



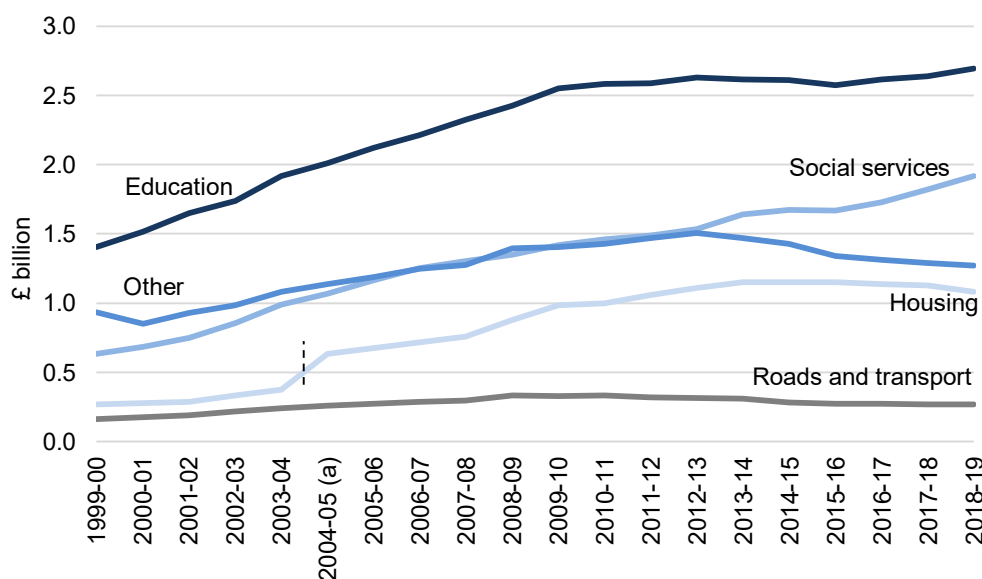
## Local authority revenue and capital outturn expenditure 2018-19

9 October 2019  
SFR 94/2019

### Revenue

- In 2018-19, total gross revenue expenditure by Welsh local authorities increased by 1.4 per cent to £8.1 billion. This continues the broad picture seen since the economic downturn at the turn of the decade of reduced growth in expenditure. Gross revenue expenditure per head was £2,585 or £25 higher than the previous year.
- Prior to the impact of the recession and the subsequent austerity measures, annual increases of 5 per cent or 6 per cent were regularly reported but since 2010-11 in only one year has growth exceeded 2 per cent.
- This has had a varying impact depending on the service areas, although changes in classification means analysis over time should be taken with caution. In general, statutory services such as education and social services have been protected (with social services having seen the biggest increase in expenditure) but other services such as libraries, local environmental services, roads and transport and planning have seen overall reductions since 2010-11. Education and social services now account for 64 per cent of overall unitary authority expenditure compared with 59 per cent in 2010-11 and 60 per cent in 1999-2000.

**Chart 1: Breakdown of unitary authority revenue expenditure**



(a) The large increase in housing in 2004-05 is due to rent rebates granted to HRA tenants being moved to the general fund.

### About this release

This release analyses the revenue and capital outturn expenditure of Welsh local authorities.

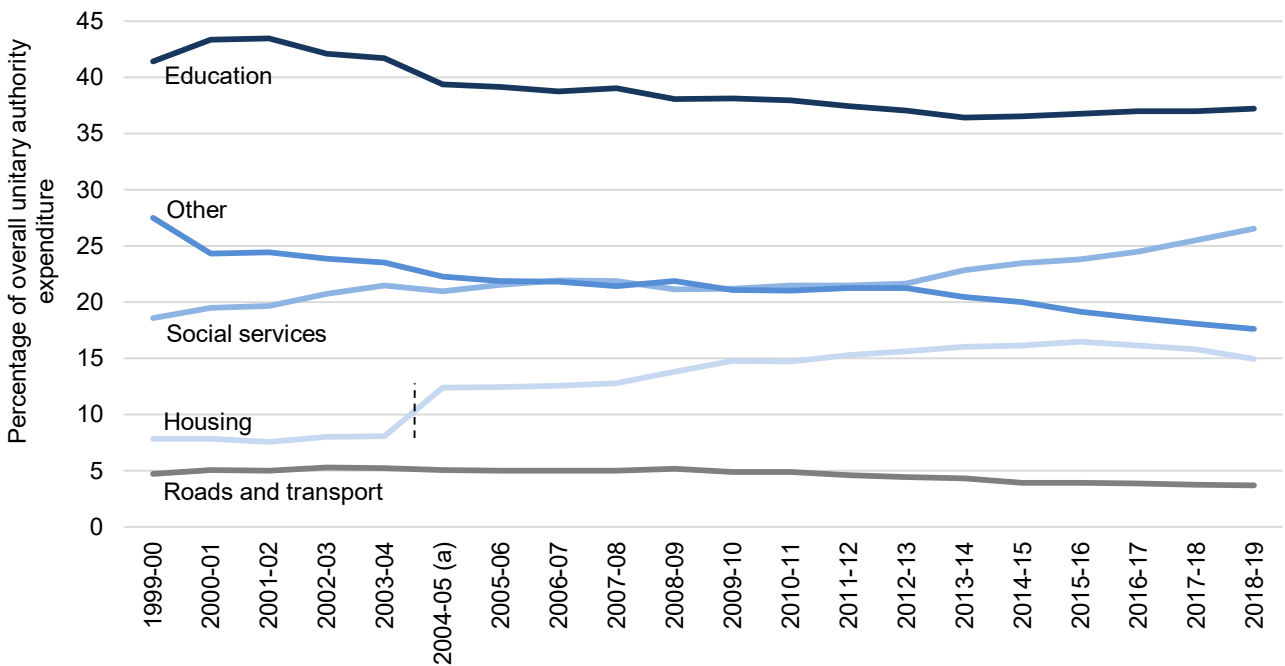
Revenue expenditure is the cost of running local authority services such as staffing, heating, lighting and cleaning, together with the expenditure on goods and services consumed within the year.

