



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities & Local
Government**
2 Marsham Street
London
SW1P 4DF

26 June 2020

Ed Humpherson
Director General for Regulation,
Office for Statistics Regulation

Dear Ed,

Temporary suspension of National Statistics designation for Local authority revenue expenditure and financing, England: 2020 to 2021 budget

I am writing to ask you to consider a temporary suspension of the National Statistics badging for the Ministry of Housing, Communities and Local Government's statistics on *Local authority revenue expenditure and financing, England: 2020 to 2021 budget*.

The Department collects and publishes revenue account budget data from local authorities on an annual basis. Local authorities are required by the Secretary of State to complete and return these forms under section 139A of the 1988 Local Government Act (as inserted by paragraph 68 of Schedule 5 to the Local Government and Housing Act 1989). Budgets are set ahead of the financial year and usually approved in February.

This year forms were sent out 14th February via the Department's online data collection platform, with returns due back 10th April. In response to the Coronavirus outbreak, we wrote to local authorities on 6th April, extending the deadline by 2 weeks and adding a question to the form asking whether figures included the first tranche of COVID-19 grant that was allocated to authorities at the end of March.

The vast majority of authorities have returned their original budgets, without making any adjustment as a result of COVID-19. However some authorities were not content to send out of date budgets and have made adjustments to varying degrees. For example, some have only included additional grants, whilst others have considered potential impacts on income and reserve levels. This presents a particular challenge when compiling aggregate England figures. Additionally whatever steps we take, we know these budget figures are likely to differ greatly from actual revenue expenditure over the year, even for those authorities who have made some adjustments.

Our priority is to set out the data as clearly as possible and with all appropriate caveats. For this reason we intend to remove some of the tables and commentary

which are less meaningful with the differences in reporting. This also allows us to focus on adding more detail to the tables we do include and to be as helpful as possible to our key users. These are the Office for National Statistics, HM Treasury and Office for Budget Responsibility, who use these as starting points for national totals for forecasting and reporting. We have consulted them on the most useful approach for this year's publication.

These statistics are currently designated as National Statistics, but it is my assessment that, given these challenges, the statistics cannot be subject to the normal level of quality assurance. Having consulted your published [COVID-19 guidance on the suspension of National Statistics status](#), I feel the most appropriate course of action would be to seek temporary de-designation for the 2020 to 2021 statistics.

I am confident that these issues are specific to this year only and will be resolved going forward and I anticipate writing a further letter asking for the temporary suspension of the National Statistics badging to end ahead of next year's release.

Yours sincerely,

Sandra Tudor,
Head of Profession for Statistics, MHCLG