



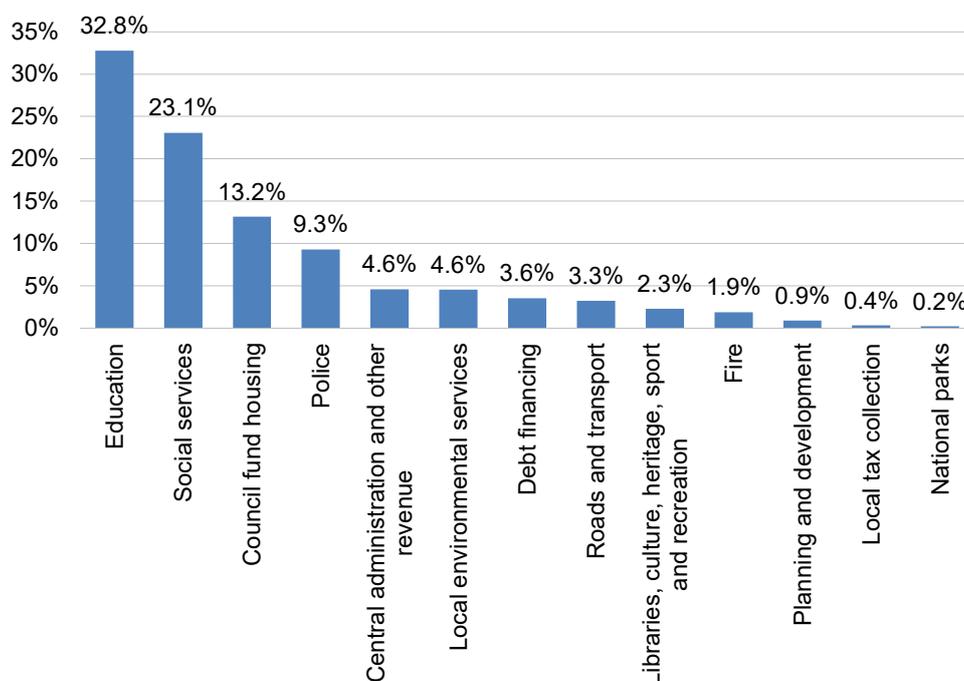
Local Authority Revenue Budget and Capital Forecast: 2019-20 (Revised)

6 December 2019
SFR 45/2019 (R)

Key points

- Total budgeted gross revenue expenditure as reported by local authorities for 2019-20 is £8.3 billion, an increase of 2.5% on the previous year.
- County and county borough councils reported increases of 2.0% or £144 million in their budgeted expenditure whilst police reported an increase of 7.2%. Fire authorities reported an increase of 0.7% and national park authorities reported an increase of 25.3%.
- Gwynedd shows the largest county increase in gross revenue expenditure at 7.0%. Powys shows the largest decrease at 1.5% mainly due to lower expenditure on housing benefit payments.
- In 2019-20, total capital forecast expenditure by Welsh local authorities, including police, fire and national parks is £1,545 million. This represents a year-on-year increase of £233 million or 17.8%.
- Housing services account for 28.2% of the total capital forecast expenditure, education services 21.9% and planning and economic development 15.8%.

Chart 1: Service level budgeted revenue expenditure, 2019-20



Additional information is available from [StatsWales](https://stats.wales).

About this release

This release has been revised due to errors in the education data submitted by Wrexham.

This statistical release analyses the revenue and capital expenditure that Welsh local authorities are forecast to spend in the 2019-20 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 2019-20 is budgeted to be £2,660, an increase of £54 compared to the previous year. Education expenditure is forecast to increase by 3.7% and social services expenditure is forecast to increase by 4.3%. Housing expenditure is forecast to decrease by 2.8%.