Capital expenditure is investment in local authority services, mainly the provision, acquisition and enhancement of fixed assets such as land, buildings, vehicles and machinery.

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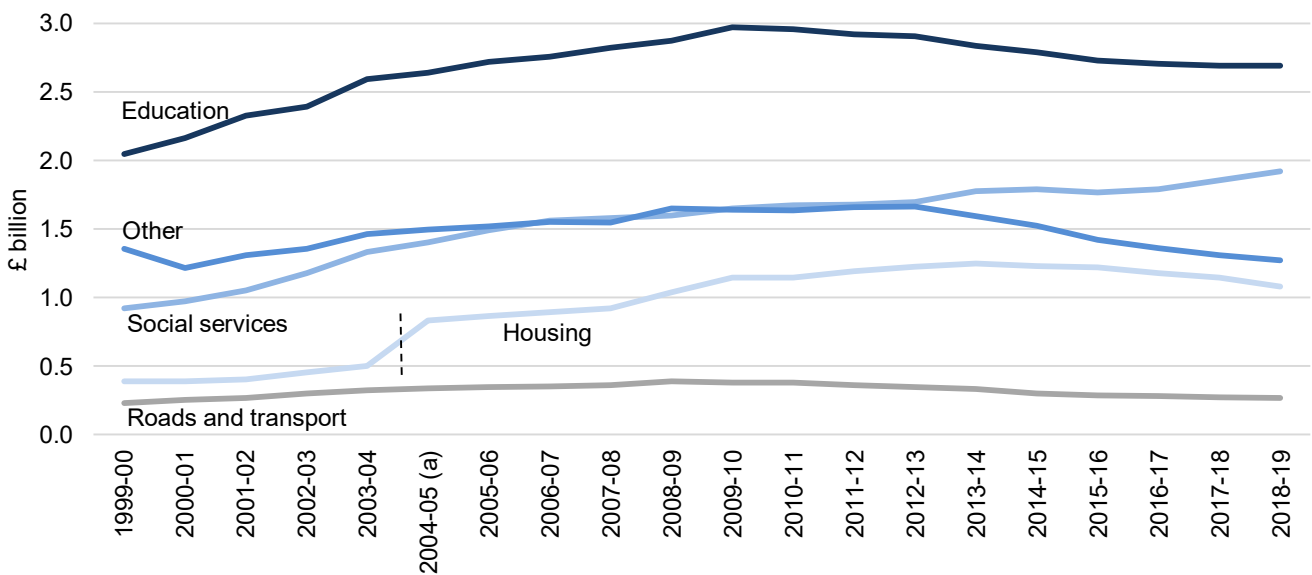
**Chart 2: Distribution of unitary authority revenue expenditure**



(a) The large increase in housing in 2004-05 is due to rent rebates granted to HRA tenants being moved to the general fund.

When accounting for inflation, overall revenue expenditure in 2018-19 is lower than in any year from 2008-09 onwards.

**Chart 3: Real terms breakdown of unitary authority revenue expenditure (2018-19 prices)**



(a) The large increase in housing in 2004-05 is due to rent rebates granted to HRA tenants being moved to the general fund.

**Capital**

- Capital expenditure increased by 4.8 per cent in 2018-19 to £1,231 million or £395 per head of population. This represents an increase of £57 million over the previous year.
- In general, capital expenditure is more volatile and can be impacted heavily by large investments or adjustments. Expenditure increased in 2018-19 despite a large decrease in education, which represents 27 per cent of capital expenditure. In contrast, since 2010-11 the share of capital expenditure spent on transport has fallen from 21 per cent to 16 per cent.
- Most of this capital expenditure was spent by unitary authorities, with police fire and national park authorities reporting expenditure of £39 million, £9 million and £1 million respectively.

## Revenue

Table 1 shows the local authority revenue outturn expenditure. Education increased by 2.0 per cent, social services increased by 5.5 per cent and housing decreased by 4.0 per cent. Planning and development is showing the largest percentage decrease at 7.0 per cent.

**Table 1: Service level revenue expenditure and financing - Wales (a)**

	2017-18	2018-19	Annual change	Annual change	2018-19
County and county borough council expenditure	£ million	£ million	£ million	%	£ per head (b)
Education	2,641.0	2,694.6	53.6	2.0	859
Social services	1,821.0	1,920.8	99.8	5.5	612
Housing (c)	1,125.4	1,081.0	-44.5	-4.0	344
Local environmental services (d)	377.9	383.5	5.7	1.5	122
Roads and transport	265.3	267.1	1.8	0.7	85
Libraries, culture, heritage, sport and recreation	214.8	211.2	-3.6	-1.7	67
Planning, economic and community development	77.5	72.1	-5.4	-7.0	23
Council tax administration	31.2	36.0	4.7	15.1	11
Debt financing: counties	292.2	295.4	3.2	1.1	94
Central administration and other revenue: counties (e) (f)	293.5	274.5	-19.1	-6.5	87
<b>All county and county borough council expenditure</b>	<b>7,139.9</b>	<b>7,236.0</b>	<b>96.1</b>	<b>1.3</b>	<b>2,305</b>
Police (f)	692.0	705.3	13.3	1.9	225
Fire (f)	155.3	156.1	0.8	0.5	50
National parks (f)	13.4	15.0	1.5	11.3	5
<b>Gross revenue expenditure</b>	<b>8,000.5</b>	<b>8,112.3</b>	<b>111.8</b>	<b>1.4</b>	<b>2,585</b>
less specific and special government grants (g)	2,060.9	1,963.5	-97.3	-4.7	626
<b>Net revenue expenditure</b>	<b>5,939.7</b>	<b>6,148.8</b>	<b>209.2</b>	<b>3.5</b>	<b>1,959</b>
Putting to (+) / drawing from (-) reserves (h)	-13.1	-27.1	-14.0	.	-9
Council tax reduction scheme	247.4	252.1	4.7	1.9	80
<b>Budget requirement (f)</b>	<b>6,174.0</b>	<b>6,373.8</b>	<b>199.9</b>	<b>3.2</b>	<b>2,031</b>
plus discretionary non-domestic rate relief	3.6	3.7	0.2	4.8	1
less revenue support grant	3,193.3	3,305.0	111.6	3.5	1,053
less police grant	211.2	209.0	-2.2	-1.0	67
less redistributed non-domestic rates income	1,059.0	1,050.0	-9.0	-0.8	335
<b>Council tax requirement</b>	<b>1,714.0</b>	<b>1,813.6</b>	<b>99.6</b>	<b>5.8</b>	<b>578</b>
of which:					
paid by council tax reduction scheme	247.4	252.1	4.7	1.9	80
paid directly by council tax payers	1,466.5	1,561.5	94.9	6.5	497

(a) Service expenditure is shown excluding that financed by sales, fees and charges, but including that financed by specific and special government grants. Figures are on an IFRS basis (see notes).

