



The Chief Financial Officer
All Local Authorities in England

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Dear Sir/Madam

ANNUAL REVENUE BUDGET RETURNS FOR 2012-13

1. Copies of this year's **RA** and **SG** budget returns (each a separate page of one Excel workbook), together with guidance notes are attached with this letter. These attachments have also been copied to our usual form contacts that complete the form for your authority.
2. **The information specified on the RA and SG forms must be submitted to the Secretary of State under section 139A of the 1988 Act (as inserted by paragraph 68 of Schedule 5 to the Local Government and Housing Act 1989). The deadline for returning these forms is 27 April 2012.**
3. It is imperative that **all local authorities strictly adhere to this deadline** as these forms provide essential data for a number of different purposes. A central and immediate purpose is to provide the Secretary of State, HM Treasury and the National Accounts with the most up to date information available on local authority revenue spending for macroeconomic decision making. In addition, the returns are important sources of information for making evidence based policy decisions, answering Parliamentary Questions and other requests for information by Ministers, local authorities and their associations, and the general public. Authorities are asked to provide their **best estimates** by the deadline. Any amendments to forms may be made at a later stage. More information on why this information is vital to the management of the economy can be found here:
<http://www.communities.gov.uk/documents/statistics/pdf/1193664.pdf>
4. **There are three major issues and some minor changes to the structure of the forms from last year**, which have been noted in a changes document which is attached with this letter. These changes were discussed and agreed at a meeting of the Central and Local Government Information Partnership/Finance (CLIP/F).
5. One of the major changes to this year's RA forms is termination of BID data collection. The BID form was completed by billing authorities only in respect of transactions relating to any BID Revenue Account(s) that it had in operation for the relevant financial year. Other authorities were instructed to leave the form blank. The collection of the BID data was primarily for use by internal partners in DCLG. After consultation with the CLIP(F) local government and central

government liaison group and internal policy colleagues it has been decided to remove the BID form from the RA (Budget) forms

6. The second change relates to the council housing finance reform from April 2012. As a result, the information on Housing Revenue Account (HRA) income and expenditure is included in the Revenue Account (RA) Budget forms.
7. The third change relates to the information collected on an IAS19 and PFI On-Balance Sheet basis, as previously collected on the RA lines 961 to 989. These lines have been deleted as they are not required. However, only the "Total service expenditure on non-IAS19 and PFI "On Balance Sheet" basis" will be collected on a new line 979.
8. As in the case of previous years RA form, in respect of retirement benefits, the information should continue to be reported on a **non-International Accounting Standard 19 (IAS19)** basis. Likewise, local authorities should continue to account for PFI schemes in accordance with National Accounts accounting principles, and not on IFRS based principles as applied in their published accounts. Therefore when completing the RA forms, **local authorities should record PFI schemes on an 'off balance sheet' basis** unless they have economic ownership of the PFI assets. In line 979 an additional figure for total service expenditure is required, again on a non-IAS19 basis in respect of retirement benefits, but on an IFRS basis in respect of PFI schemes.
9. For detailed instructions on completion of all the forms, please refer to the attached General, **RA** and **SG** guidance notes (3 documents). The completed forms (and any queries) should be e-mailed to: lgf1.revenue@communities.gsi.gov.uk. Queries concerning the **RA** and **SG** forms may also be raised by calling 0303 44 42123 or 0303 44 41354. Please note that we no longer require signed paper copies of these forms.
10. CIPFA and Department for Communities and Local Government are continuing to work jointly, and will share the data you return on the budget and grants returns, thereby avoiding any duplication of effort on your part. CIPFA will be involved in validating the data but editorial control of the final data to be published will rest with Department for Communities and Local Government.
11. Authorities should adhere to the definitions of the lines on the forms, so that the information given accurately reflects the circumstances of the authority. Please check the interactive validation warnings throughout the forms, and especially check and enter reasons in response to warnings on the (separate) RA validations worksheet, which should reduce the need for the Department to contact you. General comments and suggestions may be entered on the memo sheet.
12. Thank you for your continued co-operation.

Yours faithfully



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JULIAN MUND
Director
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