

Explanation of OFLOG Financial Indicators

General Fund earmarked and unallocated reserves as a percentage of Net Revenue Expenditure: What level of financial reserves are accessible to a local authority?

This metric provides insight into a local authority's financial position and its ability to fund future projects or respond to unexpected events. A higher percentage may indicate that an authority has greater resources available to fund future projects, mitigate specific risks and to cushion against unexpected expenditure. Lower percentages may indicate that an authority has lower resources available to invest and less ability to absorb financial shocks. The data are as reported by local authorities on the Revenue Outturn (RO) returns from local government to DLUHC. Note that while this is the best available proxy for 'non-ringfenced reserves' in current reporting, some funds reported in the RO as 'other earmarked financial reserves' and included in this publication may be ringfenced, where for example reserves relate to grants with conditions that they are spent on specific services.

Metric definition: This metric presents earmarked and unallocated reserves, as a percentage of Net Revenue Expenditure. Reserves are sums set aside to finance future spending for purposes falling outside the definition of a provision. They are an important part of the resourcing available to local authorities and are held for a variety of purposes. Some reserves are held as a general cushion against uneven cashflows and a contingency against unexpected expenditure; these are referred to as 'unallocated reserves'. Other reserves are earmarked by an authority for specific purposes, such as to mitigate specific risks or to build up funds for known or anticipated future expenditure. These are known as 'earmarked reserves'. The level of reserves that are appropriate for an authority to hold will depend on its specific local circumstances, and what is prudent for one local authority may not be for another. Further information about an individual local authority's reserves can be found in the financial accounts published by that authority. Source: [DLUHC](#) (Local authority general fund earmarked and unallocated reserves, England, 2018 to 2022. Original name in source: General Fund (GF) earmarked & unallocated reserves as % of Net Revenue Expenditure)

Notes: Net Revenue Expenditure is the local authority Revenue Account expenditure (a broad measure of annual expenditure), netting off grants and other income that relates to particular services, including from sales, fees and charges.

General Fund earmarked and unallocated reserves as a percentage of service expenditure: What level of financial reserves are accessible to a local authority?

This metric provides insight into a local authority's financial position and its ability to fund future projects or respond to unexpected events. A higher percentage may indicate that an authority has greater resources available to fund future projects, mitigate specific risks and to cushion against unexpected expenditure. Lower percentages may indicate that an authority has lower resources available to invest and less ability to absorb financial shocks. The data are as reported by local authorities on the Revenue Outturn (RO) returns from local government to DLUHC. Note that while this is the best available proxy for 'non-ringfenced reserves' in current reporting, some funds reported in the RO as 'other earmarked financial reserves' and included in this publication may be ringfenced, where for example reserves relate to grants with conditions that they are spent on specific services.

Metric definition: This metric presents earmarked and unallocated reserves, as a percentage of service expenditure. Reserves are sums set aside to finance future spending for purposes falling outside the definition of a provision. They are an important part of the resourcing available to local authorities and are held for a variety of purposes. Some reserves are held as a general cushion against uneven cashflows and a contingency against unexpected expenditure; these are referred to as 'unallocated reserves'. Other reserves are earmarked by an authority for specific purposes, such as to mitigate specific risks or to build up funds for known or anticipated future expenditure. These are known as 'earmarked reserves'. The level of reserves that are appropriate for an authority to hold will depend on its specific local circumstances, and what is prudent for one local authority may not be for another. Further information about an individual local authority's reserves can be found in the financial accounts published by that authority. Source: [DLUHC](#) (Local authority general fund earmarked and unallocated reserves, England, 2018 to 2022. Original name in source: General Fund (GF) earmarked & unallocated reserves as % of Service expenditure adjusted for ring-fenced grants)

Notes: This metric is an alternative to the reserves by Net Revenue Expenditure (NRE) measure, which is a widely used indicator for local government finance. For a small number of authorities, NRE is extremely small or even negative, resulting in an anomalously high or negative reserves metric. For this reason, we have chosen to also divide by total service expenditure, which we consider a more reliable metric.

Total Core Spending Power per dwelling: What resources are available to a local authority, per dwelling?

This metric helps to understand how the financial resources available varies between different authorities. This metric is one of a suite of financial metrics included as contextual information on local authority funding, the constraints local authorities face and their overall financial resilience.

Metric definition: Core Spending Power (CSP) is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement. Core Spending Power per dwelling is calculated by dividing the total Core Spending Power available by the number of dwellings. Source: [DLUHC](#) (Core spending power summary, Per Dwelling worksheet. Data is revised in the following year's publication and therefore 2021/22 data is taken from the 2022/23 spreadsheet (note different link for each year's data; see below) Original name in source: year (e.g. 2021/22)).

Notes: CSP sets out the money that has been made available to local authorities through the Local Government Finance Settlement, including council tax, locally retained business rates, and government grant. A dwelling refers to a self-contained unit of accommodation where all of the rooms (including kitchen, bathroom and toilet) in a household's accommodation are behind a single door that only the household can use. Households are therefore a subset of a dwelling as more than one household can be resident in a dwelling.

