow for capital purposes without Government consent, provided they can afford to service the debt. This is known as prudential or unsupported borrowing. Expenditure and financing figures are on an accruals basis.

Housing Revenue Account Subsidy Buyout

Eleven local authorities in Wales with council housing stock exited from the Housing Revenue Account (HRA) subsidy system and became self-financing in April 2015.

Key quality information

Official Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political reference.

This section provides a summary of information on this output against six dimensions of quality: Relevance, Accuracy, Timeliness and Punctuality, Accessibility and Clarity, Coherence, and Comparability.

Relevance

The statistics are important and have a number of uses, for example: advice to Ministers; local government finance revenue settlement calculations; unitary authority comparisons and benchmarking; expenditure in Wales compared to other countries; informing the debate in the National Assembly for Wales and beyond; assisting in research in public expenditure issues; economic analysis.

Accuracy

The main sources of information on local authority revenue budgets are the Revenue Account (RA) and Capital Forecast (CFR) returns. The latest returns relate to the final accounts for the 2017-18 financial year.

We collect 100% of returns from all twenty-two county councils, four police and crime commissioners, three fire and rescue authorities and three national park authorities. The collection is a 100% survey and as such no estimation of the figures is calculated, and hence there is no sampling error.

In tables where figures have been rounded to the nearest final digit there may be an apparent discrepancy between the sum of the constituent items and the total as shown.

Once we receive the data, it goes through further validation and verification checks, for example:

- spend per head by local authority;
- arithmetic consistency checks;
- cross checks with other relevant data collections;
- thorough tolerance checks;
- outturn comparison with budgets;
- cross checks with data from other government departments;
- verification that data outside of tolerances are correct.

The data that is collected adhere to recognised professional standards. Specifically, the finance data is required under legislation and also must adhere to CIPFA accounting procedures. However, further guidelines are also available on the interpretation of these standards to ensure consistency.

Timeliness and punctuality

The data collection is carried out over the summer. The data is published in October, this allows time to collect, collate and validate the data.

All outputs adhere to the Code of Practice by pre-announcing the data of publication through the [upcoming calendar](#) web pages.

Accessibility and clarity

The Welsh local government finance statistics are published in an accessible, orderly, pre-announced manner on the Welsh Government website at 9:30am on the day of publication. Simultaneously the releases are also published on the National Statistics Publication Hub. All releases are available to download for free.

More detailed data are also available at the same time on the StatsWales website and this can be manipulated online or downloaded into spreadsheets for use offline.

We aim to use Plain English in our outputs and all outputs adhere to the Welsh Government accessibility policy. Furthermore, all our headlines are published in Welsh and English.

We regularly peer review our outputs.

Comparability and coherence

Adhering to the professional code (CIPFA's SeRCOP) has meant that changes over time have been minimal. Where there have been time series which are not comparable from the start of the time series

to the end this will be shown clearly in the outputs. Where advance warning is known of future changes these will be pre-announced in accordance with Welsh Government arrangements.

The existence of a professional code and our adherence to it provides assurance that the data are consistent across domains, such as local authorities.

Statistics on revenue outturn are also published in both [England](#) and [Scotland](#).

National Statistics status

The [United Kingdom Statistics Authority](#) has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the [Code of Practice for Official Statistics](#).

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is Welsh Government's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators ("national indicators") that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the National Assembly. The 46 national indicators were laid in March 2016.

Information on indicators and associated technical information - [How do you measure a nation's progress? - National Indicators](#)

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

Further details

The document is available at: <http://gov.wales/statistics-and-research/local-authority-revenue-budget-capital-forecast/?lang=en>

Further data is available on our StatsWales website:

→[Local Government](#)→[Finance](#)→[Revenue](#)→[Budgets](#)

→[Local Government](#)→[Finance](#)→[Capital](#)→[Forecast](#)

Statistics on revenue account budgets and capital forecasts are also published in both [England](#) and [Scotland](#).

OData

The data is also accessible directly via the StatsWales odata service. Links to data and metadata can be found below each view on the StatsWales website within the 'Open data' tab.

Next update

June 2018 - Statistical first release and StatsWales update for 2018-19 budgets.

We want your feedback

We welcome any feedback on any aspect of these statistics which can be provided by email to stats.finance@wales.gsi.gov.uk.

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