



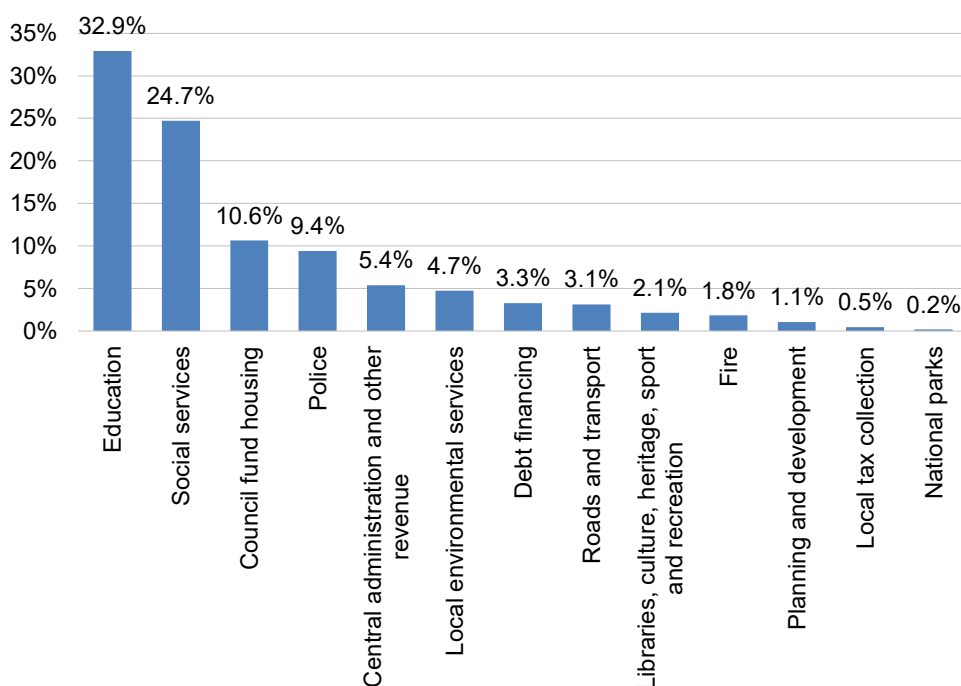
Local Authority Revenue Budget and Capital Forecast: 2022-23

23 June 2022
SFR 154/2022

Key points

- Total budgeted revenue expenditure as reported by local authorities for 2022-23 is £9.6 billion, an increase of 7.0% on the previous year.
- County and county borough councils reported increases of 7.4% or £585 million in their budgeted revenue expenditure whilst police reported an increase of 4.8%. Fire authorities reported an increase of 3.4% and national park authorities reported an increase of 0.4%.
- Gwynedd shows the largest county increase in revenue expenditure at 9.7%. Bridgend shows the smallest increase at 4.7%.
- In 2022-23, total capital forecast expenditure by Welsh local authorities, including police, fire and national parks is £2,099 million. This represents a year-on-year increase of £293 million or 16.2%.
- Housing services account for 24.0% of the total capital forecast expenditure, education services 22.5% and planning and economic development 17.7%.

Chart 1: Service level budgeted revenue expenditure, 2022-23



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

About this release

This statistical release analyses the revenue and capital expenditure that Welsh local authorities are forecast to spend in the financial year prior to March 2023.

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.

In this release

Revenue budget	2
Capital Forecast	5
Glossary	8

Revenue budget

Table 1 shows revenue expenditure by service area. The revenue expenditure per head for Wales in 2022-23 is budgeted to be £3,042, an increase of £199 compared to the previous year. Education expenditure is forecast to increase by 6.3% and social services expenditure is forecast to increase by 10.1%. Housing expenditure is forecast to decrease by 0.2%.