(b) The '£ per head' calculations use the 2018 mid year estimates of population.

(c) Includes housing benefit, and private sector housing costs such as provision for the homeless. Includes rent rebates granted to HRA tenants which is 100% grant funded. Excludes council owned housing.

(d) Includes cemeteries and crematoria, community safety, environmental health, consumer protection, waste collection/disposal and central services to the public such as birth registration and elections.

(e) Includes agricultural services, coastal and flood defence and community councils.

(f) Includes central administrative costs of corporate management, democratic representation and certain costs, such as those relating to back-year or additional pension contributions which should not be allocated to individual services, capital expenditure charged to the revenue account and is net of any interest expected to accrue on balances.

(g) Excludes police grant.

(h) Includes council tax collected in year adjustments and other adjustments.

. Data not applicable

Chart 4 shows gross revenue expenditure across services as a percentage of total expenditure. Education and Social Services make up more than half of the total expenditure.

**Chart 4: Service level gross revenue expenditure in Wales, 2018-19**

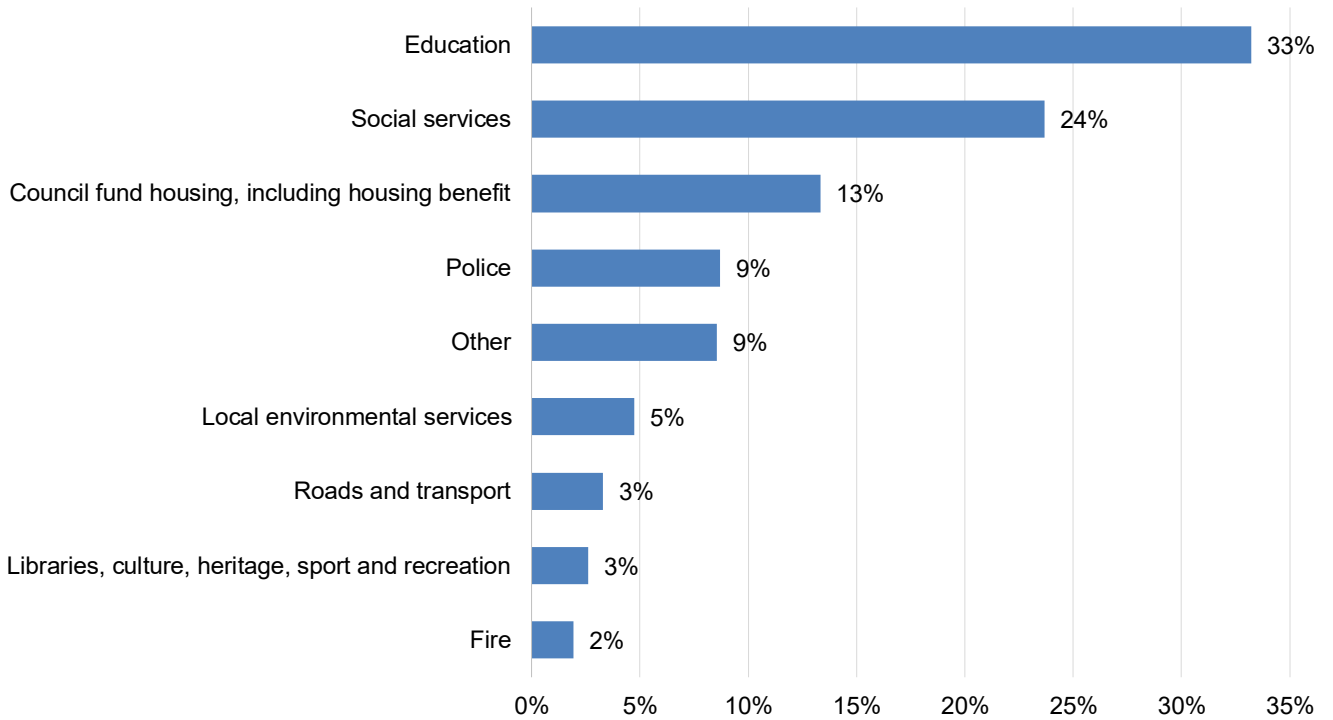


Chart 5 shows financing of budget requirement. Budget requirement is gross revenue expenditure less that funded by all non-police specific government grants and local authority reserves. It is the amount of expenditure which is supported by the council tax and general support from central government.

