



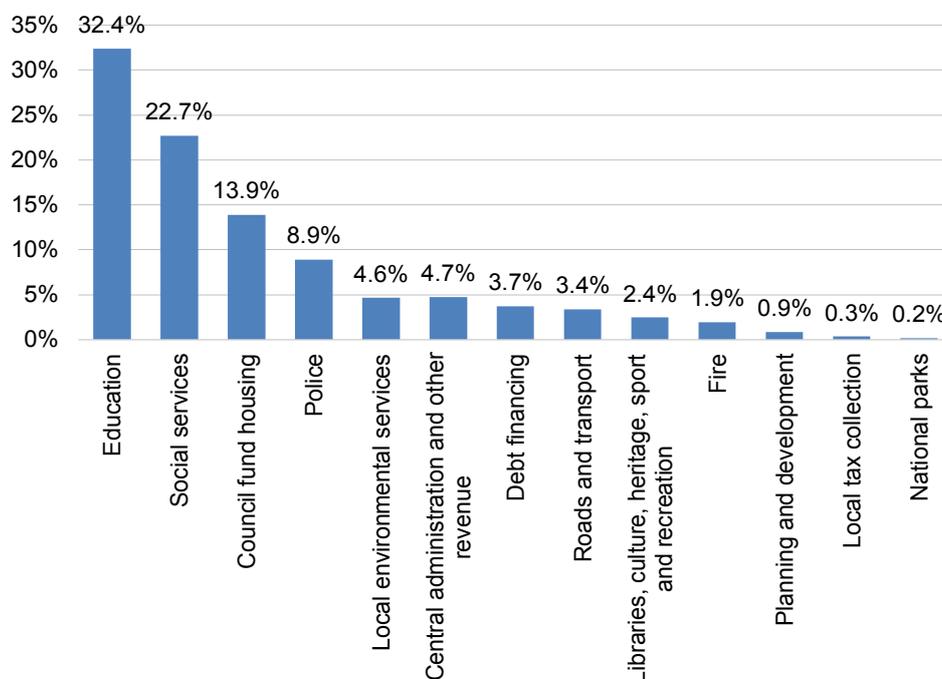
Local Authority Revenue Budget and Capital Forecast: 2018-19

21 June 2018
SFR 49/2018

Key points

- Total budgeted gross revenue expenditure as reported by Welsh local authorities for 2018-19 is £8.1 billion, an increase of 2.0% on the previous year (table 1).
- County and county borough councils reported increases of 1.5% or £108 million in their budgeted expenditure whilst police reported an increase of 6.8%. Fire authorities reported an increase of 4.3% and national park authorities an increase of 1.1% (table 2).
- Bridgend shows the largest county increase in gross revenue expenditure at 3.5%. Vale of Glamorgan shows the largest decrease at 2.2% mainly due to lower expenditure on housing benefit payments (table 2).
- Net revenue expenditure, i.e. excluding specific and special grants, is forecast to increase by 4.0% in 2018-19 (table 1).
- In 2018-19, total capital forecast expenditure by Welsh local authorities, including police, fire and national parks is £1,312 million. This represents a year-on-year decrease of £33 million or 2% (table 3).

Chart 1: Service level budgeted revenue expenditure, 2018-19



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 2018-19 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 2018-19 is budgeted to be £2,605, an increase of £40 compared to the previous year. Education expenditure is forecast to increase by 1.0% and Social Services expenditure is forecast to increase by 6.4%. Planning, economic and community development is forecast to decrease by 16.8%.