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

	£ million			Percentage change	2019-20 £ per head
	2018-19	2019-20	Change		
County and county borough council expenditure (b)					
Education	2,625.8	2,723.6	97.8	3.7	872
Social services	1,839.8	1,918.1	78.4	4.3	614
Housing (c)	1,125.8	1,094.3	-31.5	-2.8	350
Local environmental services	376.6	378.5	1.9	0.5	121
Roads and transport	273.0	270.2	-2.8	-1.0	86
Libraries, culture and heritage, sport and recreation	198.4	191.2	-7.2	-3.6	61
Planning, economic and community development	70.7	76.8	6.2	8.7	25
Local tax collection	27.3	29.8	2.4	8.9	10
Debt financing	298.3	295.5	-2.7	-0.9	95
Central administration and other revenue (d)	381.5	383.0	1.5	0.4	123
Total county and county borough council expenditure	7,217.1	7,361.1	144.0	2.0	2,355
Police	721.9	774.0	52.0	7.2	248
Fire	157.0	158.1	1.1	0.7	51
National parks	14.8	18.5	3.7	25.3	6
Gross revenue expenditure	8,110.8	8,311.6	200.8	2.5	2,660
less specific and special government grants	1,851.4	1,902.5	51.1	2.8	609
Net revenue expenditure	6,259.4	6,409.2	149.7	2.4	2,051
Putting to (+) / drawing from (-) reserves	-147.3	-141.7	5.6	3.8	-45
Council tax reduction scheme	261.7	269.9	8.2	3.1	86
Budget requirement	6,373.8	6,537.4	163.5	2.6	2,092
plus discretionary non-domestic rate relief	3.7	4.8	1.0	27.9	2
less central government support	4,564.0	4,594.7	30.7	0.7	1,470
of which:					
revenue support grant	3,305.0	3,319.8	14.9	0.4	1,062
re-distributed non-domestic rates	1,050.0	1,061.0	11.0	1.0	340
police grant and floor funding	209.0	213.9	4.8	2.3	68
Council tax requirement	1,813.6	1,947.4	133.9	7.4	623
of which:					
paid by council tax reduction scheme	261.7	269.9	8.2	3.1	86
paid directly by council tax payers	1,551.9	1,677.5	125.7	8.1	537

(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 2017 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 2019-20 is an increase of £201 million or 2.5%.

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

	£ million			Percentage change	2019-20 £ per head
	2018-19	2019-20	Change		
County/county borough councils:					
Isle of Anglesey	157.4	163.6	6.2	4.0	2,345
Gwynedd	290.1	310.4	20.3	7.0	2,508
Conwy	267.6	274.2	6.6	2.5	2,346
Denbighshire	240.2	245.8	5.7	2.4	2,583
Flintshire	318.7	322.2	3.5	1.1	2,076
Wrexham	294.7	292.2	-2.5	-0.9	2,156
Powys	308.2	303.6	-4.6	-1.5	2,291
Ceredigion	170.1	174.7	4.6	2.7	2,390
Pembrokeshire	267.9	274.3	6.4	2.4	2,200
Carmarthenshire	427.8	445.2	17.4	4.1	2,388
Swansea	559.4	573.2	13.8	2.5	2,335
Neath Port Talbot	352.4	362.8	10.4	3.0	2,553
Bridgend	339.5	344.7	5.2	1.5	2,389
Vale of Glamorgan	283.5	293.7	10.2	3.6	2,247
Cardiff	813.8	833.7	19.9	2.4	2,298
Rhondda Cynon Taf	615.1	617.9	2.8	0.5	2,584
Merthyr Tydfil	148.8	149.7	0.9	0.6	2,498
Caerphilly	419.1	418.2	-0.9	-0.2	2,313
Blaenau Gwent	176.1	178.2	2.1	1.2	2,561
Torfaen	219.4	225.7	6.4	2.9	2,447
Monmouthshire	181.1	182.8	1.7	0.9	1,953
Newport	366.2	374.1	7.9	2.1	2,469
All county and county borough councils	7,217.1	7,361.1	144.0	2.0	2,355
Police and Crime Commissioners:					
Dyfed Powys	107.9	115.2	7.3	6.8	223
Gwent	153.2	161.1	7.8	5.1	274
North Wales	157.4	165.0	7.6	4.8	237
South Wales	303.4	332.7	29.3	9.7	251
All Police and Crime Commissioners	721.9	774.0	52.0	7.2	248
Fire authorities:					
Mid and West Wales	48.0	51.0	3.0	6.3	56
North Wales	34.1	35.2	1.1	3.2	51
South Wales	74.9	71.8	-3.1	-4.1	47
All fire authorities	157.0	158.1	1.1	0.7	51
National park authorities:					
Brecon Beacons	4.5	4.4	-0.1	-2.9	.
Pembrokeshire Coast	4.5	4.9	0.4	8.9	.
Snowdonia	5.8	9.2	3.5	60.1	.
All national park authorities	14.8	18.5	3.7	25.3	6
Wales	8,110.8	8,311.6	200.8	2.5	2,660