Links to individual sources for all

years: [2023/24](#), [2022/23](#), [2021/22](#), [2020/21](#), [2019/20](#), [2018/19](#), [2017/18](#), [2016/17](#), [2015/16](#).

Level of Band D council tax rates: How much does a Band D property pay in council tax?

This metric shows the council tax payable on a Band D property and is widely regarded as a benchmark when comparing council tax levels in different areas or over time. This metric is one of a suite of financial metrics included as contextual information on local authority funding, the constraints local authorities face and their overall financial resilience.

Metric definition: This is the council tax payable on a Band D dwelling occupied as a main residence by two adults. It is calculated as the council tax requirement in that authority divided by the council tax setting taxbase. Figures exclude parish precepts. Source: [DLUHC](#) (Band D Council Tax figures 1993 onwards (revised), exc_PP worksheet. Original name in source: financial year (e.g. 2023 to 2024)).

Notes: This metric only represents the element of council tax that is being charged by the authority itself. It does not reflect council tax being charged by other authorities in their area. This means that figures for a district council cannot be compared with figures from a county council, unitary authority, metropolitan council or London borough. A county council also cannot be compared against these latter authorities. The figures will also not reflect council tax charged by police and crime commissioners, fire and rescue authorities, combined authorities. Parish council tax precepts are also excluded because not all authorities have parishes within the area.

Debt servicing as percentage of Core Spending Power: How much of a local authority's available money to spend is spent on debt repayments?

This metric is intended to be a proxy of the affordability of a local authority's debt. It gives a measure of the costs to service debt, standardised by a financial measure of size to allow the metric to be comparable across authorities. This indicator is useful to view alongside total debt levels.

Metric definition: Debt servicing costs are taken from local authority reporting to DLUHC. Aggregated debt servicing costs are standardised against Core Spending Power, which gives a measure the total amount of money authorities have to spend. Source: DLUHC (numerator) and [DLUHC](#) (denominator) (For numerator: Revenue outturn summary (RS), RA_LA_data tab (note different link for each year's data; see below). Original names in sources and calculation: sum of spending lines 773, 776, 781 and 788. For denominator: Core spending power supporting information, separate worksheet for each financial year. Original name in source: Core Spending Power. Calculation: sum of spending lines 773, 776, 781 and 788 / (Core Spending Power)). Links to individual sources for all years for numerator data: [2021/22](#), [2020/21](#), [2019/20](#), [2018/19](#), [2017/18](#), [2016/17](#), [2015/16](#). Note different units from different sources (e.g. £s versus £000s)

Notes: On its own, this indicator cannot show whether a local authority is managing its risks effectively or why the debt was incurred. Different debt will carry different risks and be issued on different repayment terms. Core Spending Power is as reported in the Local Government Finance Settlement (see Core Spending Power per dwelling metric for more information).

Total debt as percentage of Core Spending Power: How much debt does a local authority hold relative to its size?

This metric is intended to indicate the total debt held by a local authority. It gives a measure of debt, standardised by a financial measure of size to allow the metric to be comparable across authorities, This indicator is useful to view alongside the debt servicing indicator.

Metric definition: This metric uses Capital Finance Requirement (CFR) as a measure of total debt and Core Spending Power (CSP) as a measure of financial size (i.e., the total amount of money authorities have to spend). Since CFR is updated at the end of a financial year, we have used the CSP for the following year to make the measures closely match in time. For example, for 2021/22 data, CFR is the value as of 31st March 2022 and CSP is from 2022-23. Source: [DLUHC](#) (numerator) and [DLUHC](#) (denominator) (For numerator: Capital outturn return (COR C): prudential system information, Capital_Financing_Requirement worksheet (note different link for each year's data; see below). Original name in source: Capital Financing Requirement as 31 March year. For denominator: Core spending power supporting information, separate worksheet for each financial year. Original name in source: Core Spending Power. Calculation: CFR / CSP noting point on dates above, where 2021/22 data uses 2022/23 CSP and different units from different sources (e.g. £s versus £000s) Links to individual sources for all years for numerator data: [2021/22](#), [2020/21](#), [2019/20](#), [2018/19](#), [2017/18](#), [2016/17](#), [2015/16](#).

Notes: CFR measures an authority's need to borrow. It is defined as the amount of capital expenditure not financed by available capital resources. CFR is financed by either external borrowing or the local authority's surplus cash (known as internal borrowing). This indicator displays one way of calculating total debt by authority size. Disproportionate levels of debt are at greater risk of not being able to be repaid. Excessive debt can place financial sustainability at risk. However, on its own it cannot show whether a local authority is managing its risks effectively or why the debt was incurred. Capital Finance Requirement is derived from capital outturn returns (COR) submitted by local authorities to DLUHC. Core Spending Power is as reported in the Local Government Finance Settlement (see Core Spending Power per dwelling metric for more information).