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

	£ million			Percentage change	2018-19 £ per head
	2017-18	2018-19	Change		
County and county borough council expenditure (b)					
Education	2,598.9	2,625.8	26.8	1.0	843
Social services	1,728.7	1,839.8	111.1	6.4	591
Council fund housing (c)	1,141.3	1,125.8	-15.5	-1.4	362
Local environmental services	373.8	376.6	2.8	0.8	121
Roads and transport	280.5	273.0	-7.6	-2.7	88
Libraries, culture and heritage, sport and recreation	203.9	198.4	-5.5	-2.7	64
Planning, economic and community development	84.9	70.7	-14.2	-16.8	23
Local tax collection	25.9	27.3	1.4	5.4	9
Debt financing	310.2	298.3	-11.9	-3.8	96
Central administration and other revenue (d)	360.9	381.5	20.6	5.7	123
Total county and county borough council expenditure	7,109.1	7,217.1	108.0	1.5	2,318
Police	675.7	721.9	46.2	6.8	232
Fire	150.5	157.0	6.5	4.3	50
National parks	14.6	14.8	0.2	1.1	5
Gross revenue expenditure	7,950.0	8,110.8	160.8	2.0	2,605
less specific and special government grants	1,930.7	1,851.4	-79.3	-4.1	595
Net revenue expenditure	6,019.3	6,259.4	240.2	4.0	2,011
Putting to (+) / drawing from (-) reserves	-103.3	-147.3	-44.0	-42.6	-47
Council tax reduction scheme	258.0	261.7	3.7	1.4	84
Budget requirement	6,174.0	6,373.8	199.9	3.2	2,047
plus discretionary non-domestic rate relief	3.6	3.7	0.2	4.8	1
less central government support	4,463.6	4,564.0	100.4	2.3	1,466
of which:					
revenue support grant	3,193.3	3,305.0	111.6	3.5	1,062
re-distributed non-domestic rates	1,059.0	1,050.0	-9.0	-0.8	337
police grant and floor funding	211.2	209.0	-2.2	-1.0	67
Council tax requirement	1,714.0	1,813.6	99.6	5.8	583
of which:					
paid by council tax reduction scheme	258.0	261.7	3.7	1.4	84
paid directly by council tax payers	1,455.9	1,551.9	95.9	6.6	498

(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 2016 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 2018-19 is an increase of £161 million or 2%. Gwent Police have a large increase in expenditure mainly due to capital expenditure charged to the revenue account (CERA).

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

	£ million			Percentage change	2018-19 £ per head
	2017-18	2018-19	Change		
County/county borough councils:					
Isle of Anglesey	154.4	157.4	3.0	1.9	2,259
Gwynedd	283.7	290.1	6.4	2.3	2,352
Conwy	264.4	267.6	3.2	1.2	2,291
Denbighshire	237.5	240.2	2.6	1.1	2,529
Flintshire	314.9	318.7	3.8	1.2	2,061
Wrexham	285.2	294.7	9.5	3.3	2,177
Powys	303.3	308.2	4.9	1.6	2,329
Ceredigion	169.6	170.1	0.5	0.3	2,309
Pembrokeshire	259.1	267.9	8.9	3.4	2,157
Carmarthenshire	424.4	427.8	3.3	0.8	2,303
Swansea	549.2	559.4	10.2	1.9	2,288
Neath Port Talbot	346.7	352.4	5.7	1.6	2,487
Bridgend	328.0	339.5	11.4	3.5	2,367
Vale of Glamorgan	289.9	283.5	-6.4	-2.2	2,200
Cardiff	808.8	813.8	5.0	0.6	2,253
Rhondda Cynon Taf	595.4	615.1	19.7	3.3	2,583
Merthyr Tydfil	148.2	148.8	0.6	0.4	2,492
Caerphilly	414.7	419.1	4.4	1.1	2,323
Blaenau Gwent	175.5	176.1	0.7	0.4	2,529
Torfaen	219.1	219.4	0.3	0.1	2,385
Monmouthshire	178.8	181.1	2.3	1.3	1,941
Newport	358.3	366.2	7.9	2.2	2,450
All county and county borough councils	7,109.1	7,217.1	108.0	1.5	2,318
Police and Crime Commissioners:					
Dyfed Powys	104.8	107.9	3.2	3.0	209
Gwent	131.8	153.2	21.4	16.3	262
North Wales	153.0	157.4	4.4	2.9	226
South Wales	286.2	303.4	17.2	6.0	230
All Police and Crime Commissioners	675.7	721.9	46.2	6.8	232
Fire authorities:					
Mid and West Wales	46.8	48.0	1.2	2.6	53
North Wales	33.6	34.1	0.6	1.7	49
South Wales	70.2	74.9	4.7	6.7	49
All fire authorities	150.5	157.0	6.5	4.3	50
National park authorities:					
Brecon Beacons	4.6	4.5	-0.1	-2.1	.
Pembrokeshire Coast	4.6	4.5	-0.1	-1.2	.
Snowdonia	5.5	5.8	0.3	5.7	.
All national park authorities	14.6	14.8	0.2	1.1	5
Wales	7,950.0	8,110.8	160.8	2.0	2,605

