

Research Briefing

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Local government finances



Summary

- 1 Local government in England: structures and funding processes
- 2 Funding for local authorities in England
- 3 Local authority spending in England
- 4 Devolved administrations
- 5 Further reading

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Summary

Local government in England is handled by several different types of local authority – in some areas it is split into two tiers (of district and county councils), while in others a single authority handles all local government responsibilities. The needs and relative deprivation of these areas vary widely, and so does the amount of money available to each.

Funding for local authorities in England

Most funding for local authority services is allocated in annual Local government Finance Settlements. These settlements determine the level of “core spending power” that each authority will have; the total is made up of grant funding from central government, retained business rates, and revenue from council tax. Other ring-fenced consolidated grants for specific purposes are also included in the settlement, although only some of these are included in core spending power.

Levels of core spending power have changed over time. Authorities with social care responsibilities have generally had real-terms increases in their core spending power since 2019/20, but for other authorities the trend has been much flatter. Council tax revenue and grants for social care now make up a larger proportion of core spending power than in previous years.

Other funding is also provided outside annual finance settlements, such as the Dedicated Schools Grant, other grants for housing, education, and skills, and funding for investment purposes.

Local authority spending

Education services make up the largest proportion of local authority day-to-day spending in England, followed by adult and children’s social care. Spending on housing and on highways and transport make up the largest proportion of investment spending.

Local authority day-to-day spending in England has generally decreased over the past decade. This is partly driven by lower spending on education as more schools become academies and receive their funding from central government. Spending on adult and children’s social care has increased.

Similar statistics are also available for the devolved administrations of the UK, and this briefing includes information on where this data can be found.

1 Local government in England: structures and funding processes

There are 21 county councils, 164 district councils, and 132 unitary authorities in England.

Within much of England, local government responsibilities are split between two tiers. In 2026/27, the upper tier consists of 21 county councils, while the lower tier consists of 164 district councils; each county contains several districts. In other areas, a single “unitary authority” takes on the responsibilities of both tiers; there are 132 of these, including the 32 London boroughs and 36 metropolitan districts.¹

In addition to these structures, there are 31 fire and rescue authorities in England, some of which cover more than one upper-tier authority area.² Similarly, there are 33 directly-elected Police and Crime Commissioners in England, plus the Mayors or Deputy Mayors of London, Greater Manchester, York and North Yorkshire, South Yorkshire, and West Yorkshire (who carry out the role of PCC within their areas). The statistics in this briefing do not cover these authorities except where noted.

Upper-tier, lower-tier and unitary authorities all have access to three main sources of finance:

- Council tax receipts;
- A proportion of business rates raised within the authority area;
- Funding from central government.

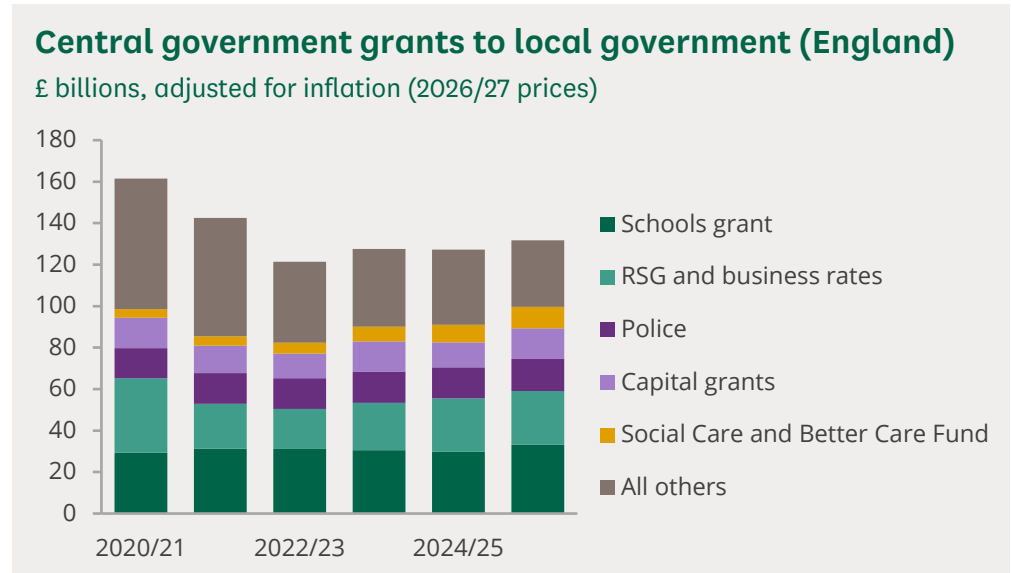
Local authorities also take in money in the form of fees and charges for providing services, but these offset the cost of those services rather than being used as part of their overall pool of money.

Central funding is made up of a number of different grants, several of which are bundled together into the Local Government Finance Settlement (see section 2.1). The calculations used to create the settlement take into account each council’s ability to raise its own revenue, in order to balance funding across authority areas and ensure that they are able to carry out services. Authorities also receive several other grants outside this settlement, ring-fenced for specific purposes.

¹ This total includes the City of London and the Isles of Scilly, both of which have unique governance structures for historical and geographical reasons. Their financial arrangements are similarly unique, making it difficult to compare them to other local authorities; they are therefore not included in any of the summary calculations in this briefing.

² This total does not include fire and rescue services which are provided as part of the responsibilities of unitary authorities and county councils. It only includes fire authorities which receive their own funding settlement.

In total, local authorities in England received £121 billion in grants from central government in 2024/25. This was an increase on the previous year, but lower than during the covid-19 pandemic. As the chart below shows, the largest grant was for schools, followed by the un-ringfenced Revenue Support Grant (RSG) and business rates revenue. These grants are explained further in section 2.



Source: HM Treasury, [Public Expenditure Statistical Analyses 2025](#), 17 July 2025, tables 7.2 and 7.3

The government has said that it wants to reorganise local government in England to move away from the two-tier system and have unitary authorities instead. The process is explained further in the Library research briefing [Local government reorganisation 2026](#).

The above is a very brief overview; for more details, please see the Library’s briefing on [Local government in England: structures](#).

2 Funding for local authorities in England

2.1 Local Government Finance Settlements

Each year, the Ministry of Housing, Communities and Local Government (MHCLG) allocates funding to local authorities in England via the Local Government Finance Settlement. A provisional version of the settlement is usually published in late December. MHCLG then consults local authorities, and publishes a final version of the settlement in February ahead of a debate and vote in the House of Commons.