. 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. 30% of budget requirement is funded from council tax. The balance of funding over time shows an increase in the council tax requirement and a decrease in central government support.

Chart 2: Financing of budget requirement in Wales, 2019-20

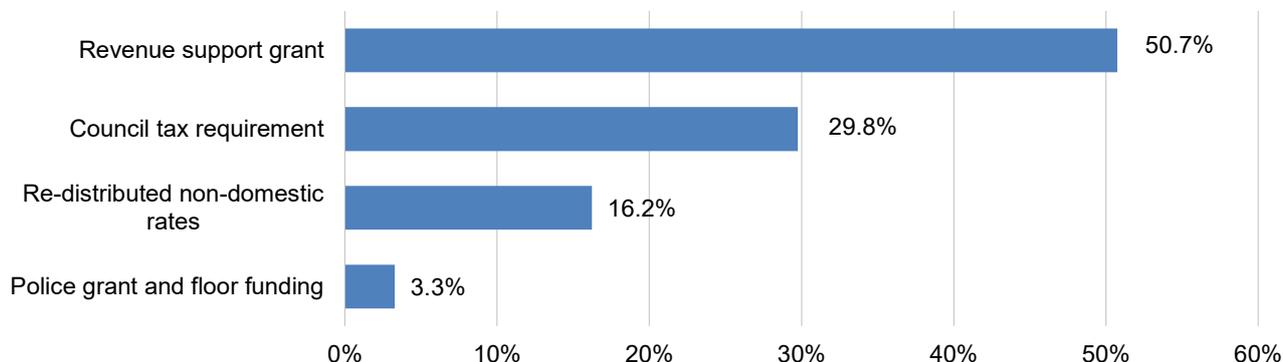
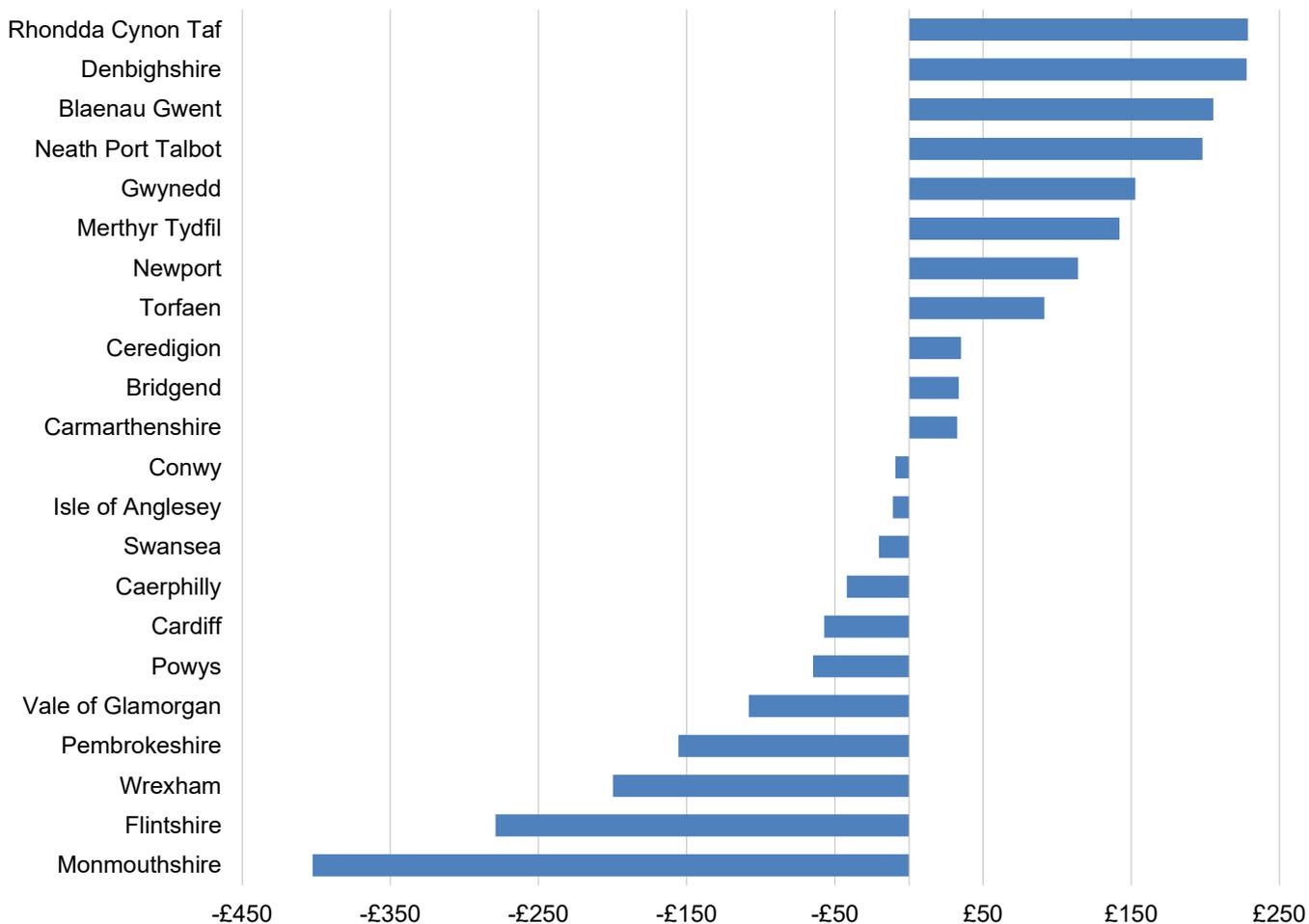