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

	£ million			Percentage change	2022-23 £ per head
	2021-22	2022-23	Change		
County and county borough council expenditure (b)					
Education	2,985.6	3,174.5	189.0	6.3	1,002
Social services	2,167.0	2,384.8	217.8	10.1	752
Housing (c)	1,029.2	1,026.7	-2.4	-0.2	324
Local environmental services	409.2	456.5	47.3	11.6	144
Roads and transport	286.9	303.2	16.3	5.7	96
Libraries, culture and heritage, sport and recreation	196.4	207.2	10.8	5.5	65
Planning, economic and community development	87.2	102.8	15.6	17.9	32
Local tax collection	38.6	43.5	4.9	12.6	14
Debt financing	310.5	317.5	6.9	2.2	100
Central administration and other revenue (d)	441.0	519.5	78.5	17.8	164
Total county and county borough council expenditure	7,951.6	8,536.2	584.6	7.4	2,693
Police	866.7	908.2	41.6	4.8	287
Fire	172.0	177.8	5.8	3.4	56
National parks	19.5	19.6	0.1	0.4	6
Revenue expenditure	9,009.8	9,641.8	632.1	7.0	3,042
less specific and special government grants	1,942.6	2,013.8	71.2	3.7	635
Net revenue expenditure	7,067.1	7,628.0	560.9	7.9	2,407
Putting to (+) / drawing from (-) reserves	-144.3	-150.3	-6.0	-4.2	-47
Council tax reduction scheme	288.6	285.6	-3.1	-1.1	90
Budget requirement	7,211.5	7,763.2	551.8	7.7	2,449
plus discretionary non-domestic rate relief	5.0	4.9	-0.1	-2.0	2
less central government support	5,059.7	5,539.2	479.5	9.5	1,748
of which:					
revenue support grant	3,693.9	4,086.1	392.2	10.6	1,289
re-distributed non-domestic rates	1,101.0	1,135.0	34.0	3.1	358
police grant and floor funding	264.8	318.2	53.3	20.1	100
Council tax requirement	2,156.7	2,228.9	72.2	3.3	703
of which:					
paid by council tax reduction scheme	288.6	285.6	-3.1	-1.1	90
paid directly by council tax payers	1,868.1	1,943.3	75.2	4.0	613

(a) Includes police, fire and national park authorities. Service expenditure excludes that financed by income from sales, fees and charges, but includes that financed by specific and special government grants. The £ per head calculations use the 2020 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. Includes some budgeted Covid-19 expenditure for a small number of authorities.

Table 2 shows a year-on-year comparison of revenue expenditure across all authorities. The budgeted change for Wales in 2022-23 is an increase of £632 million or 7%.

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

	£ million			Percentage change	2022-23 £ per head
	2021-22	2022-23	Change		
County/county borough councils:					
Isle of Anglesey	177.0	188.2	11.2	6.3	2,672
Gwynedd	344.5	378.0	33.5	9.7	3,020
Conwy	289.1	312.8	23.6	8.2	2,647
Denbighshire	257.5	274.7	17.2	6.7	2,842
Flintshire	343.4	374.1	30.7	8.9	2,385
Wrexham	310.5	333.7	23.2	7.5	2,453
Powys	331.2	353.1	21.9	6.6	2,654
Ceredigion	190.1	200.9	10.9	5.7	2,756
Pembrokeshire	292.4	319.1	26.6	9.1	2,517
Carmarthenshire	508.8	535.2	26.3	5.2	2,816
Swansea	632.6	684.2	51.5	8.1	2,775
Neath Port Talbot	388.1	410.5	22.4	5.8	2,843
Bridgend	382.2	400.3	18.1	4.7	2,713
Vale of Glamorgan	315.3	339.2	23.9	7.6	2,507
Cardiff	901.4	976.2	74.7	8.3	2,644
Rhondda Cynon Taf	659.1	703.5	44.4	6.7	2,909
Merthyr Tydfil	159.9	173.5	13.6	8.5	2,871
Caerphilly	446.0	477.0	30.9	6.9	2,625
Blaenau Gwent	189.6	201.8	12.2	6.4	2,882
Torfaen	235.7	253.4	17.8	7.5	2,673
Monmouthshire	199.2	215.0	15.8	7.9	2,259
Newport	397.7	431.7	34.0	8.6	2,759
All county and county borough councils	7,951.6	8,536.2	584.6	7.4	2,693
Police and Crime Commissioners:					
Dyfed Powys	129.2	139.3	10.1	7.8	267
Gwent	169.8	175.6	5.8	3.4	294
North Wales	190.2	198.3	8.1	4.3	282
South Wales	377.5	395.1	17.6	4.7	294
All Police and Crime Commissioners	866.7	908.2	41.6	4.8	287
Fire authorities:					
Mid and West Wales	55.2	56.9	1.7	3.0	62
North Wales	39.3	41.6	2.3	6.0	59
South Wales	77.5	79.3	1.8	2.3	51
All fire authorities	172.0	177.8	5.8	3.4	56
National park authorities:					
Brecon Beacons	4.7	5.0	0.2	5.2	.
Pembrokeshire Coast	5.4	5.1	-0.3	-5.0	.
Snowdonia	9.4	9.5	0.1	1.1	.
All national park authorities	19.5	19.6	0.1	0.4	6
Wales	9,009.8	9,641.8	632.1	7.0	3,042

