

Indicator specification:

PLDR collection of population health indicators

Finance Indicators: Local Authority Finance
(FIN_07_50L)



Version: 1.02

Date: October 2020

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Overview

Indicator title

Local Authority Finance: Central Government Funding, Lower Tier (FIN_07_50L)

Indicator family name

Local Authority Finance

Summary

The Central Government Funding indicator describes the amount of various grants, income and transfers that Local Authorities receive directly from Central Government since 2002. Central Government Funding, together with Council Tax, make up the greater part of the available funding a Local Authority has in order to provide services and balance its net current expenditure.

Technical description

The Central Government Funding indicator was compiled from annual revenue outturn estimates of Local Authority (LA) revenue expenditure and financing. The indicator includes several types of funding, mainly: a) Special and specific Grants within Aggregate External Finance (AEF), b) Grants outside AEF, c) Area Based Grants (ABG) (from 2008/2009 until 2010/2011) or Local Services Support Grant (LSSG) (since 2011/2012), d) Revenue Support Grant (RSG), e) the Police Grant and f) Redistributed non-domestic rates or Retained income from Rate Retention Scheme. Note that this list of government funding is not exhaustive, and that there are other types of Central Government funding available to Local Authorities, such as appropriations from various funding reserves, albeit minor. In this sense, the Total value does not reflect the total amount of Central Government funding to Local Authorities but can be used as a good approximation. Values are expressed in thousands (£) and presented on the basis of financial years, i.e. from April 1st to March 31st. Values have been referenced (distributed) to Lower Tier LA geography; since some transfers regard Upper Tier and others Lower Tier LAs, individual figures from Upper Tier LAs were distributed to Lower Tier LAs based on annual population ratios. Figures from historic LA geography have been referenced to the 2018 LA geography. This includes changes in name/codes, merges, or splits of old LAs to new LAs based on population ratios for that year. The Total Central Government Transfers is expressed as the total amount as well as per capita, for direct comparisons. However, annual figures were not adjusted for inflation.

Unique Identifier

FIN_07_50L

Construction

Data sources

Outturn revenue data of LAs in England are published annually by the *Local Government Finance - Data Collection Analysis and Accountancy* division of the *Department for Communities and Local Government*. The Local Authority Central Government Funding figures were extracted from the *Revenue Outturn Summary* datasets. The collection of datasets and additional information about LA revenue outturn data estimates can be found at: <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>. Data before the financial year 2007/08 were obtained directly through Freedom of Information requests.

Construction of LA-level data

Central Government funding is provided at Lower as well as Upper Tier Local Authorities, the former being nested within Upper Tier LAs (e.g. Counties). Government transfers thus include values from both Upper Tier (UTLA) and Lower Tier (LTLA) Local Authorities (i.e. 152 and 326 respectively in England as of 2018). Other types of LAs that receive central funding include special/other authorities (such as Police and Waste authorities). In order to provide a common denominator for direct comparisons with other types of data, LA expenditures were distributed from Lower to Upper and from Upper to Lower. Further expenditures on specific services also includes spending from “other” authorities. In particular, these are:

- The Greater London Authority
- Combined Authorities
- Police and Crime Commissioner and Chief Constable Authorities
- Fire and Rescue Authorities
- Waste Authorities
- Transport Authorities

All spending by all of the above types of authorities has been included in the calculations of the total LA-level service expenditure, and has been referenced either to LTLAs or UTLAs. Note that the only type of authority for which expenditures have not been taken into account are Park Authorities (however, these show generally low levels of expenditure, mainly within the Cultural and Related services and Central Services). Also note that many of these special local authorities have been abolished and their services incorporated (in part or in whole) into other administrations (for instance Transport Authorities’ services have been transferred to Combined Authorities).

The specific methodology by which the total levels of expenditure per service category are calculated for each Local Authority is as follows:

- LTLA Methodology: Shire Counties’ expenditures were disaggregated to Shire Districts by means of population-based ratios, i.e. annual expenditure was distributed to LTLAs based on their share of population, derived from their total population estimates for that particular year (Source: ONS).