Chart 3 shows the gross revenue expenditure £ per head difference from the Wales County average of £2,355. The £ per head difference between the largest and smallest authority is £631.

Chart 3: £ per head, difference from the Wales County average, 2019-20



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 slightly, planning and economic development is expected to increase by £86 million (54%) and housing revenue account expenditure is expected to increase by £41 million (13%).

External support for local authorities shows an increase of £141 million (29%). Internal financing is expected to increase by £92 million (11%).

Table 3: Capital expenditure and financing (a)

	£ million				
	2017-18 outturn	2018-19 forecast	2019-20 forecast	Change between 2019-20 and 2018-19	
				£m	%
Capital expenditure					
County/county borough councils:					
Education	429.9	338.1	338.9	0.9	0
Social services	17.0	18.3	19.6	1.3	7
Roads and transport	142.4	137.2	168.6	31.3	23
Housing:					
Housing revenue account (HRA)	262.6	325.5	366.5	41.1	13
Non-HRA housing	55.7	55.6	68.8	13.1	24
Total housing	318.3	381.1	435.3	54.2	14
Local services:					
Environmental	47.0	40.1	81.0	40.9	102
Planning and economic development	68.6	159.0	244.5	85.5	54
Libraries, culture, heritage, sport and recreation	49.9	48.2	42.7	-5.5	-11
Other	48.0	98.5	123.3	24.8	25
Total local services	213.5	345.8	491.6	145.8	42
Total county/county borough councils	1,121.0	1,220.5	1,453.9	233.5	19
Police	39.5	68.3	63.5	-4.9	-7
Fire authorities	12.1	20.4	24.0	3.6	18
National park authorities	1.5	2.8	3.7	0.9	34
Total capital expenditure	1,174.2	1,312.1	1,545.2	233.1	18
Capital financing					
External support:					
General capital funding / general government grant	305.4	270.0	376.6	106.6	39
Grants from European Community Structural Funds	4.7	12.9	23.7	10.9	85
Capital grants and contributions from other sources	62.4	28.1	55.3	27.2	97
Supported borrowing	96.8	116.7	113.4	-3.3	-3
Major repairs allowance	60.4	60.4	60.3	-0.1	-0
Sub-total external support	529.7	487.9	629.3	141.4	29
Internal financing:					
Unsupported borrowing	334.2	434.1	556.0	121.9	28
Use of capital receipts	83.5	112.9	83.9	-29.0	-26
Capital expenditure charged to a revenue account (non-HRA)	110.8	162.6	172.4	9.8	6
Capital expenditure charged to a revenue account (HRA)	116.0	114.5	103.6	-10.9	-10