The Library publishes a briefing on each year's settlement. The most recent is [Local Government Finance Settlement 2026/27 to 2028/29](#), published in February 2026.

Each Local Government Finance Settlement allocates every local authority in England a level of core spending power. This is a government estimate of the total amount of money that local authorities have available to them for making decisions, taking into account their income from council tax and business rates (although not including certain grants which are passed on directly to other service providers, such as the Dedicated Schools Grant).³

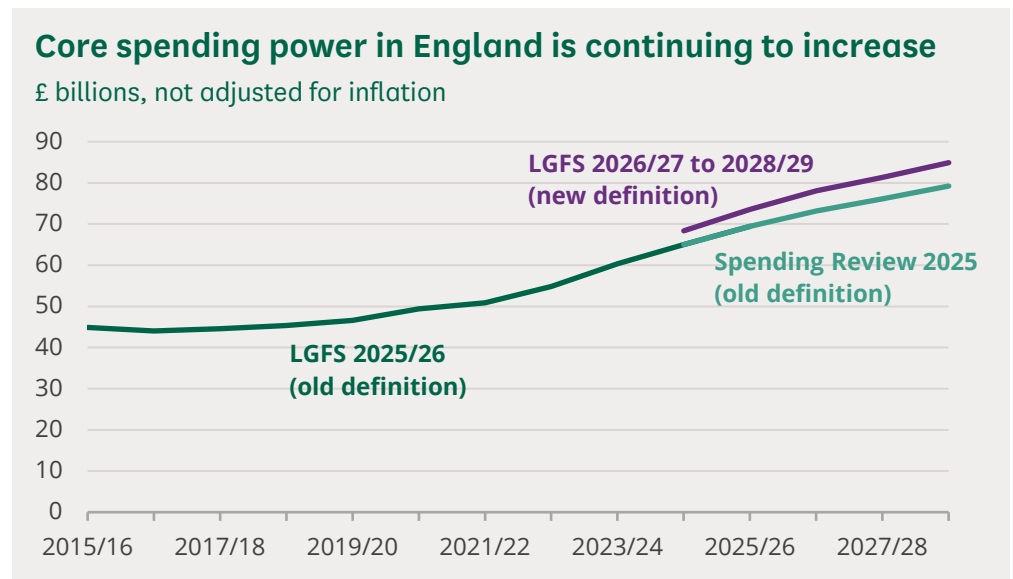
Core spending power totals in England over time

The system of local government funding in England has changed over time, which can make year-to-year comparisons difficult. The available data gives us comparable figures between 2015/16 and 2025/26, and it is possible to estimate changes from earlier years as well.⁴ The 2026/27 settlement includes figures from 2024/25 to 2028/29, but these are not directly comparable to previous years because of a new definition of core spending power.

The chart below shows that core spending power in England has risen in cash terms since 2015/16, and is set to continue to do so until 2028/29. This is true whether we are looking at the old definition of core spending power from the 2025/26 settlement (which was also the basis for core spending power projections in the 2025 Spending Review) or that in the new settlement.

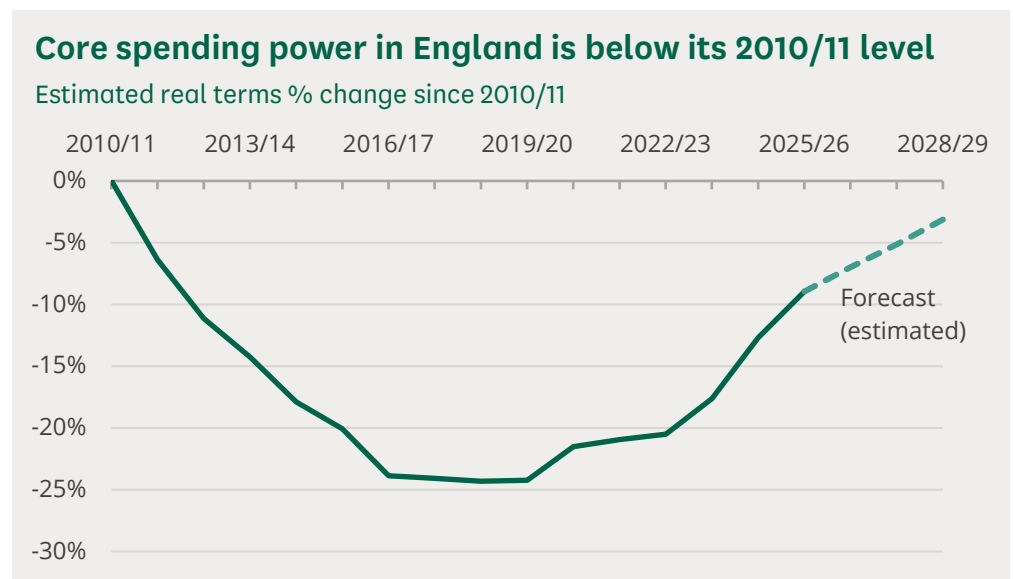
³ The full definition of core spending power and an explanation of the methodology behind calculating it are available on [gov.uk](https://www.gov.uk).

⁴ The National Audit Office (NAO) made such an estimate [in a 2021 data visualisation](#). The long-term estimates included in this section were created using a similar methodology to that of the NAO.



Sources: MHCLG, [Final local government finance settlement: England, 2025 to 2026](#), 3 February 2025; HM Treasury, [Spending Review 2025](#), 11 June 2025; MHCLG, [Final Local Government Finance Settlement: England, 2026-2027 to 2028-2029](#), 9 February 2026

However, as the chart below shows, this rise has not yet made up for the large cuts in core spending power that took place in the first half of the 2010s. As of the 2025 Spending Review, by 2028/29 core spending power was still expected to be about 3% below its 2010/11 level in real terms.



Sources: MHCLG, [Final local government finance settlement: England, 2025 to 2026](#), 3 February 2025; HM Treasury, [Spending Review 2025](#), 11 June 2025

Comparing funding with need

Local authorities have said for some time that they are not receiving enough funding to meet the demands on the services they provide. For example, the Local Government Association said in response to the provisional 2025/26 Local Government Finance Settlement that the new funding provided in the settlement would “help councils meet some – but not all – of the pressures

they face”, and that councils would “continue to struggle to balance the books next year”.⁵

In February 2025, the National Audit Office (NAO) said in a report that both the levels of need in local authorities and the complexity of that need has increased. Given financial pressures, authorities were spending proportionally more on addressing immediate needs and less on preventative services, which could result in even higher costs in future. Despite extra spending, people were finding it increasingly difficult to access local authority services – for example, the number of requests for publicly funded adult social care rose by 15% between 2015/16 and 2023/24, but the number of people actually accessing this support increased by only 2%.⁶

Research by the Institute for Fiscal Studies (IFS) has shown that funding to local authorities is not distributed in a way that accurately matches up with their needs. According to the IFS, “the funding system for local government has largely broken down”, and estimates of local need now play a relatively small part in the distribution of funding.⁷

To address these problems, the government announced reforms to local authority funding systems in the Fair Funding Review 2.0. The new funding allocations produced as a result of this review were introduced in the 2026/27 finance settlement. The new allocations were phased in over the three years of the settlement, with transitional funding provided to authorities which would otherwise lose out.