. 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, 2018-19

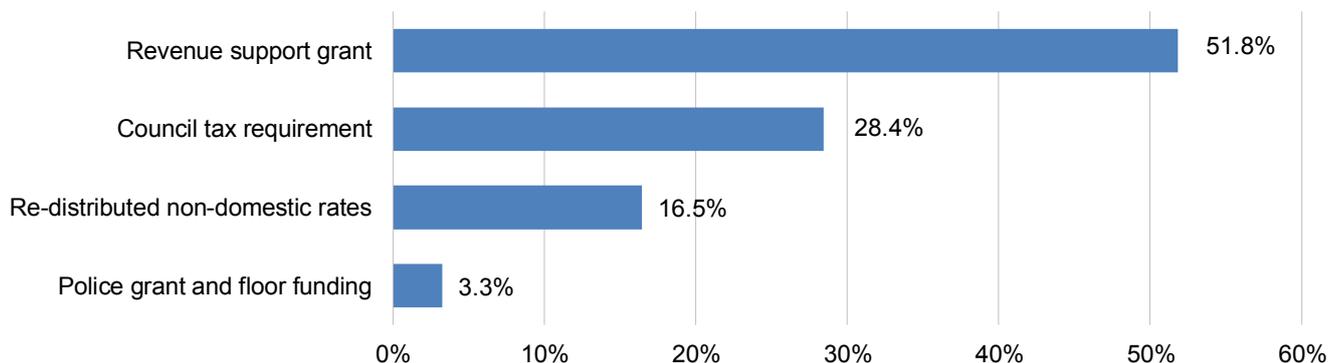
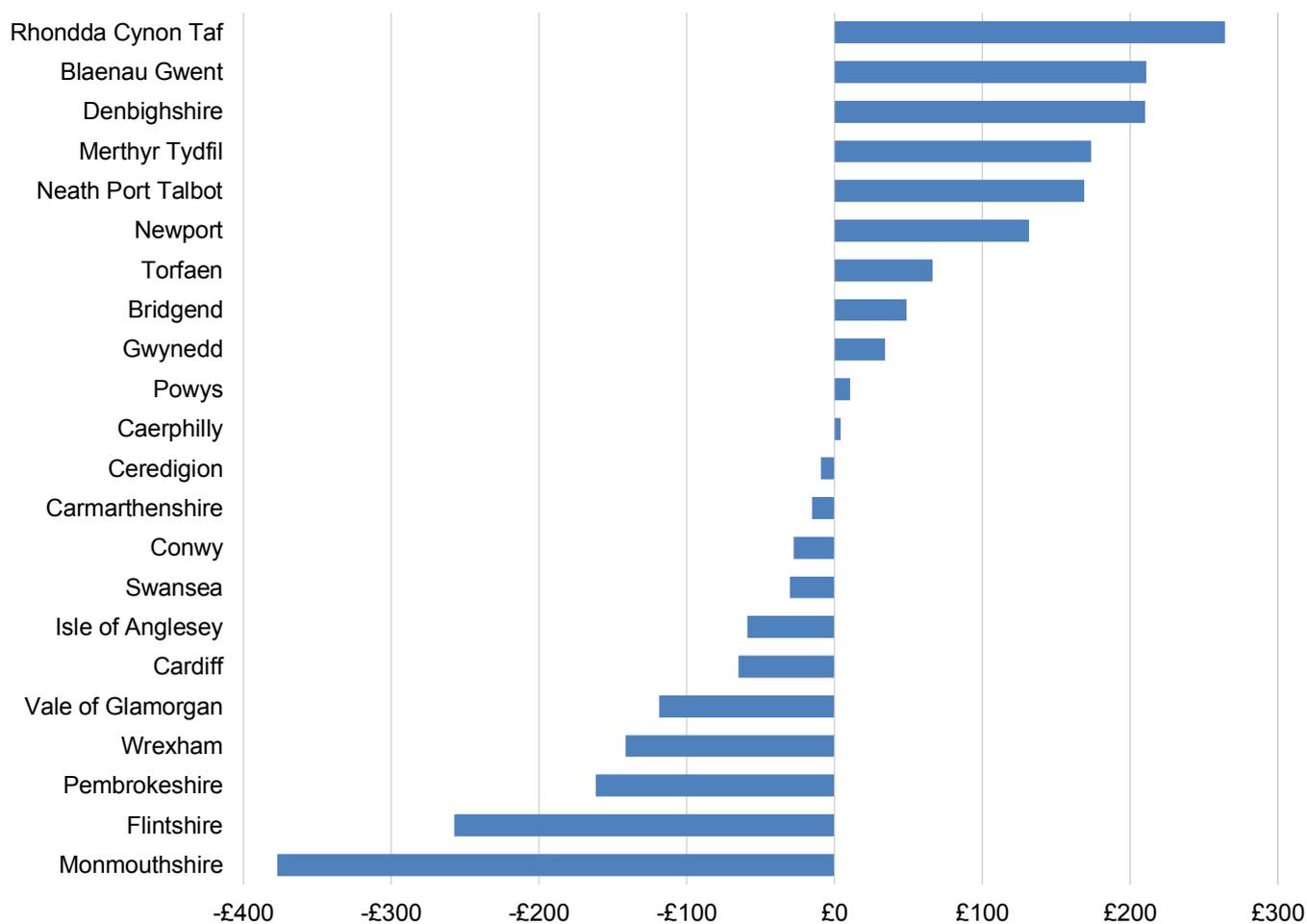