**Chart 5: Financing of budget requirement in Wales, 2018-19**

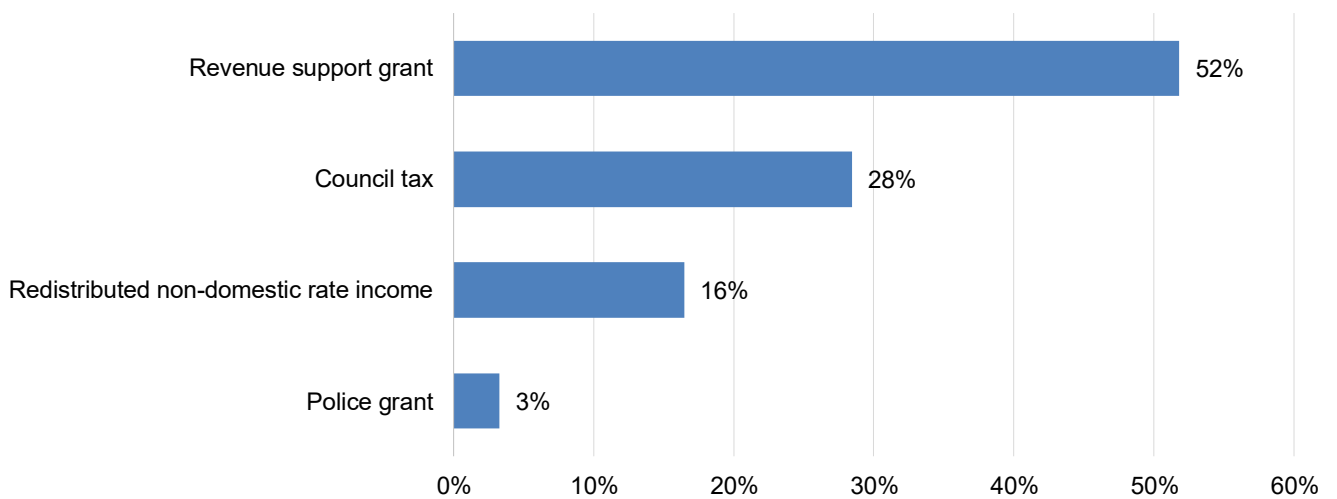


Table 2 shows the local authority revenue outturn expenditure. Of the unitary authorities, Rhondda Cynon Taf showed the largest percentage increase of 6.6 per cent mainly due to increased expenditure on schools, social services and capital expenditure charged to the revenue account.

**Table 2 - Gross revenue expenditure by local authority (a)**

	2017-18 £ million	2018-19 £ million	Annual change £ million	Annual change %	2018-19 £ per head (b)
Isle of Anglesey	163.0	162.8	-0.3	-0.2	2,327
Gwynedd	289.4	285.3	-4.1	-1.4	2,297
Conwy	268.5	275.5	7.0	2.6	2,351
Denbighshire	232.4	237.2	4.8	2.1	2,488
Flintshire	323.0	325.4	2.4	0.7	2,092
Wrexham	293.8	290.9	-2.9	-1.0	2,137
Powys	297.4	297.1	-0.4	-0.1	2,243
Ceredigion	167.2	169.9	2.7	1.6	2,328
Pembrokeshire	265.4	266.0	0.6	0.2	2,127
Carmarthenshire	414.8	425.8	11.0	2.7	2,270
Swansea	561.1	558.0	-3.1	-0.5	2,264
Neath Port Talbot	349.4	351.7	2.2	0.6	2,461
Bridgend	337.3	339.8	2.4	0.7	2,345
Vale of Glamorgan	280.2	283.0	2.7	1.0	2,141
Cardiff	812.4	831.2	18.7	2.3	2,282
Rhondda Cynon Taf	583.5	622.2	38.7	6.6	2,591
Merthyr Tydfil	149.0	153.1	4.1	2.7	2,545
Caerphilly	413.2	417.1	3.9	0.9	2,304
Blaenau Gwent	177.8	177.3	-0.5	-0.3	2,543
Torfaen	221.0	219.9	-1.1	-0.5	2,364
Monmouthshire	179.0	183.5	4.6	2.6	1,950
Newport	360.8	363.3	2.5	0.7	2,370
<b>All county and county borough councils</b>	<b>7,139.9</b>	<b>7,236.0</b>	<b>96.1</b>	<b>1.3</b>	<b>2,305</b>
Dyfed Powys police	111.4	109.3	-2.1	-1.9	211
Gwent police	120.1	130.3	10.2	8.5	262
North Wales police	164.2	158.8	-5.4	-3.3	227
South Wales police	296.2	307.0	10.7	3.6	216
<b>All police</b>	<b>692.0</b>	<b>705.3</b>	<b>13.3</b>	<b>1.9</b>	<b>225</b>
Mid and West Wales fire authority	48.3	49.2	0.9	1.8	54
North Wales fire authority	35.4	35.3	-0.1	-0.2	51
South Wales fire authority	71.6	71.7	0.0	0.1	47
<b>All fire authorities</b>	<b>155.3</b>	<b>156.1</b>	<b>0.8</b>	<b>0.5</b>	<b>50</b>
Brecon Beacons national park authority	3.7	4.1	0.4	10.7	.
Pembrokeshire Coast national park authority	4.5	5.1	0.6	12.5	.
Snowdonia national park authority	5.3	5.8	0.6	10.7	.
<b>All national park authorities</b>	<b>13.4</b>	<b>15.0</b>	<b>1.5</b>	<b>11.3</b>	<b>5</b>
<b>Wales</b>	<b>8,000.5</b>	<b>8,112.3</b>	<b>111.8</b>	<b>1.4</b>	<b>2,585</b>

(a) Expenditure on fire services is financed by the county and county borough councils by means of levies to the fire authorities. For the purposes of this table the levies have been deducted from counties expenditure and included against the fire authorities. Similarly 25% of national park authority expenditure is financed by the county and county borough councils by means of levies to the national park authorities, the remainder being financed by specific grants.

(b) The £ per head calculations use the 2018 mid year estimates of population.

. Data not applicable due to national park population data not applying to users of the services.