More details are available in the Library research briefings [Explaining the Fair Funding Review 2.0](#) and [Local Government Finance Settlement 2026/27 to 2028/29](#).

Authorities vary widely in how their spending power has changed over time

A number of factors affect how core spending power has changed for different local authorities. As a result, some authorities have had much larger increases or decreases in their spending power than others. As the chart below shows, the variation between local authorities is very large – as of 2025/26, Wokingham’s core spending power was estimated to be about 12.1% higher than it had been in 2010/11, but at the other end of the scale Pendle’s core spending power was about 50.0% lower.

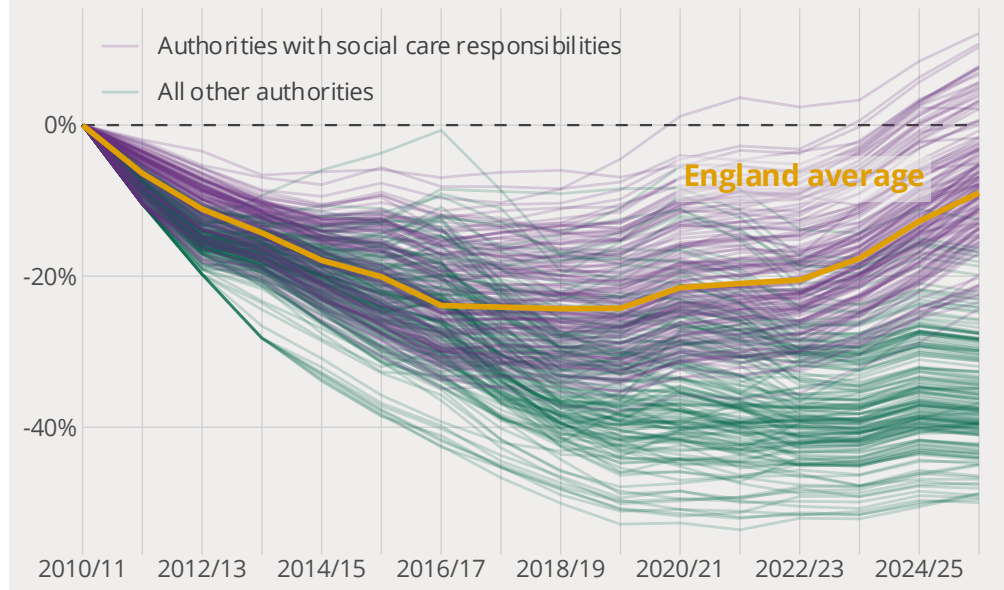
⁵ Local Government Association, [LGA statement on provisional Local Government Finance Settlement](#), 18 December 2024

⁶ NAO, [Local government financial sustainability](#), 28 February 2025

⁷ IFS, [How much public spending does each area receive? Local authority level estimates of health, police, school and local government spending](#), 15 August 2023, p46

Estimated changes in core spending power

% change since 2010/11, adjusted for inflation, all upper and lower tier authorities in England with data across entire period



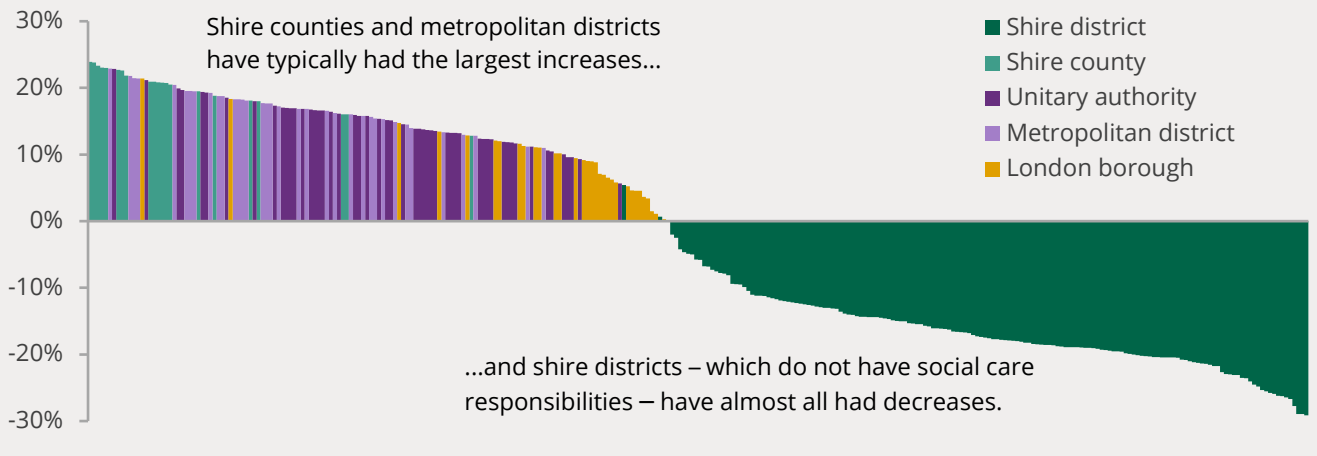
Source: MHCLG, [Final local government finance settlement: England, 2025 to 2026](#), 3 February 2025, and earlier editions

The chart also shows that one of the most significant factors affecting total core spending power is whether a local authority provides social care services. Since about 2019/20, most local authorities with social care responsibilities have had real terms increases in their core spending power almost every year, while the trend has been much flatter for authorities without these responsibilities.

The chart below shows the change in spending power for all authorities (except those that were reorganised) between 2015/16 and 2025/26, arranged left to right by their overall change in spending power. This shows that of the authorities which do have social care responsibilities, shire counties have typically had the largest increases in core spending power, and London boroughs have had the smallest.