. data not applicable.

(a) Revenue expenditure 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 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. 29% of budget requirement is funded from council tax.

Chart 2: Financing of budget requirement in Wales, 2022-23

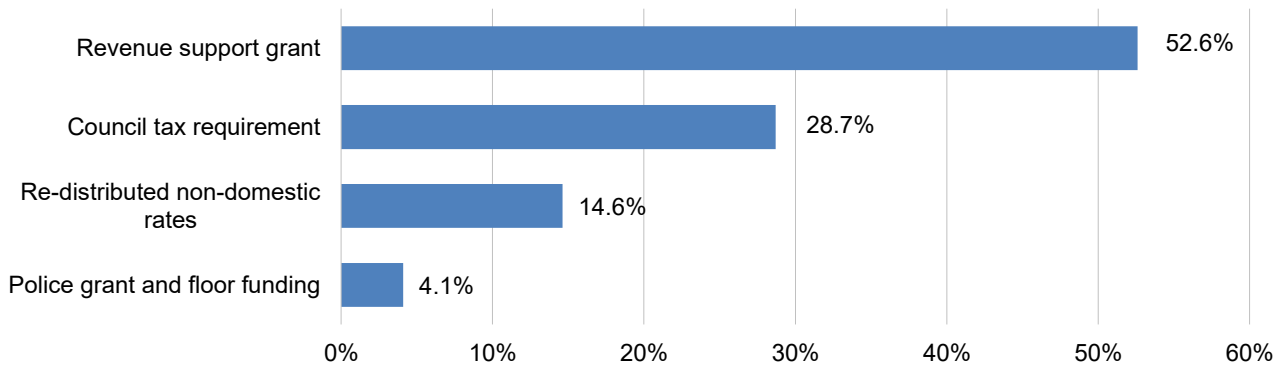
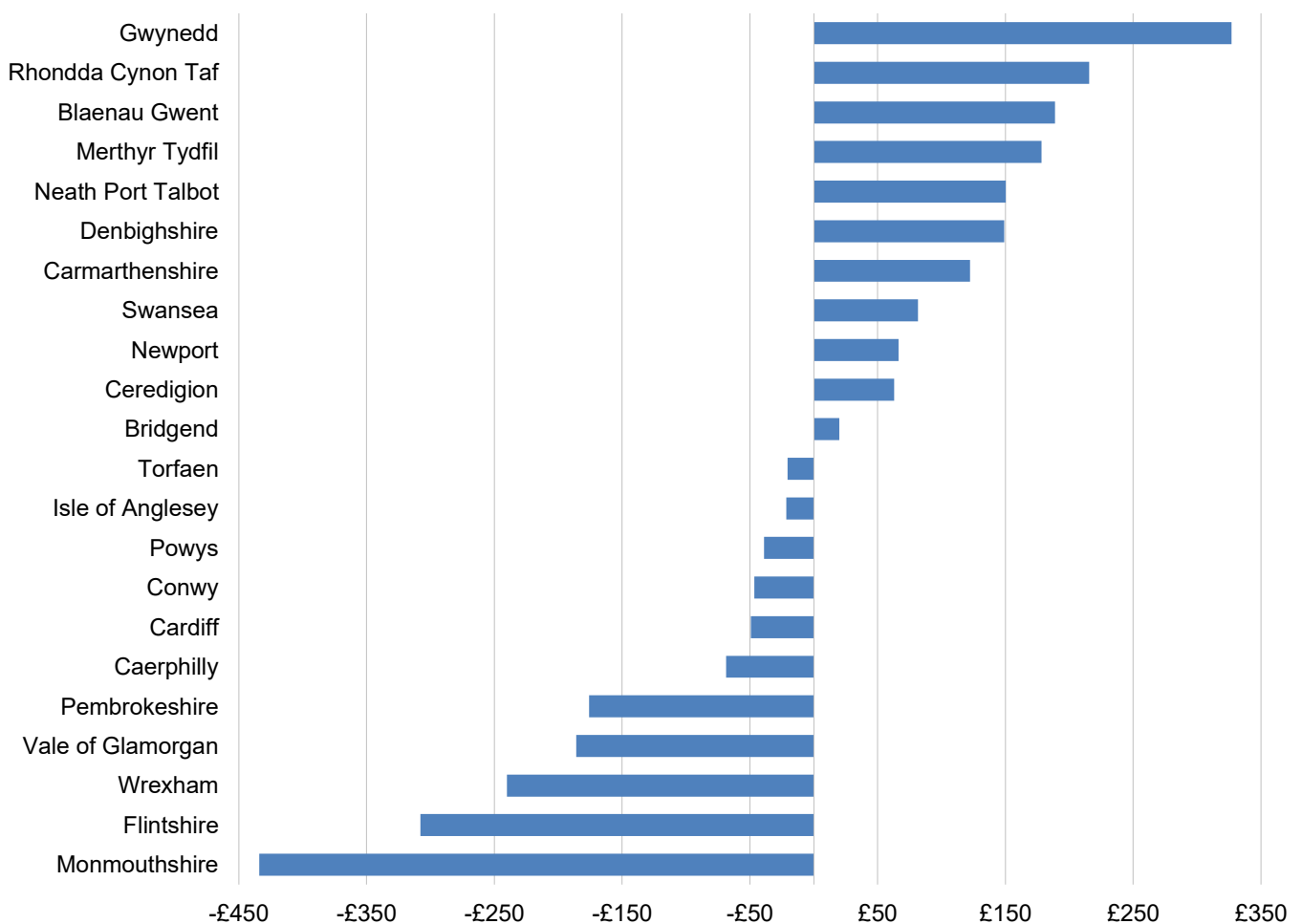