Council tax revenue per dwelling: How much council tax is paid per dwelling?

This metric allows comparison of the average amount of council tax paid by a tax paying dwelling in each local authority, and is an alternative measure to the area average Band D council tax. The number of dwellings in a local authority can be different to their council tax base because of the types of dwellings in their area and the discounts that they provide. This means that the average council tax per dwelling measure has more variation than the average Band D council tax rate.

Metric definition: Council tax per dwelling is calculated as the total council tax payable in an area divided by the total number of chargeable dwellings in the area.

Source: [DLUHC](#) (Average Council Tax per dwelling 1993 onwards, Average_Per_Dwelling worksheet. Original name in source: financial year (e.g. 2023 to 2024)).

Notes: As of 1 April 2023, the data underpinning this metric is returned to DLUHC by 296 billing authorities and 95 precepting authorities in England on the Council Tax Requirement (CTR) forms. The number of chargeable dwellings is reported in the Council Tax Base figures collected in October of the previous year, and are different to the Band D equivalent taxbase determined for the council tax setting process. The number of dwellings is higher at a national level than the council taxbase. This is because the number of chargeable dwellings considers Bands A to H equally, whereas the taxbase used for council tax setting will reflect the differences between Bands as well as estimated adjustments for local council tax setting schemes and collection rates. A dwelling refers to a self-contained unit of accommodation where all of the rooms (including kitchen, bathroom and toilet) in a household's accommodation are behind a single door that only the household can use. Households are therefore a subset of a dwelling as more than one household can be resident in a dwelling.

Council tax collection rates

This metric shows local authority in-year collection rates of council tax. Council tax is one source of income for local authorities. This metric is not intended as a performance measure.

Metric definition: This metric is the amount of council tax for the financial year that was collected by 31 March as a percentage of the total amount that local authorities would have collected for that financial year if everyone liable had paid what they were supposed to. Local authorities will continue to collect outstanding payments after the financial year, and these are not reflected in this metric.

Source: [DLUHC](#). (Table 6: Council tax and non-domestic rates - collection amounts and rates, Date, Table 6a. Original name in source: '(Table 6: Council tax and non-domestic rates - collection amounts and rates, Date, Table 6a. Original name in source: Amount collected by [date of end of FY] as a percentage of amount collectable [FY] (%)'). Links to individual sources for all years: [2015-16](#), [2016-17](#), [2017-18](#), [2018-19](#), [2019-20](#), [2020-21](#), [2021-22](#), [2022-23](#)

Notes: There are a number of special factors which may affect the amount of council tax that local authorities should have been able to collect and the amount they actually collected. Information these can be found on gov.uk at: [Collection rates for Council Tax and non-domestic rates in England, 2022 to 2023:Special Factors](#).

During the COVID-19 pandemic, many local authorities temporarily paused or reduced recovery or enforcement action in 2020-21 and were unable to get time in court due to court closures. Authorities reported this has affected both in-year collection rates and their collection of arrears in 2020-21. For 2021-22, the resumption of court services and recovery action was slow to resume and has continued to impact collection rates.

Other factors that may affect the comparisons of this data include: Local authorities having different approaches to collection; the demographics and levels of financial distress within the local population; and factors outside a local authorities control, such as economic conditions.

Nondomestic rates collection rates

This metric covers local authority in-year collection rates for non-domestic properties, better known as business rates. Business rates is one source of income for local authorities. This metric is not intended as a performance measure.

Metric definition: This metric is the amount of non-domestic rates for the financial year that was collected by 31 March as a percentage of the total amount that local authorities would have collected for that financial year if everyone liable had paid what they were supposed to. Local authorities will continue to collect outstanding payments after the financial year, and these are not reflected in this metric.

Source: [DLUHC](#) (Table 6: Council tax and non-domestic rates - collection amounts and rates, Date, Table 6a. Original name in source: 'Amount collected by [date of end of FY] as a percentage of amount collectable [FY] (%)'). Links to individual sources for all years: [2015-16](#), [2016-17](#), [2017-18](#), [2018-19](#), [2019-20](#), [2020-21](#), [2021-22](#), [2022-23](#)

Notes: There are a number of special factors which may affect the amount of non-domestic rates that local authorities should have been able to collect and the amount they actually collected. Information these can be found on gov.uk at: <https://www.gov.uk/government/statistics/collection-rates-for-council-tax-and-non-domestic-rates-in-england-2022-to-2023/collection-rates-for-council-tax-and-non-domestic-rates-in-england-2022-to-2023#special-factors>.

During the COVID-19 pandemic, many local authorities temporarily paused or reduced recovery or enforcement action in 2020-21 and were unable to get time in court due to court closures. Authorities reported this has affected both in-year collection rates and their collection of arrears in 2020-21. For 2021-22, the resumption of court services and recovery action was slow to resume and has continued to impact collection rates.

Other factors that may affect this data include: Local authorities having different approaches to collection; the variation of businesses in the area; and factors outside a local authorities control, such as economic conditions.