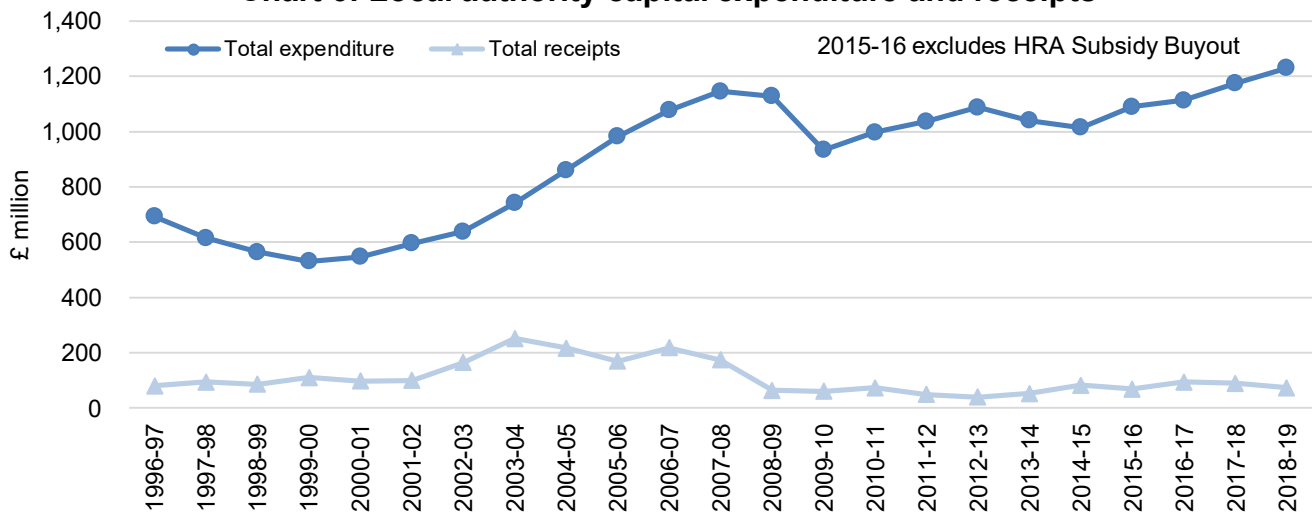
## Capital

In 2018-19, local authority capital expenditure was £1,231 million, an annual increase of 5%. A full breakdown of capital expenditure is shown in table 6.

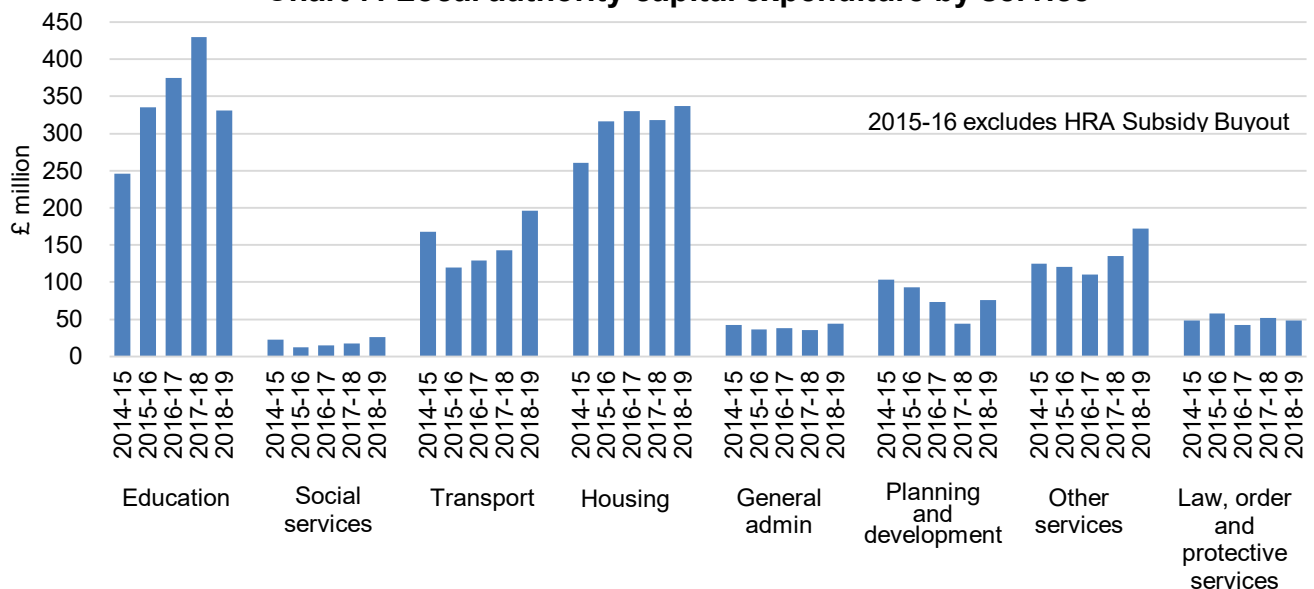
**Table 3: Local authority capital expenditure by service**

	1996-97	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19 over 2017-18 percentage change
Education	57.4	274.0	245.6	335.0	374.5	429.9	331.3	-23
Social services	12.4	17.7	22.9	12.6	14.7	17.0	26.3	54
Transport	113.2	175.1	168.1	119.7	129.3	142.4	196.0	38
Housing	271.0	223.6	260.3	316.5	330.5	318.3	336.7	6
General administration	36.0	47.7	41.9	36.3	38.0	35.8	44.4	24
Planning and development	39.3	123.7	103.3	92.7	73.1	43.8	75.6	72
Other services	145.3	125.1	125.1	1,039.4	110.4	135.4	172.4	27
Law, order and protective services	18.6	53.7	48.0	57.3	42.7	51.6	48.1	-7
<b>Total expenditure</b>	<b>693.2</b>	<b>1,040.6</b>	<b>1,015.2</b>	<b>2,009.6</b>	<b>1,113.2</b>	<b>1,174.2</b>	<b>1,230.7</b>	<b>5</b>
Total expenditure excluding 15-16 HRA subsidy buyout								
	693.2	1,040.6	1,015.2	1,090.6	1,113.2	1,174.2	1,230.7	5