Sub-total internal financing	644.5	824.1	915.9	91.8	11
Total capital financing	1,174.2	1,312.1	1,545.2	233.1	18

(a) See definitions on the backpage.

Table 4 shows capital forecast expenditure by authority and service in 2019-20. County councils plan to spend £435 million on housing with overall expenditure of £1,454 million or £465 per head of the Welsh population. Police, Fire and National park authorities forecast expenditure of £63 million, £24 million and £4 million respectively.

Table 4: Capital forecast expenditure by authority and service, 2019-20 £ 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	5.8	0.1	1.8	15.5	10.2	.	33.5	479
Gwynedd	10.1	2.4	7.0	3.8	14.9	.	38.3	309
Conwy	1.0	0.1	14.7	1.8	40.3	.	57.9	495
Denbighshire	17.8	4.1	5.7	15.5	12.1	.	55.2	580
Flintshire	9.9	1.0	0.6	45.9	4.5	.	62.0	399
Wrexham	5.9	0.5	3.4	55.6	4.2	.	69.7	514
Powys	44.8	0.3	8.4	24.3	14.5	.	92.3	697
Ceredigion	2.6	0.0	3.0	2.1	10.2	.	18.0	246
Pembrokeshire	13.2	0.1	5.8	22.4	56.7	.	98.2	787
Carmarthenshire	36.4	0.1	6.7	33.1	59.2	.	135.6	727
Swansea	25.1	0.7	12.7	72.5	28.1	.	139.0	566
Neath Port Talbot	6.4	1.0	4.0	3.0	30.4	.	44.8	315
Bridgend	1.9	0.8	5.3	2.6	25.7	.	36.2	251
Vale of Glamorgan	42.8	0.7	15.5	19.5	5.6	.	84.1	644
Cardiff	30.3	0.7	34.0	53.1	28.4	.	146.6	404
Rhondda Cynon Taf	26.1	3.7	24.6	7.9	56.4	.	118.7	496
Merthyr Tydfil	6.1	0.0	1.9	0.9	15.8	.	24.7	412
Caerphilly	1.4	0.3	1.9	52.2	8.7	.	64.5	357
Blaenau Gwent	7.0	0.3	1.6	0.7	10.6	.	20.2	291
Torfaen	25.0	0.0	1.2	1.1	5.1	.	32.4	351
Monmouthshire	1.5	1.5	3.7	0.0	18.8	.	25.5	272
Newport	17.7	1.1	5.0	1.9	31.1	.	56.8	375
All county/county borough councils	338.9	19.6	168.6	435.3	491.6	.	1,453.9	465
Police:								
Dyfed Powys	.	.	.	.	.	8.6	8.6	17
Gwent	.	.	.	.	.	27.9	27.9	48
North Wales	.	.	.	.	.	6.7	6.7	10
South Wales	.	.	.	.	.	20.3	20.3	15
All police	.	.	.	.	.	63.5	63.5	20
Fire authorities:								
Mid and West Wales	.	.	.	.	.	13.1	13.1	15
North Wales	.	.	.	.	.	3.1	3.1	4
South Wales	.	.	.	.	.	7.8	7.8	5
All fire authorities	.	.	.	.	.	24.0	24.0	8
National park authorities:								
Brecon Beacons	.	.	.	.	0.8	.	0.8	.
Pembrokeshire Coast	.	.	.	.	1.1	.	1.1	.
Snowdonia	.	.	.	.	1.8	.	1.8	.
All national park authorities	.	.	.	.	3.7	.	3.7	.
Wales	338.9	19.6	168.6	435.3	495.3	87.5	1,545.2	494

