



Llywodraeth Cymru
Welsh Government

BACKGROUND

Local government finance statistics: quality report

This report covers the general principles and processes leading up to the production of our statistics.

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What are these statistics?

These statistics refer to the suite of local government finance statistics. This covers statistical releases containing a complete and comprehensive set of information on local authority finance in Wales. The statistics cover revenue and capital spending, council tax and non-domestic rates. They cover historic, current and budgeted data. The latest versions are held on our [index page](#). More details about the specific topics are details below.

Revenue Outturn and Revenue Budget

Expenditure associated with running local authority services, such as salaries and wages, the purchase of goods such as books for schools and day-to-day running costs such as heating, lighting and cleaning of buildings.

Capital Outturn and Capital Forecast

Expenditure on investment in local authority services, mainly the provision, acquisition and enhancement of fixed assets such as land, buildings and vehicles.

Council tax

A charge levied on each domestic dwelling for the provision of local authority services. This includes elements for the county or county borough council, the police authority and, if one exists, the local community council.

Non-Domestic Rates (NDR)

Also known as business rates and are charges levied on non-domestic properties. Some premises will be exempt from NDR, while others may qualify for rates relief. As with council tax, the revenue raised from NDR helps pay for local services.

Education expenditure

Expenditure on nursery, primary, secondary and special schools including teacher costs, home to school transport and schools repairs and maintenance. Education expenditure also covers out of schools services such as youth service, community and further education.

Users and uses

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 Senedd Cymru and beyond
- assisting in research in public expenditure issues
- economic analysis

We believe the key users of local government finance statistics are:

- ministers and the Members Research Service in the Senedd Cymru

- Her Majesty's Treasury
- the Office for National Statistics
- communities and local government
- Chartered Institute of Public Finance and Accountancy
- local government unitary authorities (elected members and officials)
- students, academics and universities
- other colleagues of the Welsh Government
- other government departments
- individual citizens and private companies

Data processing cycle

Data collected

The information we collect is detailed on our data collection pages. It includes:

- revenue budget and outturn
- school level revenue budget and outturn
- capital forecast and outturn
- council tax dwellings, levels and collection
- non-domestic rates estimates and actuals

Mode of data collection

Data is collected from local authorities, police authorities, fire authorities and national park authorities via Excel spreadsheets which are downloaded from the Welsh Government website. Feedback from respondents suggests this method is the most useful.

Figures are subjected to rigorous pre-defined validation tests both within the

form itself, while the form is being completed by the authority, and also by the Welsh Government.

The spreadsheets allow respondents to validate some data before sending the spreadsheet to the Welsh Government. Respondents are also given an opportunity to include contextual information where large changes have occurred. This ensures that the data received by the Welsh Government is already of a high quality before any internal validation checks are carried out. Examples of validation checks within the forms include year on year changes, cross checks with other relevant data collections and checks to ensure data is within predefined tolerances.

Validation and verification

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 actually correct

If any validation issues are identified, the authority is informed and are asked to submit a revised spreadsheet. The Welsh Government does not input any data into local authority spreadsheets and insists that the authorities make the relevant changes and resubmit the spreadsheet. This ensures local ownership of the data.

This process continues until the data passes all validation checks.

Once the data set is fully validated ahead of the publication date, statistical publications are drafted and internal meetings are held to discuss and finalise the data. If any issues are found at this stage then the authorities are contacted again and asked to provide explanations or resubmit the spreadsheet with amendments.

Once all checks are finalised, the data is cleared for publication.

Several of the data collections require signing off by the chief financial officer in each local authority to confirm that the data has been checked and is correct. Non-domestic rates returns are also subject to audit from Audit Wales.

Publication

These statistics follow a vertically and horizontally integrated process. Hence, the data flowing into the statistical first releases and bulletins is automated. However, the key points and commentary are drafted separately.

Standards

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 provided by the Welsh Government on the interpretation of these standards to ensure consistency across authorities.

Disclosure and confidentiality

Disclosure and confidentiality are not areas of concern as all the data collected

and published must be made publicly available under legislation.

Quality

Welsh Local Government Statistics adhere to a quality strategy, and this is in line with the European Statistical System's six dimensions as listed in Principle 4 of the Code of Practice.

Specifically, the list below details the six dimensions and how we adhere to them.

Relevance

The degree to which the statistical product meets user needs for both coverage and content.

The suite of statistics produced by Local Government Finance cover all aspects of expenditure (and budgets) by local government. Government users use the data directly for revenue allocation and making policy decisions. Local government and other non-government bodies use the data for benchmarking. Other interest and uses of this data is outlined above.

We continue to maintain a live list of users and uses. We encourage users of the statistics to contact us to let us know how they use the data.

We consult with key users prior to making changes, and where possible use vehicles such as the internet, committees and other networks to consult with unknown users.

We also have a user community which meets quarterly and an online community of practice.

We actively review all our outputs and welcome feedback. Comments can be emailed to stats.finance@gov.wales

Accuracy

The closeness between an estimated result and the (unknown) true value

Accuracy can be broken down into sampling and non-sampling error. Non-sampling error includes areas such as coverage error, non-response error, measurement error, processing error.

The data requested and provided by local authorities, fire, police and national parks are required under legislation. The collection is a 100% survey and as such no estimation of the figures is calculated, and hence there is no sampling error.

Non-sampling error is reduced due to the existence and compulsory adherence to national professional accounting standards, as published by [CIPFA](#). Furthermore, significant additional guidance is provided about the data collections. Where non-sampling error affects the data we provide full information for users to allow them to make informed judgements on the quality of the statistics, particularly if there are limitations of the data.

All our outputs include key quality information on coverage, timing and geography.

In the unlikely event of incorrect data being published, revisions would be made and users informed in conjunction with our [revisions, errors and postponements](#) arrangements.

Timeliness and punctuality

Timeliness refers to the lapse of time between publication and the period to which the data refer. Punctuality refers to the time lag between the actual and planned dates of publication.

All outputs adhere to the Code of Practice by pre-announcing the data of publication through the [upcoming calendar](#). Furthermore, should the need arise to postpone an output this would follow our [revisions, errors and postponements](#) arrangements.

We publish releases as soon as practical after the relevant time period.

Accessibility and clarity

Accessibility is the ease with which users are able to access the data, also reflecting the format(s) in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.

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.

Further information regarding the statistics can be obtained by contacting the relevant staff detailed on the release or via stats.finance@gov.wales

Comparability

The degree to which data can be agreed over both time and domain.

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.

Where appropriate we will include links and data to other comparable regions and countries.

Where standard definitions are not used we will highlight this and explain the reason why.

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

Coherence

The degree to which data that are derived from different sources or methods, but which refer to the same phenomenon, are similar.

The data are all collected from the same source and therefore will be vertically aligned. Furthermore, as the data adhere to the national professional standard,

CIPFA, they will also be horizontally aligned between organisations.

Data collections are checked between forms to ensure coherence of the data received.

Furthermore, a close working relationship with CIPFA ensures the data used there also match that which is published by the Welsh Government.

Where possible data collected in Wales is harmonised to that in England. However, there may be differences with the data published in Scotland and Northern Ireland.

Dissemination

All the data is of sufficient quality following the significant checking outlined above to justify publication. The high level messages are published on the first page of the relevant release and high level tables are included in the release. All the actual data provided is published on our interactive website, StatsWales.

Evaluation

We always welcome feedback on any of our statistics. Please contact us on stats.finance@gov.wales

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For more information refer to our [accessibility statement](#).

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