Chart 3 shows the gross revenue expenditure £ per head difference from the Wales County average of £2,318. The £ per head difference between the largest and smallest authority is £641.

Chart 3: £ per head, difference from the Wales County average, 2018-19



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 decrease by £145 million (30%), Housing revenue account (HRA) is expected to increase by £6 million (2%) and roads and transport is expected to increase by £26 million (24%).

External support for local authorities shows a decrease of £28 million (5%). Internal financing is expected to decrease by £5 million (1%).

Table 3: Capital expenditure and financing (a)

	£ million				
	2016-17 outturn	2017-18 forecast	2018-19 forecast	Change between 2018-19 and 2017- 18	
				£m	%
Capital expenditure					
County/county borough councils:					
Education	374.5	482.9	338.1	-144.9	-30
Social services	14.7	23.2	18.3	-5.0	-21
Roads and transport	129.3	110.7	137.2	26.5	24
Housing:					
Housing revenue account (HRA)	256.3	319.0	325.5	6.4	2
Non-HRA housing	74.1	57.4	55.6	-1.8	-3
Total housing	330.5	376.4	381.1	4.7	1
Local services:					
Environmental	57.7	36.2	40.1	3.9	11
Planning and economic development	78.1	95.9	159.0	63.1	66
Libraries, culture, heritage, sport and recreation	38.6	53.4	48.2	-5.1	-10
Other	44.3	92.7	98.5	5.7	6
Total local services	218.7	278.2	345.8	67.6	24
Total county/county borough councils	1,067.8	1,271.6	1,220.5	-51.1	-4
Police	33.7	58.1	68.3	10.2	18
Fire authorities	9.0	14.7	20.4	5.8	39
National park authorities	2.8	1.0	2.8	1.7	169
Total capital expenditure	1,113.2	1,345.4	1,312.1	-33.3	-2
Capital financing					
External support:					
General capital funding / general government grant	301.7	300.4	270.0	-30.4	-10
Grants from European Community Structural Funds	0.8	8.7	12.9	4.2	49
Capital grants and contributions from other sources	38.4	43.6	28.1	-15.5	-36
Supported borrowing	91.4	102.9	116.7	13.8	13
Major repairs allowance	60.4	60.4	60.4	0.0	0
Sub-total external support	492.7	515.9	487.9	-27.9	-5
Internal financing:					
Unsupported borrowing	298.4	431.2	434.1	2.9	1
Use of capital receipts	80.7	152.6	112.9	-39.7	-26
Capital expenditure charged to a revenue account (non-HRA)	135.3	148.1	162.6	14.5	10
Capital expenditure charged to a revenue account (HRA)	106.2	97.5	114.5	16.9	17