**Chart 6: Local authority capital expenditure and receipts**



**Chart 7: Local authority capital expenditure by service**



**Table 4: Local authority capital receipts by service**

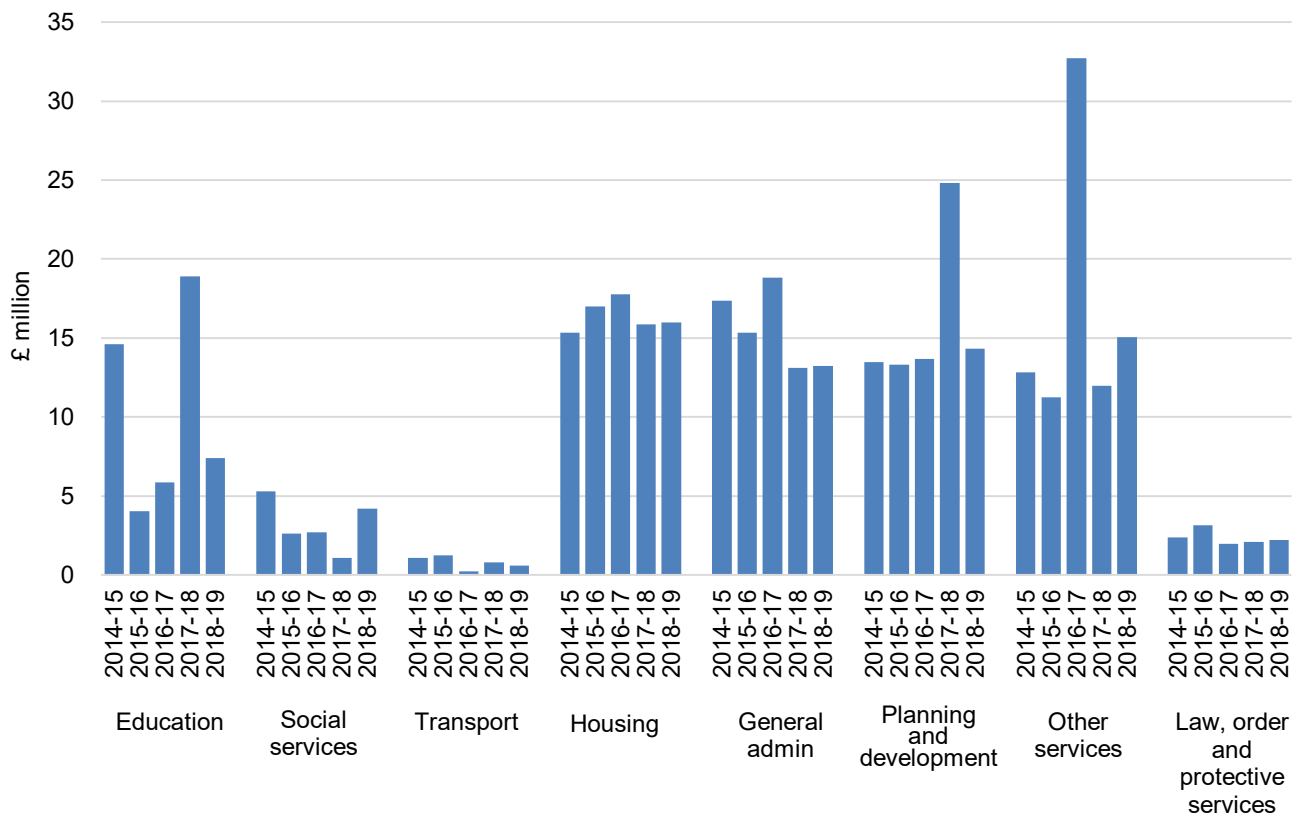
£ million

	1996-97	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19 over 2017-18 percentage change (a)
Education	0.6	5.0	14.6	4.0	5.9	18.9	7.4	.
Social services	0.2	0.0	5.3	2.6	2.7	1.1	4.2	.
Transport	1.8	1.1	1.1	1.2	0.2	0.8	0.6	.
Housing	49.3	12.3	15.4	17.0	17.8	15.9	16.0	.
General administration	6.9	8.7	17.4	15.3	18.8	13.1	13.2	.
Planning and development	12.6	11.3	13.5	13.3	13.7	24.8	14.3	.
Other services	4.2	10.8	12.8	11.3	32.7	12.0	15.0	.
Law, order and protective services	3.6	2.4	2.4	3.2	2.0	2.1	2.2	.
<b>Total receipts</b>	<b>79.3</b>	<b>51.6</b>	<b>82.3</b>	<b>67.9</b>	<b>93.7</b>	<b>88.6</b>	<b>73.0</b>	<b>-18</b>

(a) Comparisons are not calculated at a service level due to the small amounts involved and unpredictable nature of capital receipts year on year.

In 2018-19, local authority capital receipts were £73 million, an annual decrease of £16 million or 18%. A full breakdown of capital receipts is shown in table 7.

**Chart 8: Local authority capital receipts by service**



**Table 5: Financing of local authority capital expenditure (a)**

£ million

	1996-97	2013-14	2014-15	2015-16	2016-17 (b)	2017-18	2018-19	% of total
<b>External financing</b>								
General capital funding / grant (c)	343.7	.	.	.	.	.	.	.
Capital grants (d)	241.5	464.1	403.4	418.8	340.9	372.5	432.2	35
Supported borrowing	.	88.7	97.9	82.4	91.4	96.8	86.4	7
Major repairs allowance	.	63.0	60.4	60.4	60.4	60.4	60.4	5
<b>Sub-total external financing</b>	<b>585.2</b>	<b>615.8</b>	<b>561.7</b>	<b>561.6</b>	<b>492.7</b>	<b>529.7</b>	<b>579.0</b>	<b>47</b>
<b>Internal financing</b>								
Unsupported borrowing	.	213.0	234.7	1,157.6	298.4	334.2	338.8	28
Use of capital receipts	65.0	37.6	46.4	78.2	80.7	83.5	68.1	6
Capital expenditure charged to revenue	42.9	174.3	172.4	212.2	241.4	226.8	244.8	20
<b>Sub-total internal financing</b>	<b>107.9</b>	<b>424.8</b>	<b>453.5</b>	<b>1,448.0</b>	<b>620.5</b>	<b>644.5</b>	<b>651.7</b>	<b>53</b>
<b>Total financing</b>	<b>693.2</b>	<b>1,040.6</b>	<b>1,015.2</b>	<b>2,009.6</b>	<b>1,113.2</b>	<b>1,174.2</b>	<b>1,230.7</b>	<b>100</b>

(a) Up to 2003-04, figures are on a cash basis, figures from 2004-05 onwards are on an accruals basis.

(b) Includes financing of the HRA subsidy buyout.