Chart 3 shows the revenue expenditure £ per head difference from the Wales County average of £2,693. The £ per head difference between the highest and lowest authority is £761.

Chart 3: £ per head, difference from the Wales County average, 2022-23



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 by £23 million (5%), housing revenue account is expected to decrease by £5 million (1%) and planning and economic development expenditure is expected to increase by £146 million (65%). Some services are showing large increases because of delayed expenditure due to COVID-19.

External support for local authorities shows an increase of £110 million (14%). Internal financing is expected to increase by £183 million (18%).

Table 3: Capital expenditure and financing (a)

	£ million				
	2020-21 outturn	2021-22 forecast	2022-23 forecast	Change between 2022-23 and 2021-22	
				£m	%
Capital expenditure					
County/county borough councils:					
Education	318.7	449.1	472.4	23.3	5
Social services	36.1	39.7	41.8	2.1	5
Roads and transport	238.8	174.1	241.1	67.0	38
Housing:					
Housing revenue account (HRA)	265.2	440.2	435.0	-5.2	-1
Non-HRA housing	45.8	71.1	68.0	-3.1	-4
Total housing	311.0	511.3	503.0	-8.3	-2
Local services:					
Environmental	94.6	92.2	136.5	44.3	48
Planning and economic development	118.6	224.2	370.6	146.4	65
Libraries, culture, heritage, sport and recreation	52.7	49.5	100.2	50.7	102
Other	79.1	154.3	127.1	-27.3	-18
Total local services	345.0	520.2	734.3	214.2	41
Total county/county borough councils	1,249.7	1,694.4	1,992.7	298.3	18
Police	58.7	90.7	84.6	-6.0	-7
Fire authorities	11.7	17.0	18.6	1.6	10
National park authorities	3.8	4.2	3.2	-0.9	-22
Total capital expenditure	1,323.9	1,806.2	2,099.1	293.0	16
Capital financing					
External support:					
General capital funding / general government grant	663.6	504.4	558.5	54.1	11
Grants from European Community Structural Funds	12.4	16.3			
Capital grants and contributions from other sources	44.8	72.0	146.6	74.6	104
Supported borrowing	72.4	120.7	118.3	-2.4	-2
Major repairs allowance	60.4	60.4	60.3	-0.1	-0
Sub-total external support	853.6	773.8	883.7	110.0	14
Internal financing:					
Unsupported borrowing	257.9	626.8	797.7	170.9	27
Use of capital receipts	29.7	105.7	107.6	1.9	2
Capital expenditure charged to a revenue account (non-HRA)	90.1	186.0	193.3	7.3	4