Sub-total internal financing	620.5	829.5	824.1	-5.4	-1
Total capital financing	1,113.2	1,345.4	1,312.1	-33.3	-2

(a) See definitions on the backpage.

Table 4 shows which services local authorities intend to spend capital money on in 2018-19. County councils plan to spend £338 million on education with overall expenditure of £1,220 million or £392 per head of the Welsh population. Police, Fire and National park authorities forecast expenditure of £68 million, £20 million and £3 million respectively.

Table 4: Capital forecast expenditure by authority and service, 2018-19 £ 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	9.8	1.0	16.7	20.3	11.0	.	58.8	844
Gwynedd	1.6	0.0	5.5	3.6	6.8	.	17.5	142
Conwy	3.3	0.1	3.8	1.4	20.6	.	29.2	250
Denbighshire	24.9	2.8	3.6	12.0	18.0	.	61.4	646
Flintshire	17.0	2.0	0.6	38.3	2.4	.	60.3	390
Wrexham	4.7	0.4	1.9	52.1	4.5	.	63.6	470
Powys	39.4	0.8	7.4	22.0	16.6	.	86.2	651
Ceredigion	3.7	0.0	1.5	2.2	4.6	.	11.9	161
Pembrokeshire	24.3	0.1	7.2	14.9	24.6	.	70.9	571
Carmarthenshire	12.5	0.1	14.1	21.7	22.9	.	71.2	383
Swansea	16.9	0.0	9.3	63.1	17.4	.	106.7	436
Neath Port Talbot	21.0	0.4	2.7	3.0	16.5	.	43.6	308
Bridgend	3.7	3.0	3.4	2.8	20.8	.	33.7	235
Vale of Glamorgan	6.5	0.5	7.3	21.6	26.4	.	62.2	483
Cardiff	42.9	1.5	17.9	47.8	31.7	.	141.8	393
Rhondda Cynon Taf	42.3	3.6	23.4	8.3	41.0	.	118.6	498
Merthyr Tydfil	1.2	0.0	1.7	0.9	13.1	.	16.9	283
Caerphilly	1.4	0.3	1.9	41.4	7.8	.	52.9	293
Blaenau Gwent	6.7	0.4	2.2	1.2	7.8	.	18.2	262
Torfaen	33.4	0.0	0.4	1.1	1.5	.	36.4	396
Monmouthshire	10.9	1.2	2.2	0.0	8.5	.	22.8	244
Newport	10.0	0.2	2.4	1.8	21.4	.	35.8	240
All county/county borough councils	338.1	18.3	137.2	381.1	345.8	.	1,220.5	392
Police:								
Dyfed Powys	.	.	.	.	.	9.9	9.9	19
Gwent	.	.	.	.	.	23.3	23.3	40
North Wales	.	.	.	.	.	11.3	11.3	16
South Wales	.	.	.	.	.	23.8	23.8	18
All police	.	.	.	.	.	68.3	68.3	22
Fire authorities:								
Mid and West Wales	.	.	.	.	.	7.8	7.8	9
North Wales	.	.	.	.	.	4.9	4.9	7
South Wales	.	.	.	.	.	7.7	7.7	5
All fire authorities	.	.	.	.	.	20.4	20.4	7
National park authorities:								
Brecon Beacons	.	.	.	.	0.9	.	0.9	.
Pembrokeshire Coast	.	.	.	.	0.5	.	0.5	.
Snowdonia	.	.	.	.	1.4	.	1.4	.
All national park authorities	.	.	.	.	2.8	.	2.8	.
Wales	338.1	18.3	137.2	381.1	348.6	88.8	1,312.1	421

