

Indicator specification:

PLDR collection of population health indicators

Finance Indicators: Local Authority Finance
(FIN_07_58L)



Version: 1.00

Date: January 2020

Authors: Alexandros Alexiou & Benjamin Barr

Overview

Indicator title

Local Authority Finance: Council Tax Requirement, Lower Tier (FIN_07_58L)

Indicator family name

Local Authority Finance

Summary

This dataset describes the Council Tax Requirement calculated for every Lower Tier Local Authority in England for each financial year between 2002/2003 to 2018/2019. The council tax requirement is the amount of revenue a local authority needs to raise through council tax, and calculated by deducting from its planned spending any funding from reserves, income it expects to raise, and funding it will receive from the Government.

Technical description

The Council Tax Requirement indicator was compiled from annual revenue outturn estimates of Local Authority (LA) revenue expenditure and financing. Council Tax requirement is used to balance the net service expenditure, and many types of authorities receive income as council tax. Figures for Council Tax thus include values for both Upper Tier (UTLA) and Lower Tier (LTLA) Local Authorities. Other types of LAs that receive council tax include special/other authorities, such as Police and Fire and Rescue authorities. More recently, some Combined Authorities have also received income as Council Tax Requirement, e.g. the Greater Manchester Combined Authority. Note that from April 2013 onwards, council tax benefit, which provided help for low-income households with their council tax, was abolished and replaced with localised council tax support schemes. Until 2013, Council Tax Requirement was reported inclusive of any amount of council tax foregone due to benefits, and as such figures until 2012/13 are not comparable to those after 2013/14.

Figures for Lower Tier LAs have been calculated by disaggregating Upper Tier and Other Authority figures based on population ratios (see section “Construction of LA-level data” for a detailed description). Values are expressed in thousands (£) and presented on the basis of financial years, i.e. from April 1st to March 31st. 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 Council Tax Requirement 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_58L

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

Many types of authorities receive income as Council Tax Requirement. Figures describing Council Tax include values namely from both Upper Tier (UTLA) and Lower Tier (LTLA) Local Authorities (i.e. 152 and 326 respectively in England as of 2018), Combined Authorities, The Greater London Authority, Police Authorities and Fire and Rescue Authorities.

LTLAs are nested within Upper Tier LAs (e.g. Counties), as well as within other types of authorities. In order to provide a common denominator for direct comparisons with other types of data, values were distributed from Lower to Upper and from Upper to Lower. This includes spending values from other types of authorities, in particular

- The Greater London Authority
- Combined Authorities
- Police Authorities
- Fire and Rescue Authorities

Other types of authorities that report a zero Council Tax requirement and thus not included in the calculations are:

- Waste Authorities
- Park Authorities
- Transport Authorities

The methodology regarding how values were calculated for each set of Local Authorities 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 and Fire and Rescue 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.

For the construction of LTLA measures, 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 and Fire and Rescue Authorities have been disaggregated to UTLAs by means of population ratio, and referenced to the 2018 Local Authority geography, similarly to the LTLA methodology.

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.

Council_Tax_Requirement	The estimated total amount of council tax the LA received in £1000's.
Pop_Est_Total	The total population estimate of that LA in that year.
Council_Tax_Requirement_PerCap	The estimated per capita amount of the total amount of council tax the LA received in £1000's.

Revision history

Version	Date	Summary of changes
1.00	Jan 2020	First release