Shire districts have had large decreases in core spending power

Real terms % change in core spending power, 2015/16 to 2025/26

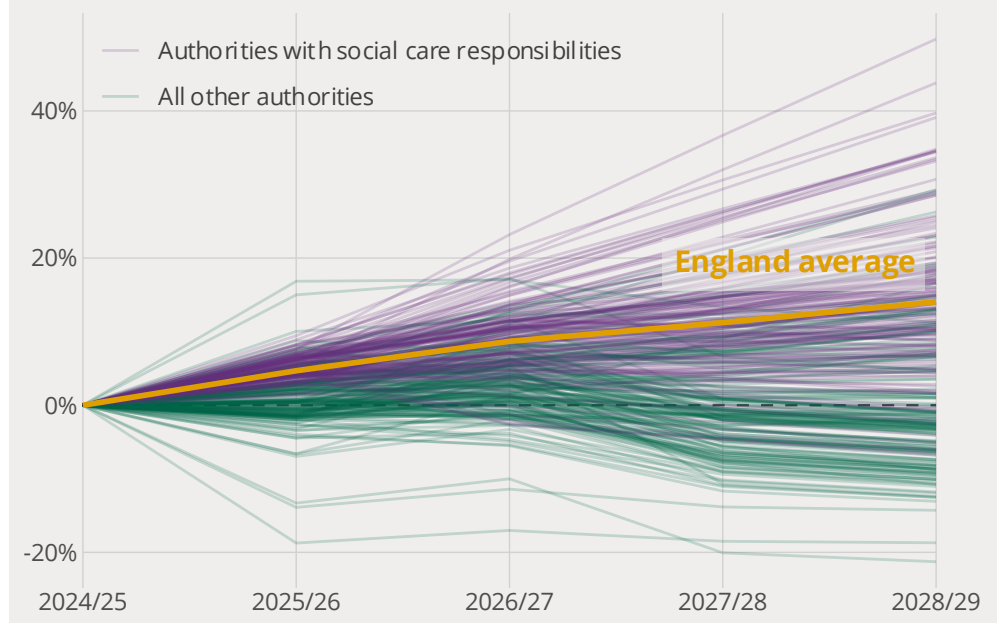


Source: MHCLG, [Final local government finance settlement: England, 2025 to 2026](#), 3 February 2025

Similar trends are likely to continue over the next few years. The chart below shows the projected change in core spending power for all authorities between 2024/25 and 2028/29 (using the core spending power definition from the 2026/27 settlement). This shows that authorities with social care responsibilities will typically have real-terms increases in their core spending power over this period, whereas other authorities will generally have decreases.

Estimated changes in core spending power

% change since 2024/25, adjusted for inflation, all upper and lower tier authorities in England



Source: MHCLG, [Final Local Government Finance Settlement: England, 2026-2027 to 2028-2029](#), 9 February 2026

Some funding is distributed using “relative needs formulas”, and these can align with other measures of need that are publicly available. For example,

deprivation (as measured by the English indices of deprivation) is linked with core spending power. The most deprived authorities have had tended to have the highest levels of core spending power per person since at least 2015/16, and this relationship has been strengthened in successive settlements. This trend is discussed further in section 2.4 of the Library research briefing [Local Government Finance Settlement 2026/27 to 2028/29](#).⁸

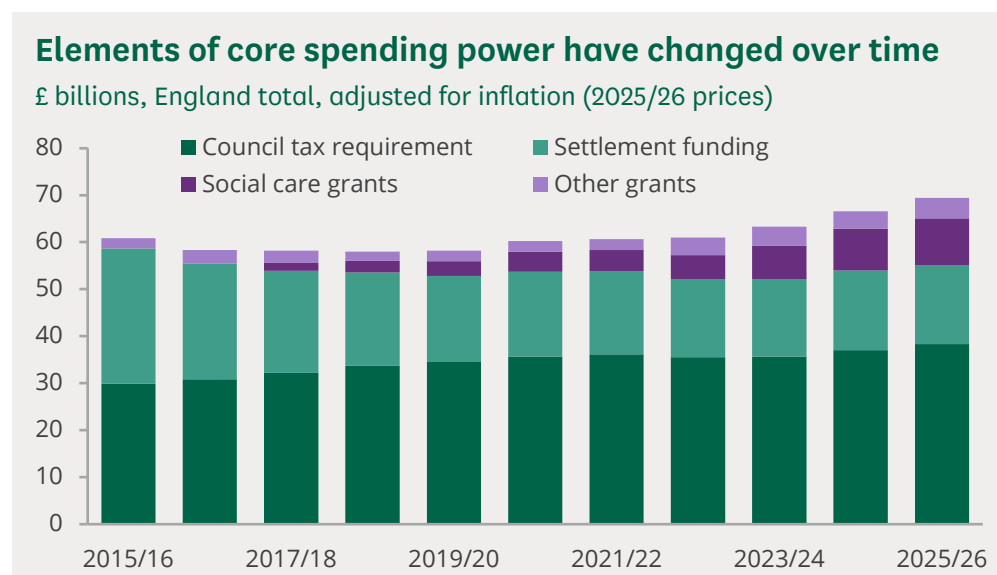
Changes in the elements making up core spending power

Although core spending power is made up of many different elements, those in the settlements between 2015/16 and 2025/26 can broadly be categorised into four main groups. These are:

- Settlement funding: un-ringfenced funding, itself made up of Revenue Support Grant and redistributed business rates.
- Grants for social care, in particular the Social Care Grant and the Local Authority Better Care Grant. These are typically legally ringfenced in some way for use in social care.
- Other grants, such as the Recovery Grant and New Homes Bonus. Although provided for specific purposes, they are typically not legally ringfenced.
- Council tax requirement, an estimate of the amount that local authorities could raise in council tax if they increase their council tax rates by the maximum permitted without triggering a local referendum (see the Library's research briefing [Council tax: local referendums](#)) and if their council tax base continues to increase as it has in previous years.

As the chart below shows, for England as a whole, settlement funding has become a much less significant element of core spending power since 2015/16, while social care grants and council tax requirement have become much more significant.

⁸ For more information on deprivation and poverty in general, see the Library's briefings on [Poverty in the UK: statistics](#) and [Deprivation in English constituencies, 2019](#).