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

(b) The £ per head calculations use the 2016 mid-year estimates of population.

. Data not applicable.

Chart 4 shows capital forecast expenditure by service, as a percentage of overall expenditure in 2018-19. Housing makes up 29 percent of all expenditure.

Chart 4: Forecast capital expenditure by service, 2018-19

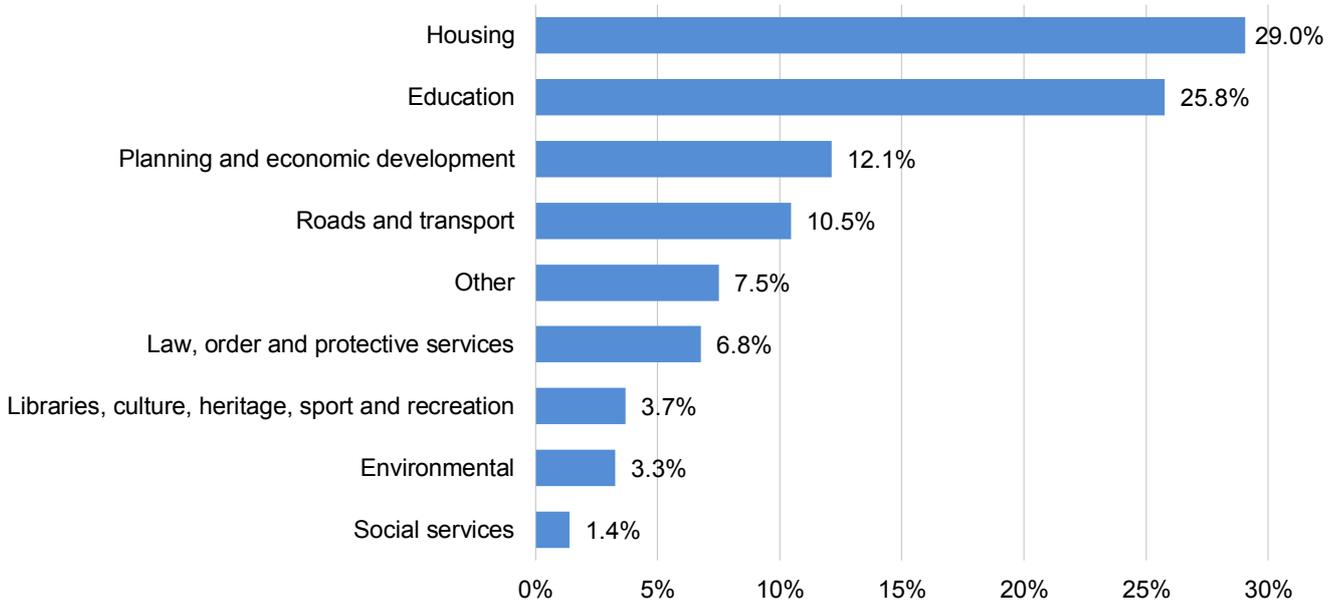
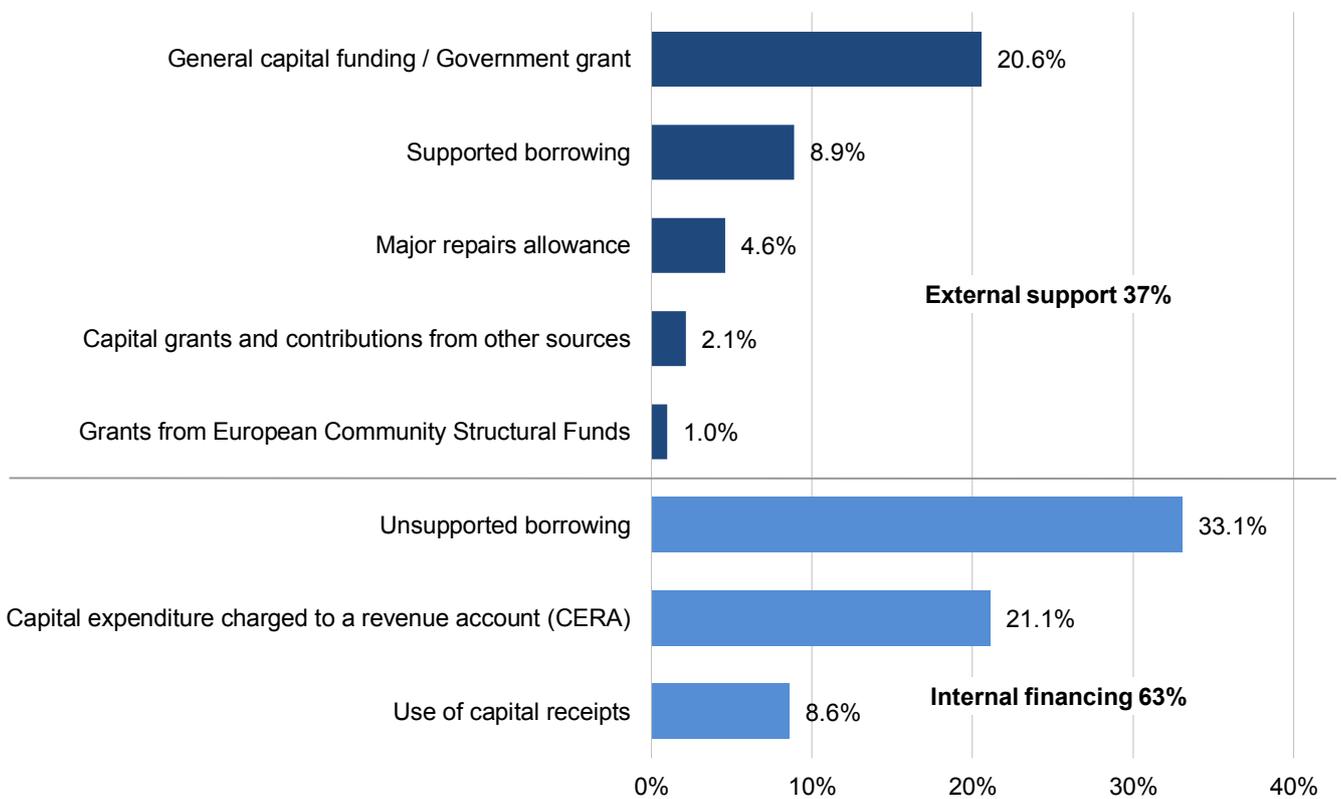


Chart 5 shows how local authorities intend to finance their expenditure in 2018-19, external support and internal financing are shown separately. Unsupported borrowing makes up 33 percent of all capital financing.

Chart 5: Financing of capital forecast expenditure, 2018-19



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 2018-19 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. 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 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 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 the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

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:

<https://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 2019 - Statistical first release and StatsWales update for 2019-20 budgets.

We want your feedback

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

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