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

(b) The £ per head calculations use the 2017 mid-year estimates of population.

. Data not applicable.

Chart 4 shows capital forecast expenditure by service, as a percentage of overall expenditure in 2019-20. Housing makes up 28 percent of all expenditure.

Chart 4: Forecast capital expenditure by service, 2019-20

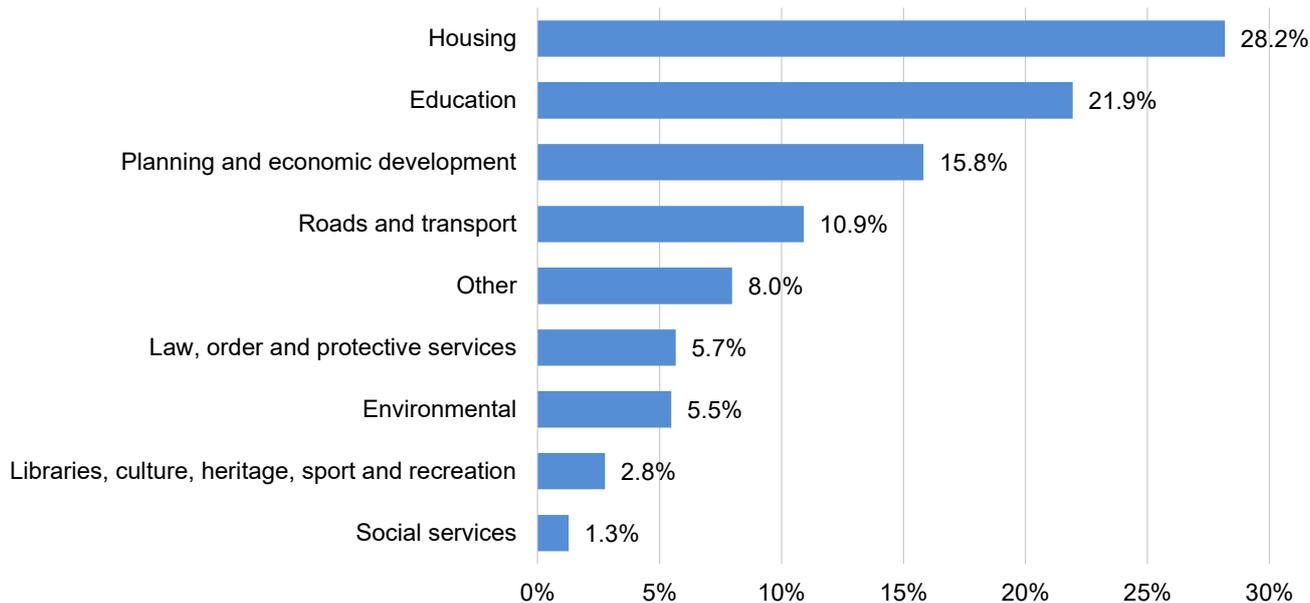
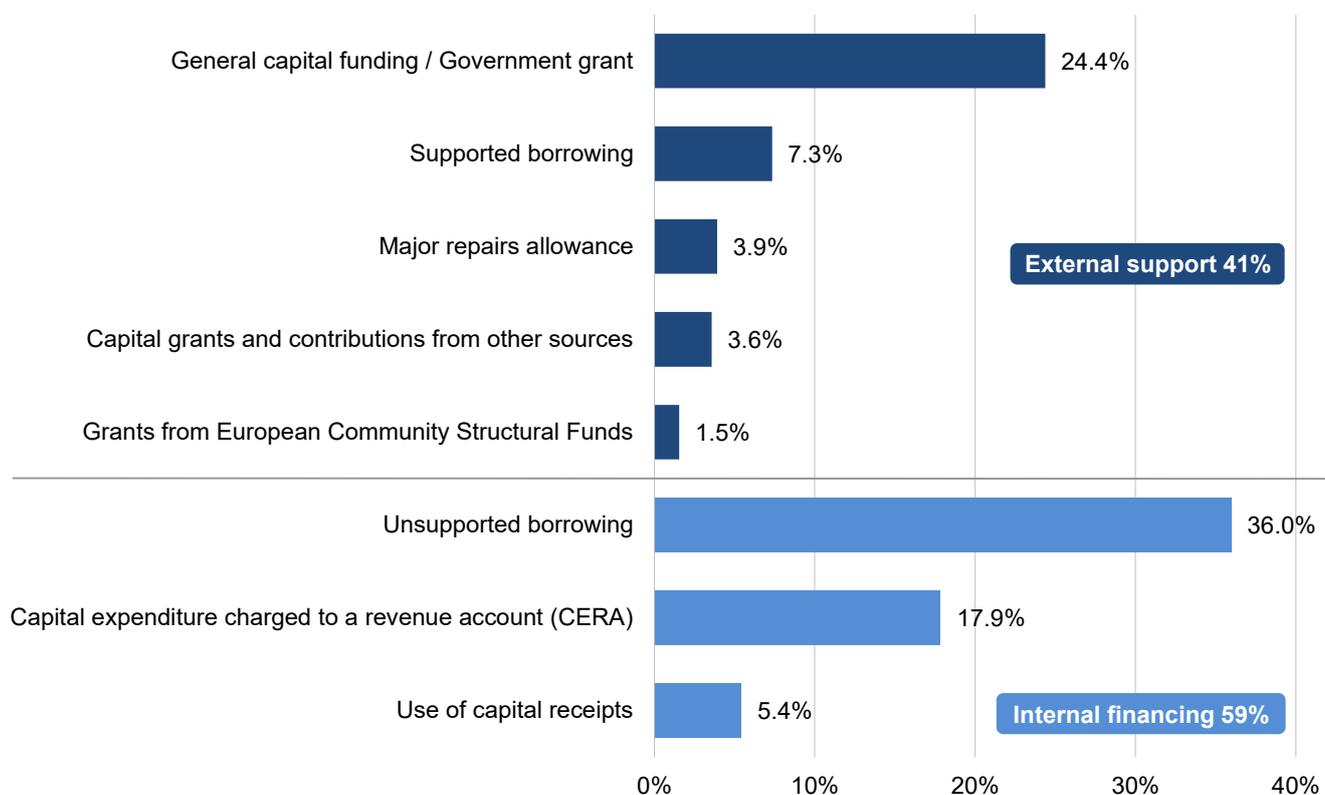


Chart 5 shows how local authorities intend to finance their expenditure in 2019-20 and the balance of funding between external support and internal financing. Unsupported borrowing makes up 36 percent of all capital financing.

Chart 5: Financing of capital forecast expenditure, 2019-20



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 Official Statistics](#).

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

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. The designation of these statistics as National Statistics was confirmed in February 2011 following a full assessment against the Code of Practice.

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:

- Combined revenue and capital releases to provide more coherence;
- Made more data available on the StatsWales website.

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: <http://gov.wales/statistics-and-research/local-authority-revenue-budget-capital-forecast>

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 2020 - Statistical first release and StatsWales update for 2020-21 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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