Source: MHCLG, [Final local government finance settlement: England, 2025 to 2026](#), 3 February 2025

These changes help to explain the differences in changes in core spending power between authorities. Authorities without social care responsibilities have not benefited from the increase in social care funding, and have also been unable to charge a higher rate of council tax.⁹

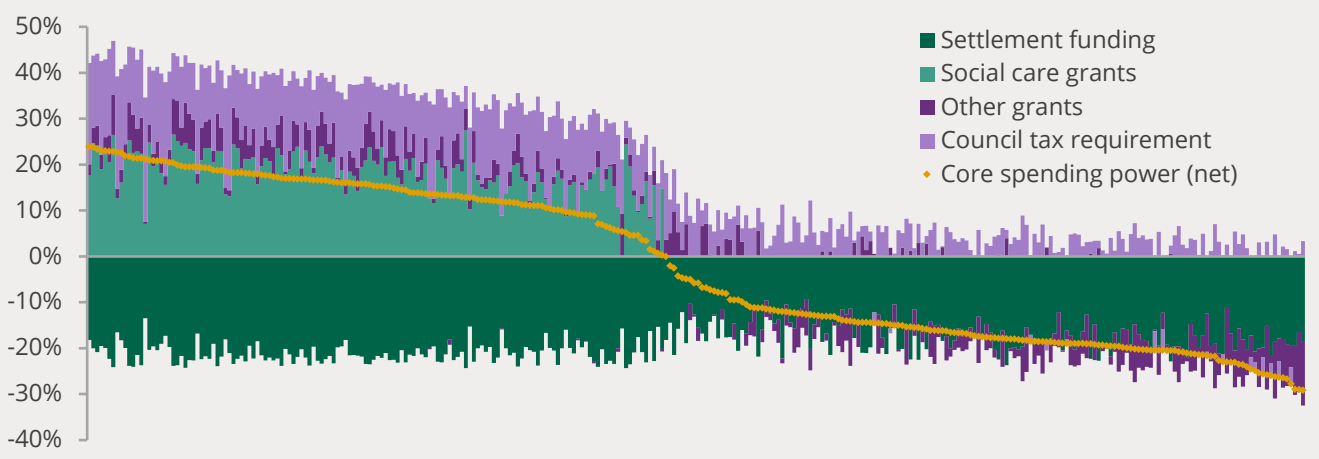
As the chart below shows, most local authorities lost roughly similar amounts of settlement funding between 2015/16 and 2025/26 (in percentage terms), but those which receive social care grants also had noticeably larger increases in their council tax requirement than those which do not.

For example, Leicestershire (at the far left of the chart) had an increase in social care grants broadly similar to its decrease in settlement funding, but ended up with more core spending power overall because of a large increase in its council tax requirement. At the far right of the chart, Gloucester's settlement funding and other grants both decreased, while its council tax requirement only increased very slightly.

⁹ As [announced in the 2015 Spending Review](#), councils with social care responsibilities are able to increase their council tax by more each year than those without. The amount is set as part of the council tax referendum thresholds, which are announced alongside each Local Government Finance Settlement.

Long-term changes have been driven by settlement funding and social care

Real terms % change for each authority between 2015/16 and 2025/26



Note: The size of each bar represents the real-terms change in that element as a percentage of the overall change in core spending power.

Source: MHCLG, [Final local government finance settlement: England, 2025 to 2026](#), 3 February 2025

Further changes in the 2026/27 settlement

The set of grants included in the finance settlement changed in 2026/27; in particular, many grants were consolidated into the un-ringfenced Revenue Support Grant. Across England as a whole, about half of core spending power between 2026/27 and 2028/29 will come from the council tax requirement, with roughly another 40% coming from Revenue Support Grant and retained business rates revenue. The rest is made up of transitional funding and a few consolidated grants, ringfenced for specific purposes.

These changes are discussed further in section 3 of the Library's research briefing [Local Government Finance Settlement 2026/27 to 2028/29](#).

2.2 Funding outside finance settlements

Some grants that local authorities receive are not included in finance settlements, and do not count towards core spending power. They do, however, appear in local authority accounts. Some of the largest include ringfenced grants for specific purposes, and grants for capital (investment) funding.

Dedicated Schools Grant and Public Health Grant

The Dedicated Schools Grant (DSG) is allocated to local authorities in England based on various factors, including pupil numbers, deprivation, attainment, and area costs.¹⁰ The grant is legally ringfenced and cannot be used for

¹⁰ For more information, see the Library's debate pack on the [Dedicated Schools Grant](#), which was prepared ahead of a debate on 2 May 2025.

anything other than schools, although local authorities can also use other sources of funding to support their schools spending.¹¹

Because of this ringfencing, local authorities have no discretion over how they use their DSG allocation, and it is therefore excluded from core spending power.

Local authorities vary widely in the proportion of their schools which are academies, and therefore funded from central government rather than via the local authority. This means that comparing DSG allocations between local authorities is not very meaningful without taking the level of academisation into account.

The Public Health Grant is similarly ring-fenced for use on public health functions, and is therefore also excluded from core spending power.¹²

Other grants

Several other grants are provided to local authorities but are not included within core spending power. Some of these are education-related – for example, local authorities in England received a total of £1.2 billion in Pupil Premium funding in 2024/25.¹³ Others are for skills – in 2024/25, local authorities received £1.1 billion from the Education and Skills Funding Agency.

Some other grants are related to housing, such as mandatory rent allowances provided to tenants whose income falls below a threshold. In 2024/25, local authorities in England received a total of £12.7 billion in subsidies for rent allowances or rent rebates.¹⁴ Most housing-related funding is accounted for in local authorities' Housing Revenue Account, which is kept separate from the rest of their normal operations.

In the 2026/27 to 2028/29 Local Government Finance Settlement, several grants that had previously been provided outside the context of finance settlements and for specific things (such as domestic violence or public health) were rolled into four consolidated grants. Some of these formed part of core spending power. This is explained further in a note published alongside the settlement.¹⁵

¹¹ An example of the formal ringfencing can be seen in the [grant conditions for the 2025/26 DSG allocations](#).

¹² The grant conditions for 2025/26 can be found in the relevant [local authority circular](#) for that year.

¹³ MHCLG, [Local authority revenue expenditure and financing England: 2024 to 2025 – second release](#), 4 December 2025, table 4a

¹⁴ MHCLG, [Local authority revenue expenditure and financing England: 2024 to 2025 individual local authority data – outturn](#), 18 September 2025

¹⁵ MHCLG, [Explanatory note on funding simplification: consolidated grants and draft conditions: final](#), 9 February 2026

Capital funding

Local authorities have to account for their funding and spending on assets (“capital” finance) separately from their day-to-day (“resource”) funding and spending. Local authorities in England received a total of £10.4 billion in capital grants from central government in 2024/25. This made up about 42% of the total amount of money financing capital spending in England in that year, with the rest coming from other grants (9%), receipts from sales of assets (10%), use of resource funding (15%), and borrowing (34%).¹⁶

Capital funding is provided through grants to local authorities, but the amounts provided are generally not published. In the consultation on the Fair Funding Review 2.0, the government proposed publishing allocations for capital grants at the same time as the Local Government Finance Settlement so that local authorities have greater certainty over their budgets.¹⁷ However, capital allocations were not then published alongside the 2026/27 to 2028/29 settlement.