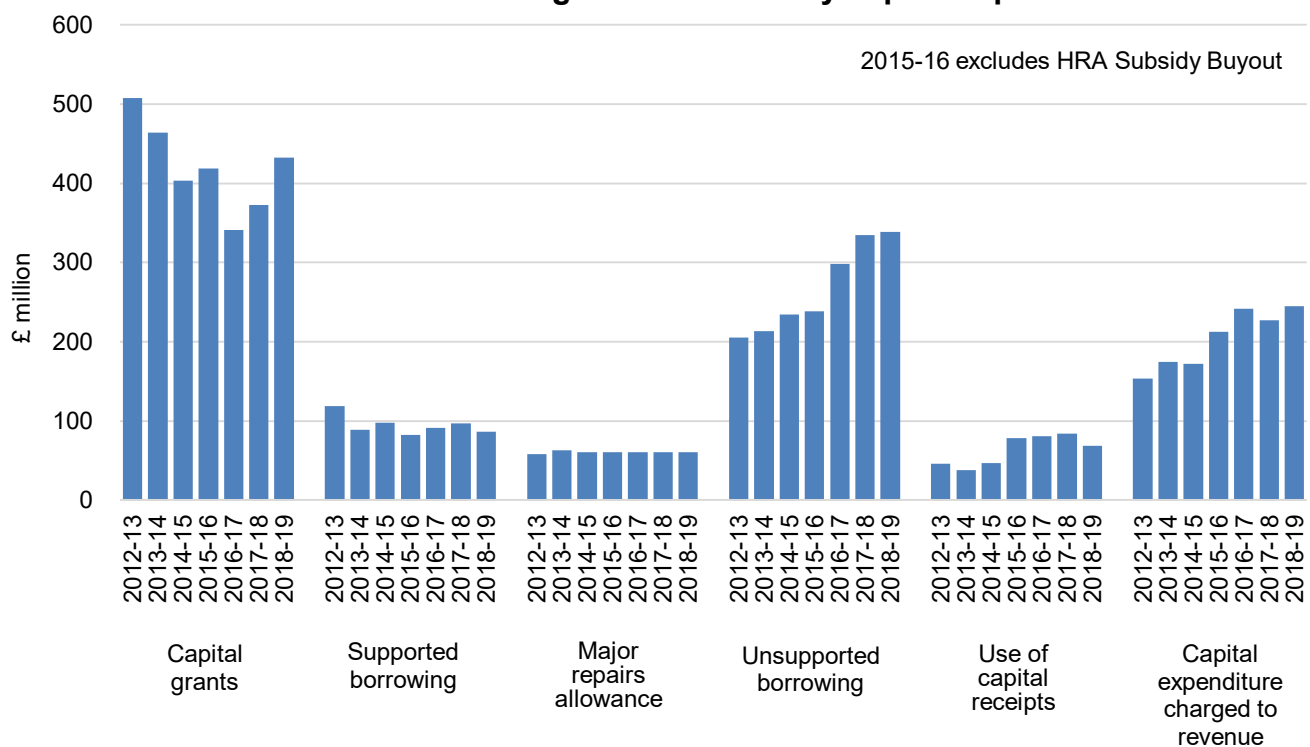
(c) Up to 2003-04, consists of basic credit approvals / general capital funding and supplementary credit approvals.

(d) Includes capital grants from the Welsh Government, other UK Government Departments, European Community Structural Funds (including ERDF) and grants and contributions from other sources.

In 2018-19, 47% of local authorities financing of capital expenditure came from central government (External financing), the remaining 53% was funded from their own resources (Internal financing).

External financing came from: capital grants £432 million (35%); supported borrowing £86 million (7%) and major repairs allowance £60 million (5%).

Internal financing was made up of: unsupported borrowing £339 million (28%); capital expenditure charged to revenue £245 million (20%) and use of capital receipts £68 million (6%).

**Chart 9: Financing of local authority capital expenditure**



**Table 6: Capital expenditure, by authority and service, 2018-19**

	£ million								£ per head	
	Education	Social services	Transport	Housing	General administration	Planning and development	Other services	Law, order and protective services	Total capital expenditure	Total capital expenditure (a)
County/county borough councils:										
Isle of Anglesey	7.3	0.2	4.2	10.1	1.3	2.4	5.2	.	30.7	438
Gwynedd	5.1	1.0	6.0	3.0	1.7	1.2	4.8	.	22.8	184
Conwy	3.3	0.9	4.2	1.6	3.4	1.8	8.3	.	23.5	200
Denbighshire	22.0	0.8	8.8	10.8	0.6	5.0	13.9	.	61.9	650
Flintshire	15.8	3.2	10.3	29.7	2.7	0.2	4.6	.	66.4	427
Wrexham	5.8	1.5	3.3	44.4	0.1	0.5	2.4	.	58.0	426
Powys	26.0	1.7	12.4	17.0	2.0	0.8	17.1	.	77.0	581
Ceredigion	4.9	0.1	4.6	2.3	1.3	0.1	2.0	.	15.3	210
Pembrokeshire	17.9	0.4	6.2	15.4	2.7	3.0	6.2	.	51.7	414
Carmarthenshire	11.7	1.4	15.2	24.0	5.1	4.3	4.6	.	66.3	354
Swansea	9.4	1.0	23.9	48.8	3.0	7.4	3.0	.	96.5	392
Neath Port Talbot	22.6	1.2	8.0	3.3	0.0	4.3	4.0	.	43.4	304
Bridgend	9.7	2.5	5.0	2.6	1.4	1.1	5.3	.	27.6	191
Vale of Glamorgan	7.5	0.7	16.2	13.0	1.2	0.2	4.5	.	43.4	328
Cardiff	47.5	1.7	16.1	44.2	6.5	18.1	8.3	.	142.5	391
Rhondda Cynon Taf	48.8	3.9	24.4	6.0	7.7	16.2	14.2	.	121.1	505
Merthyr Tydfil	1.1	0.3	2.3	1.2	0.0	1.6	3.6	.	9.9	165
Caerphilly	5.6	1.4	10.5	54.2	1.5	0.4	5.0	.	78.6	434
Blaenau Gwent	5.5	0.6	2.5	0.4	0.6	0.6	3.8	.	14.0	201
Torfaen	24.2	0.0	2.5	1.5	0.5	0.4	1.7	.	30.8	331
Monmouthshire	18.3	1.4	6.4	1.2	0.8	0.0	42.1	.	70.3	747
Newport	11.3	0.6	3.0	1.9	0.3	5.9	6.3	.	29.3	191
All county/county borough councils	331.3	26.3	196.0	336.7	44.3	75.6	171.0	.	1,181.2	379
Police:										
Dyfed Powys	.	.	.	.	.	.	.	4.4	4.4	8
Gwent	.	.	.	.	.	.	.	6.9	6.9	12
North Wales	.	.	.	.	.	.	.	11.3	11.3	16
South Wales	.	.	.	.	.	.	.	16.6	16.6	12
All police	.	.	.	.	.	.	.	39.2	39.2	12
Fire authorities:										
Mid and West Wales	.	.	.	.	.	.	.	2.4	2.4	3
North Wales	.	.	.	.	.	.	.	1.9	1.9	3
South Wales	.	.	.	.	.	.	.	4.7	4.7	3
All fire authorities	.	.	.	.	.	.	.	8.9	8.9	3
National park authorities:										
Brecon Beacons	.	.	.	.	0.0	0.0	0.7	.	0.7	.
Pembrokeshire Coast	.	.	.	.	0.0	0.0	0.4	.	0.4	.
Snowdonia	.	.	.	.	0.1	0.0	0.3	.	0.4	.
All national park authorities	.	.	.	.	0.1	0.0	1.4	.	1.5	-
Wales	331.3	26.3	196.0	336.7	44.4	75.6	172.4	48.1	1,230.7	395