Capital expenditure charged to a revenue account (HRA)	92.5	113.9	116.9	3.0	3
Sub-total internal financing	470.3	1,032.4	1,215.4	183.0	18
Total capital financing	1,323.9	1,806.2	2,099.1	293.0	16

(a) See definitions on the backpage.

Table 4 shows capital forecast expenditure by authority and service in 2022-23. County councils plan to spend £503 million on housing with overall expenditure of £1,993 million or £629 per head of the Welsh population. Police, Fire and National park authorities forecast expenditure of £85 million, £19 million and £3 million respectively.

Table 4: Capital forecast expenditure by authority and service, 2022-23 £ 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	10.0	0.0	2.3	19.5	4.2	.	36.0	511
Gwynedd	10.5	3.8	6.1	16.1	18.5	.	55.0	440
Conwy	6.6	6.4	20.7	2.0	50.4	.	86.1	728
Denbighshire	15.9	6.3	5.9	24.0	34.5	.	86.7	897
Flintshire	10.0	1.4	1.6	26.8	22.8	.	62.5	399
Wrexham	12.5	1.2	1.9	57.7	16.7	.	90.0	662
Powys	27.9	2.5	13.3	27.3	62.9	.	133.9	1,006
Ceredigion	10.3	2.4	2.9	1.9	23.0	.	40.5	555
Pembrokeshire	37.4	0.4	3.5	29.1	52.8	.	123.2	972
Carmarthenshire	51.4	0.0	17.7	44.7	75.2	.	189.0	994
Swansea	6.3	1.5	13.0	63.9	59.6	.	144.3	585
Neath Port Talbot	21.6	0.4	4.8	4.7	38.9	.	70.4	488
Bridgend	11.3	2.6	3.5	2.2	50.4	.	70.0	474
Vale of Glamorgan	20.1	0.2	7.4	41.3	16.2	.	85.2	630
Cardiff	58.3	4.9	41.0	80.6	78.6	.	263.4	713
Rhondda Cynon Taf	26.1	4.9	31.1	9.0	22.9	.	94.0	389
Merthyr Tydfil	22.6	0.0	4.6	1.2	20.9	.	49.4	817
Caerphilly	1.4	0.3	1.9	45.5	4.2	.	53.3	293
Blaenau Gwent	22.1	0.3	37.4	0.3	13.2	.	73.2	1,046
Torfaen	15.0	0.0	7.4	1.6	18.0	.	41.9	442
Monmouthshire	14.6	1.2	5.0	2.0	6.8	.	29.6	311
Newport	60.6	1.2	8.1	1.6	43.5	.	115.1	736
All county/county borough councils	472.4	41.8	241.1	503.0	734.3	.	1,992.7	629
Police:								
Dyfed Powys	.	.	.	.	.	27.6	27.6	53
Gwent	.	.	.	.	.	17.9	17.9	30
North Wales	.	.	.	.	.	11.1	11.1	16
South Wales	.	.	.	.	.	28.0	28.0	21
All police	.	.	.	.	.	84.6	84.6	27
Fire authorities:								
Mid and West Wales	.	.	.	.	.	9.0	9.0	10
North Wales	.	.	.	.	.	2.9	2.9	4
South Wales	.	.	.	.	.	6.7	6.7	4
All fire authorities	.	.	.	.	.	18.6	18.6	6
National park authorities:								
Brecon Beacons	.	.	.	.	0.7	.	0.7	.
Pembrokeshire Coast	.	.	.	.	1.0	.	1.0	.
Snowdonia	.	.	.	.	1.6	.	1.6	.
All national park authorities	.	.	.	.	3.2	.	3.2	.
Wales	472.4	41.8	241.1	503.0	737.6	103.2	2,099.1	662