Reserves and borrowing

Local authorities maintain reserves of funding, some of them earmarked for specific purposes and some of them available for general use. It is normal for authorities to either pay into their reserves or draw down from them in a given year, as it is difficult to predict at the start of the year exactly how much they will both receive and spend.

Reserves generally do not account for a particularly large proportion of local authority budgets. In 2024/25, local authorities in England drew a net total of £934 million from reserves. This represented about 0.7% of their total day-to-day spending.¹⁸

Local authorities can also borrow money, but their ability to do so is restricted. Authorities may not borrow for resource purposes at all (other than loans with a repayment term of less than 12 months to help with cashflow), and although they may borrow for capital purposes, they may only do so within limits. For more detail, see the Library’s research briefing [Local government in England: capital finance](#).

¹⁶ MHCLG, [Local authority capital expenditure and receipts in England: 2024 to 2025 final outturn](#), 6 November 2025, table 4

¹⁷ MHCLG, [The Fair Funding Review 2.0](#), 20 June 2025, para 3.2.2

¹⁸ [Local authority revenue expenditure and financing England: 2024 to 2025 – second release](#), 4 December 2025, table 4a

3

Local authority spending in England

Total spending by local authorities is not comparable to core spending power (which is a government-defined concept).

The amount actually spent by each local authority – as opposed to the amount of funding available to them – is reported back by each authority to MHCLG, which then publishes these figures in its [Local authority revenue expenditure and financing](#) data. These figures are typically significantly higher than those for core spending power, as given in the previous section.

The difference is because spending power is a government-defined concept, designed to measure the amount of resource that local authorities can use to make decisions. Much of the money that local authorities spend is instead simply passed directly on to service providers (such as schools). This means that such spending does not count as part of core spending power; it also means that figures for core spending power and actual spending are not directly comparable.

Local authorities are also not obliged to spend all of the money that they receive in a given year, and can end up spending more than they receive if they draw on their reserves. However, spending more than they receive is not an indication of an authority borrowing money, as local authorities are not permitted to borrow to cover day-to-day spending.

3.1

What is the money spent on?

Day-to-day spending

In 2024/25, local authorities in England spent £105.7 billion on day-to-day services (the equivalent of £111.3 billion in 2026/27 prices).¹⁹ This money was spent on the services shown in the following table:

¹⁹ As noted in section 1, spending totals in this section include only shire counties, shire districts, unitary authorities, metropolitan districts, and London boroughs.

Education and social care make up by far the largest areas of spending.

Local authority spending, by service type	
£ billions, day-to-day spending, England total, 2024/25	
Education services	42.0
Adult social care	24.6
Children's social care	15.1
Environmental and regulatory services	5.9
Public health	4.0
Central services	3.8
Housing services (GFRA only)	3.0
Cultural and related services	2.5
Highways and transport services	2.2
Planning and development services	1.7
Fire and rescue services	0.4
Police services	0.2
Other services	0.2
Total spending on services	105.7

Note: Excludes spending of any local authorities that did not submit data to MHCLG in time for publication. GFRA refers to the General Fund Revenue Account; this data does not include spending via the Housing Revenue Account.

Source: MHCLG, [Local authority revenue expenditure and financing England: 2024 to 2025 individual local authority data - outturn](#), 4 December 2025

Education services make up the largest area of spending, followed by adult and children's social care.

As noted above, much of the spending by local authorities takes the form of ringfenced grants, such as the Dedicated Schools Grant. This spending breakdown therefore largely reflects the allocations that authorities receive from central government; although authorities do make their own decisions on where to spend some of their money, those decisions have limited influence on the overall totals.

Investment (capital) spending

In addition to the above, local authorities also spent £25.9 billion for investment (capital) purposes in 2024/25 (£27.3 billion in 2026/27 prices). This breaks down by service as shown in the following table:

Local authority capital spending, by service type

£ billions, 2024/25, England total

Housing	9.7
Highways & transport	5.7
Education	2.4
Central services	2.1
Culture & related	1.7
Planning & development	1.7
Environment & regulation	1.0
Trading services	0.8
Social care	0.6
Digital infrastructure	0.1
Fire and rescue	<0.1
Public health	<0.1
Police	<0.1
Total spending on services	25.9

Note: Excludes spending of any local authorities that did not submit data to MHCLG in time for publication. Housing figure includes both General Fund Revenue Account and Housing Revenue Account.

Source: MHCLG, [Local authority capital expenditure and receipts in England final outturn time series](#), 25 March 2026

Housing makes up the largest proportion of local authority investment spending, followed by highways and transport.

3.2

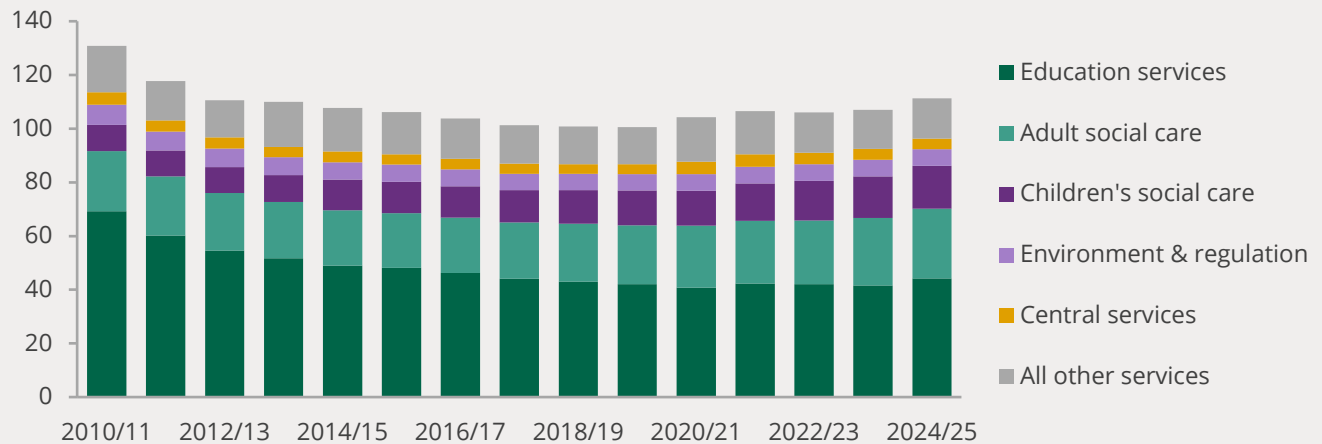
Changes in spending over time

Day-to-day spending

As of 2024/25, total local authority spending on services in England was about 15% lower in real terms than it had been in 2010/11, despite an increase during the covid-19 pandemic. As the chart below shows, education and social care have made up most of the spending on services in every year since at least 2010/11.