(a) The £ per head calculations use 2018 mid-year estimates of population.

**Table 7: Capital expenditure and receipts, by detailed service, 2018-19**

Service	Expenditure			Receipts	
	£ million	£ per head (a)	% of Total	£ million	£ per head (a)
Education:					
Pre-primary	2.0	1	-	0.0	0
Primary	113.8	37	9	1.6	1
Secondary	161.1	52	13	5.3	2
Middle	45.1	14	4	0.0	0
Special	8.7	3	1	0.3	-
Youth service	0.2	-	-	0.0	-
Other education services	0.5	-	-	0.2	-
All education	331.3	106	27	7.4	2
Social services	26.3	8	2	4.2	1
Transport:					
Roads, street lighting and road safety	172.7	55	14	0.6	-
Parking of vehicles	11.3	4	1	0.0	0
Public passenger transport	10.5	3	1	0.0	0
Other	1.4	-	-	0.0	0
All transport	196.0	63	16	0.6	-
Housing:					
Housing Revenue Account (HRA)	284.3	91	23	14.4	5
Council fund and other housing	52.4	17	4	1.6	1
All housing	336.7	108	27	16.0	5
General administration	44.4	14	4	13.2	4
Planning and development	75.6	24	6	14.3	5
Other services:					
Library services	5.6	2	-	0.0	0
Museums and art galleries	6.1	2	-	0.0	0
Art activities and facilities	4.3	1	-	0.0	0
Agriculture and fisheries	15.0	5	1	3.4	1
Sports facilities	32.2	10	3	0.0	-
Sports development	3.6	1	-	0.0	-
Derelict land reclamation	0.0	-	-	0.0	0
Parks and open spaces	10.3	3	1	0.1	-
Waste collection and disposal	28.5	9	2	0.1	-
Community safety	1.3	-	-	0.0	-
Environmental health	3.9	1	-	0.2	-
Industrial and commercial	45.0	14	4	7.0	2
Other trading services	8.0	3	1	0.3	-
Miscellaneous	8.5	3	1	3.8	1
All other services	172.4	55	14	15.0	5
Law, order and protective services:					
Police	39.2	13	3	1.9	1
Fire service and civil defence	8.9	3	1	0.3	-
Coroners' courts	0.0	0	-	0.0	0
All law, order and protective services	48.1	15	4	2.2	1
<b>Total all services</b>	<b>1,230.7</b>	<b>395</b>	<b>100</b>	<b>73.0</b>	<b>23</b>

(a) The £ per head calculations use 2018 mid-year estimates of population.

# 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. It does not include the Housing Revenue Account (HRA) which is a separate financial account used by local authorities for council housing income and expenditure.

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.

The real terms data has been calculated using the [GDP deflators published by the Treasury](#).

## 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 expenditure are the Revenue Outturn (RO) and Capital Outturn (COR) returns. More information relating to forecast budgeted expenditure is available from the revenue account (RA) budget and capital forecast (CFR) returns.

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.

Local authorities in the United Kingdom are required to keep their accounts in accordance with 'proper practices'. [SeRCOP](#) (previously BVACOP) establishes 'proper practice' with regard to consistent financial reporting below the Statement of Accounts level. [SeRCOP](#) is reviewed continuously and is normally updated annually.

The data that is collected adhere to these recognised professional standards. Specifically, the finance data is required under legislation and also must adhere to CIPFA accounting procedures. However, [further guidelines](#) are also issued on the interpretation of these standards to ensure consistency across authorities.

The collection is a 100% survey and as such no estimation of the figures is calculated, and hence there is no sampling error. The survey itself has built-in rigorous validation and historical data to aid the users complete the data collection accurately.

Local authorities extract the data from their accounting systems in order to complete the data collection exercise. Each authority has a nominated contact whose responsibility it is to ensure that the data is correct before submission. All further validation and verification checks are then carried out by the same contact.

Once we receive the data, it goes through further comprehensive 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.

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.

The social services outturn data will also be included in a statistical release 'Social Services activity 2018-19' to be published later in October 2019.

### **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.

The continued designation of these statistics as National Statistics was confirmed in March 2019 following a [compliance check by the Office for Statistics Regulation](#). These statistics last underwent a [full assessment against the Code of Practice](#) in 2011.

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Added extra information on the validation checks that are performed on the data;
- Explained the role of CIPFA's code of practice in local authority accounting;
- Included a link to the guidance document that accompanies the data collection;
- Provided details of the financial data being included in a separate over-arching social services statistical release.

## **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/local-authority-revenue-and-capital-outturn-expenditure-april-2018-march-2019>

Further data is available on our StatsWales website:

[StatsWales website: Revenue](#)

[StatsWales website: Outturn](#)

## Next update

October 2020 - Statistical first release and StatsWales update for 2019-20 outturn.

## 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](mailto:stats.finance@gov.wales)

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