The Greater London Authority expenditure was distributed to London Boroughs by means of distributing expenditure according to population. Expenditures from Combined Authorities, Police Authorities, Fire and Rescue Authorities, Waste Authorities and Transport Authorities were also attributed to LTLAs by means of distributing expenditure according to population for that year. All the above expenditures are aggregated and added to the recorded LTLA service expenditure in order to produce the estimated total service expenditure for that LA.

All expenditure values from historic LA geography have been referenced to the 2018 LA geography. This includes changes in name/codes, merges, or splits of old LAs to new LAs based on population ratios for that year. For instance, after 2009 the (upper tier) Cheshire County Council and the (lower tier) 6 Cheshire Local Authority Districts were abolished and replaced by two new unitary authorities, Cheshire East and Cheshire West and Chester. In order to calculate the “would-be” Cheshire East’s spending figures in 2008, values for the 3 of the 6 historic districts that formed Cheshire East as well as 47.28% of the historical Cheshire County spending were aggregated.

- UTLA Methodology: Shire Districts’ expenditures are attributed to Shire Counties by means of aggregating. Expenditures from the Greater London Authority, Combined Authorities, Police Authorities, Fire and Rescue Authorities, Waste Authorities and Transport Authorities have been disaggregated to UTLAs by means of population ratios, and referenced to the 2018 Local Authority geography, similarly to the LTLA methodology.

Figures from historic LA geography have been referenced to the 2018 LA geography. This includes changes in name/codes, merges, or splits of old LAs to new LAs based on population ratios for that year. For instance, after 2009 the (upper tier) Cheshire County Council and the (lower tier) 6 Cheshire Local Authority Districts were abolished and replaced by two new Unitary Authorities, Cheshire East and Cheshire West and Chester. In order to calculate the “would-be” Cheshire East’s income figures in 2008, values for the 3 of the 6 historic districts that formed Cheshire East as well as 47.28% of the historical Cheshire County income were aggregated.

Note that funding sources are generally consistent within the time period of 2002/2003 to 2018/2019 except for Area Based Grants (ABG) which run from 2008/2009 until 2010/2011 and Local Services Support Grant (LSSG), which replaced ABG starting in 2011/2012. Values before 2008/2009 in this variable are denoted as NAs. Lastly, the variable names as Income Rates describes the *Redistributed non-domestic Rates* (2002/2003 to 2012/2013) until 2013/2014, when it was replaced by *Retained Income from the Rate Retention Scheme*.

Presentation

Breakdowns

Time period

Financial year (April 1st to March 31st) data: 2002/2003 to 2018/2019.

Geography

Lower Tier Local Authorities (2018 reference).

Coverage

England.

Disclosure control

This indicator has been produced using only publicly available datasets.

Output FIN_07_50L.csv

Column name	Description
Year	Start of financial year, i.e. "2015" refers to the financial year "2015/16".
LTLA18CD	Lower Tier Local Authority Code.
LTLA18NM	Lower Tier Local Authority Name.
Pop_Est_Total	The total population estimate of that LA in that year.
Grants_Inside_AEF	Total amount of Central Government transfers an LA received regarding special and specific grants inside AEF in £1000's.
Grants_Outside_AEF	Total amount of Central Government transfers an LA received regarding special and specific grants outside AEF in £1000's.
Grants_LSSG_ABG	Total amount of Central Government transfers an LA received regarding Area Based Grants or Local Services Support Grants in £1000's.
Grants_RSG	Total amount of Central Government transfers an LA received regarding the Revenue Support Grant in £1000's.
Rates_Income	Total amount of Central Government transfers an LA received regarding Redistributed non-domestic rates or Retained income from Rate Retention Scheme in £1000's.
Police_Grant	Total Police Grant an LA received in £1000's.
Central_Gov_Funding_Total	The total amount of all the above Central Government transfers an LA received in £1000's.

Central_Gov_Funding_Total_PerCap

The per capita amount of all the above Central Government transfers an LA received in £1000's.

Revision history

Version	Date	Summary of changes
1.02	October 2020	Updated data to 2018-2019
1.01	May 2020	Added Police Grant; other minor corrections
1.00	Aug 2019	First release