Local authority spending on services in England has decreased over time

£ billions, adjusted for inflation (2025/26 prices), England total



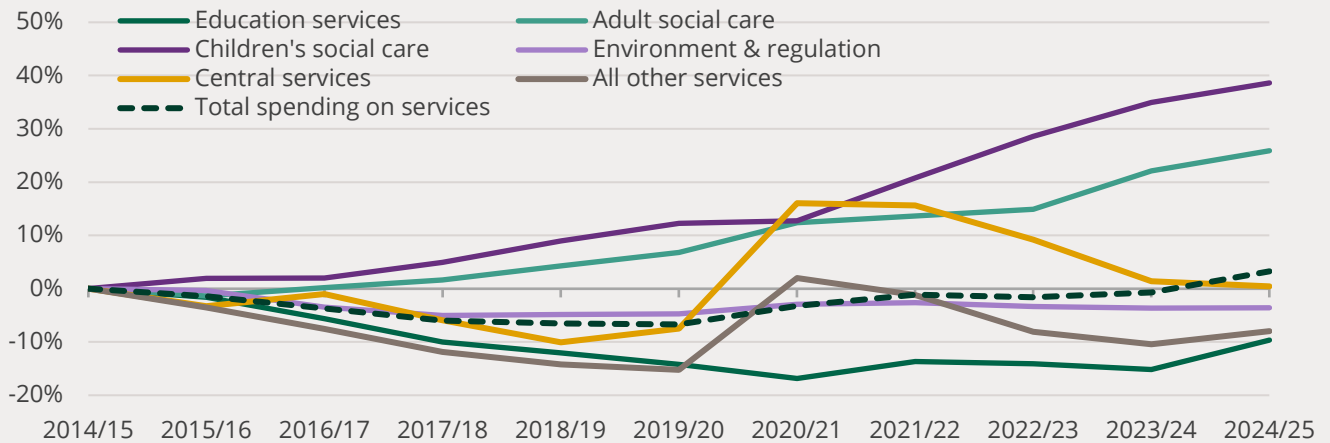
Note: Classification of spending has not remained entirely consistent over time (see footnote).

Source: MHCLG, [Local authority revenue expenditure and financing data](#), multiple years

The amounts spent on different sectors have changed considerably since 2014/15.²⁰ As the chart below shows, spending on social care has increased, while spending on all other sectors (particularly education) has decreased.

Social care is the only part of local authority spending that has risen since 2014/15

% change since 2014/15, adjusted for inflation



Source: MHCLG, [Local authority revenue expenditure and financing data](#), multiple years

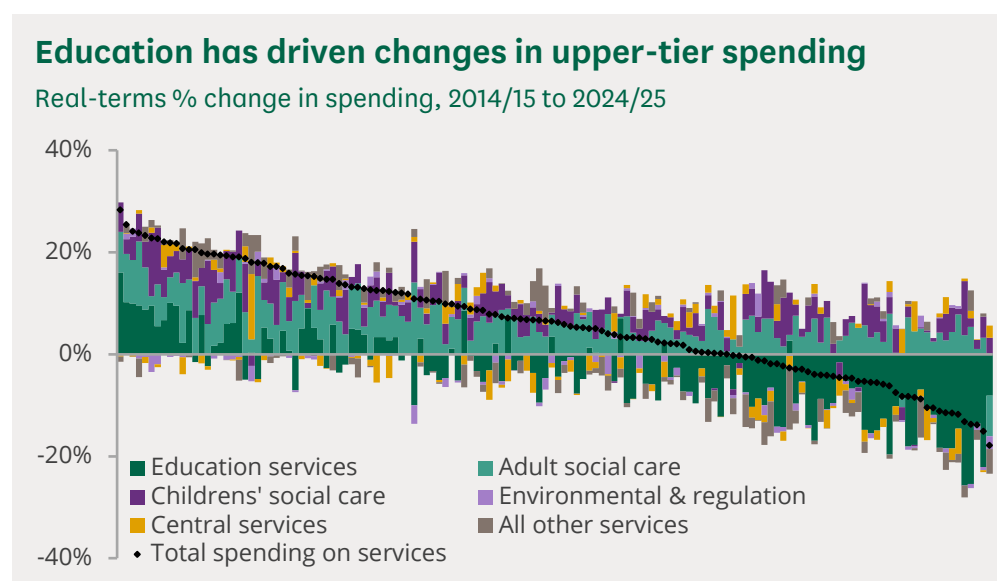
The decrease in spending on education is largely connected with increases in academisation, because when schools become academies they no longer receive local authority funding.

There have been different changes in spending for different local authorities in England. The largest difference is between upper-tier local authorities

²⁰ 2014/15 is the earliest point from which these comparisons can be meaningfully made, because in 2014/15 spending on “services to young people” was reclassified from education services to children’s social care. For more, see section 1.3 of the Library’s research briefing [Reform of children’s social care in England](#).

(shire counties, metropolitan districts, unitary authorities and London boroughs), which are responsible for social care and education, and shire districts, which are typically not.