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

(b) The £ per head calculations use the 2020 mid-year estimates of population.
 . Data not applicable.

Chart 4 shows capital forecast expenditure by service, as a percentage of overall expenditure in 2022-23. Housing makes up 24 percent of all expenditure.

Chart 4: Forecast capital expenditure by service, 2022-23

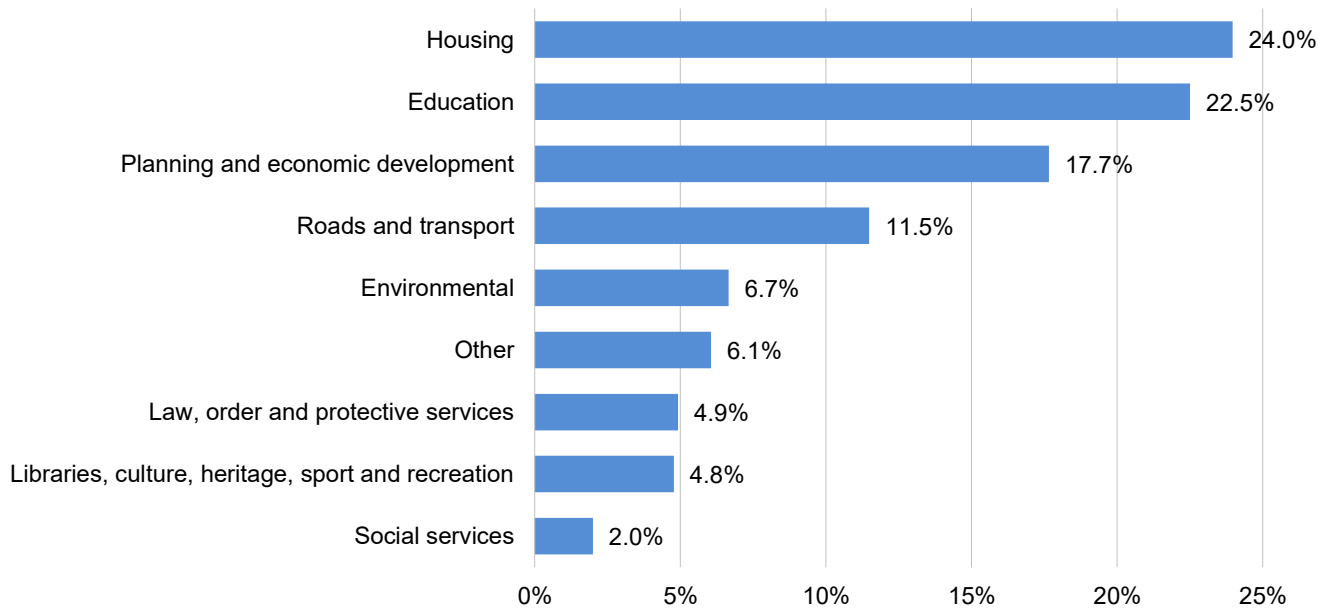
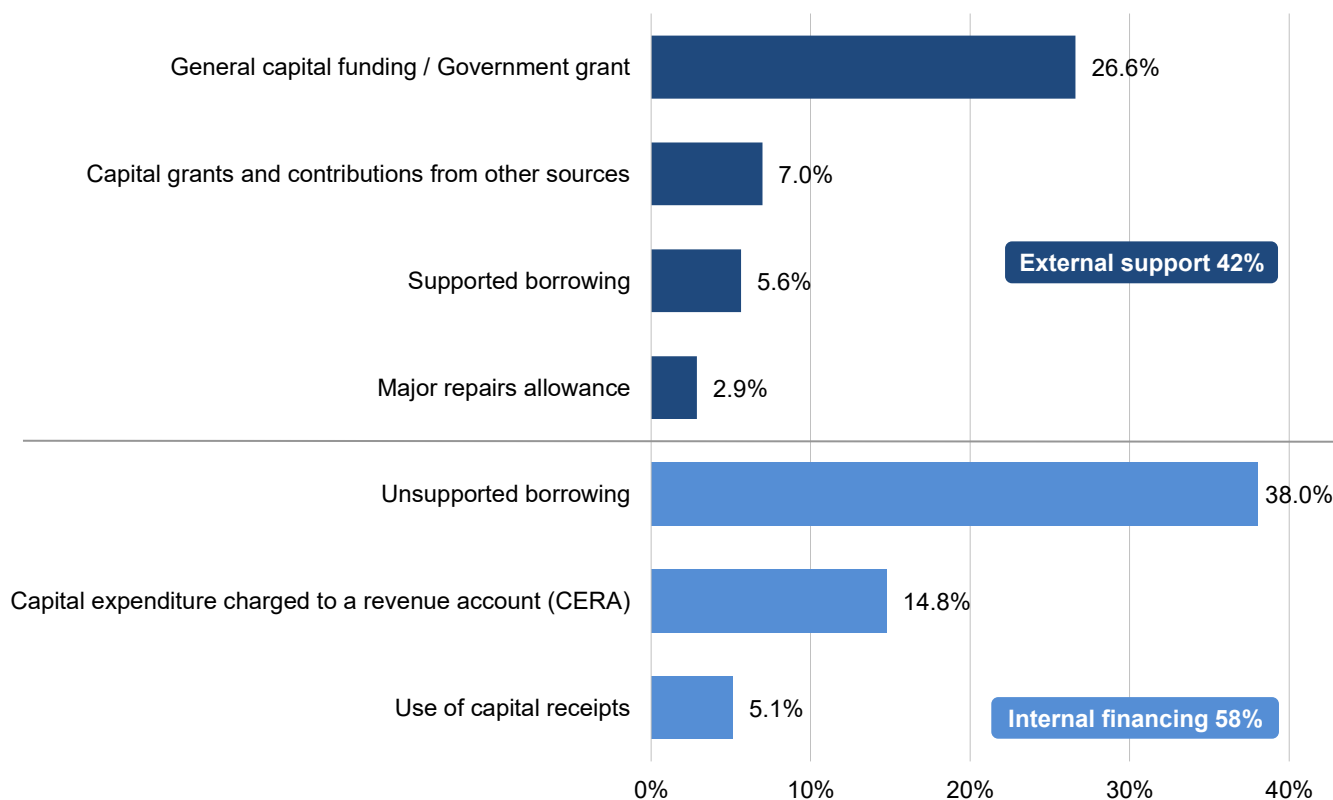


Chart 5 shows how local authorities intend to finance their expenditure in 2022-23 and the balance of funding between external support and internal financing. Unsupported borrowing makes up 38 percent of all capital financing.

Chart 5: Financing of capital forecast expenditure, 2022-23



Glossary

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.

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 Senedd Cymu/Welsh Parliament 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 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 and validation is carried out between February and May. The data is normally published in June, 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, 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 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 wellbeing of Wales. The Act puts in place seven wellbeing 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 wellbeing goals, and (b) lay a copy of the national indicators

before Senedd Cymru. Under section 10(8) of the Well-being of Future Generations Act, where the Welsh Ministers revise the national indicators, they must as soon as reasonably practicable (a) publish the indicators as revised and (b) lay a copy of them before the Senedd. These national indicators were laid before the Senedd in 2021. The indicators laid on 14 December 2021 replace the set laid on 16 March 2016.

Information on the indicators, along with narratives for each of the wellbeing 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 wellbeing assessments and local wellbeing 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 2023 - Statistical first release and StatsWales update for 2023-24 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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