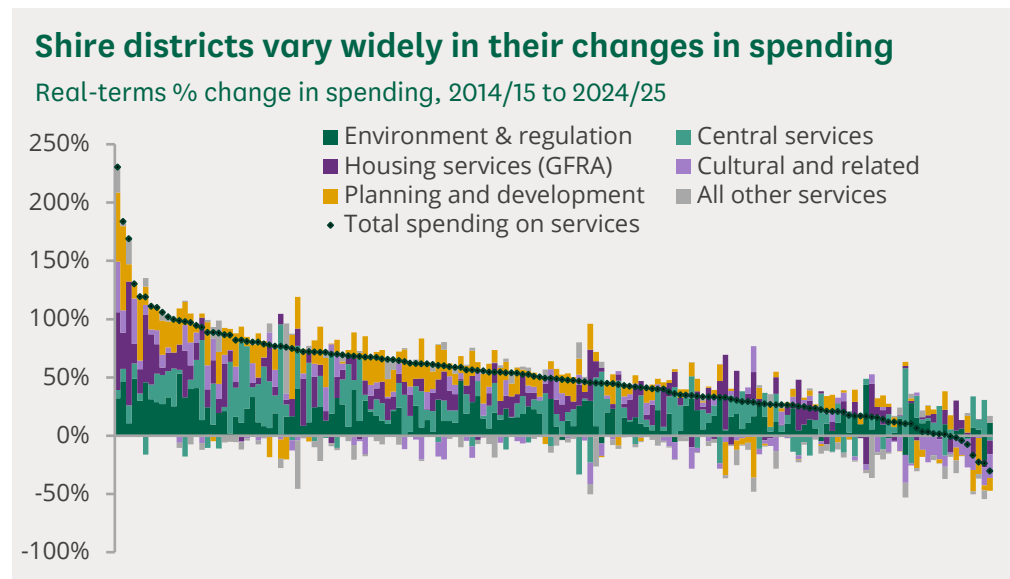
The chart below shows all upper-tier authorities which existed in the same form between 2014/15 and 2024/25, arranged from left to right by their overall change on spending on services over this period. The chart shows that spending by upper-tier authorities on social care has almost universally increased. However, although spending on education has generally decreased, the scale of this decrease has varied widely. This variation is the main driver of differences in spending among upper-tier authorities, and is (at least in part) also caused by differences in rates of academisation.



Source: MHCLG, [Local authority revenue expenditure and financing data](#), multiple years

Shire district spending has changed in a less predictable way than for upper-tier authorities, as the largest drivers of change (social care and education) do not affect them. However, their variation has been wider in proportional terms.

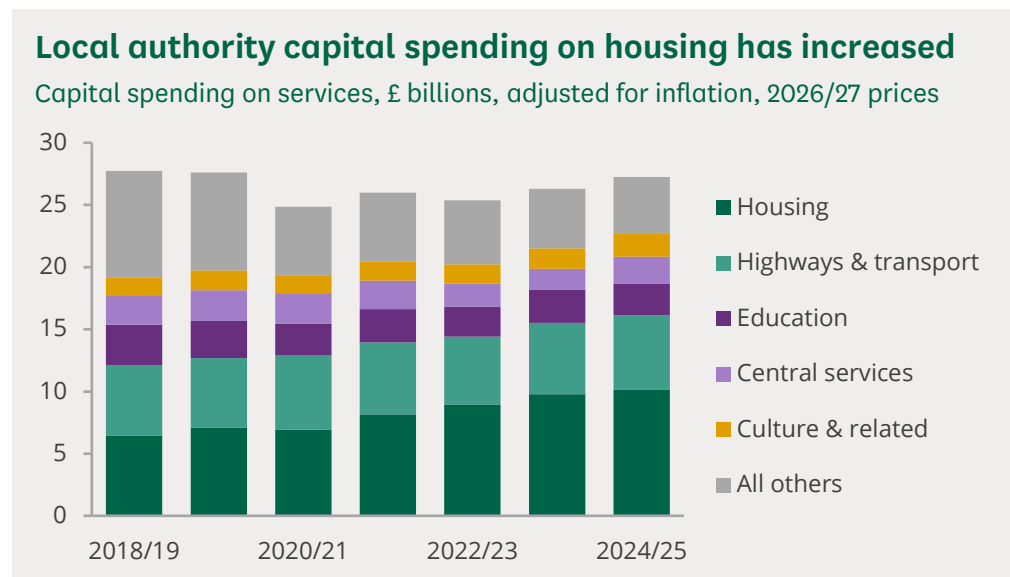
At one end of the scale, Colchester's spending on services has more than doubled in real terms, driven by a large increase in spending on housing and planning. At the other end, Nuneaton and Bedworth's spending has decreased by 30%, largely because its spending on both planning and development and on housing has turned slightly negative (that is, the council takes in more in revenue from fees and charges in these areas than it spends).



Source: MHCLG, [Local authority revenue expenditure and financing data](#), multiple years

Investment (capital) spending

Spending by local authorities for capital purposes varies by year, and there has been no clear overall trend between 2018/19 and 2024/25 (the years covered by MHCLG’s [consistent data series](#)). However, as the chart below shows, spending on housing has increased in real terms by about 58% over this period.



Source: MHCLG, [Local authority capital expenditure and receipts in England final outturn time series](#), 25 March 2026

There has been very wide variation between local authorities in the changes in their capital spending over this period. Among authorities where capital spending increased, spending on housing tended to be the main contributor to the increase, followed by culture and recreation, and planning and development. For authorities where capital spending decreased, spending on trading services was usually the main contributor to the decrease.

4 Devolved administrations

Local government works very differently in the devolved administrations, and they publish their own data.

Scotland, Wales and Northern Ireland have different local government structures and funding to those in England. Their finance statistics are therefore also different, and cannot be meaningfully compared with the statistics for England (or, indeed, with each other).

However, information on local government funding within the devolved administrations is available – some of the most useful sources are listed below.

4.1 Scotland

The Scottish Parliament Information Centre (SPICe) has published several briefings on local government financing. The main ones are:

- [Local government finance: Concepts, trends and debates](#), a briefing summarising the changes to local government finances in Scotland since 2013/14. This is presented in terms of the share of total government spending, as well as in real terms, and includes information about reforms to funding and taxation.
- [Local government finance: Budget 2025-26 and provisional allocations to local authorities](#), a briefing looking specifically at 2025/26 within the context of the Scottish Government's overall Budget. This mentions specific policy changes that apply to this particular Budget, and also lists the full allocations that each local authority will receive.
- [Local Government Revenue Funding Allocations](#), a briefing paper produced for the Local Government and Regeneration Committee explaining the process by which revenue funding is allocated to Scotland's local authorities.

The Scottish Government publishes a series of statistics about local government finance. These are collected as [local government financial statistics](#) – this collection includes its main publication Scottish Local Government Financial Statistics, as well as Council Tax statistics and Provisional Outturn and Budget Estimate statistics.

4.2 Wales

The Welsh Parliament's Research Service (Senedd Research) has produced a [short briefing on local government in Wales](#) (PDF), covering the structure and

powers of its local authorities. It also published an [article in May 2021 about changes in local government funding](#), and one in January 2026 [summarising the Welsh 2026/27 Final Local Government Finance Settlement](#).

The Welsh Government's statistical repository (StatsWales) has a number of datasets related to [finance and tax](#), including [revenue spending](#) and the [central funding settlement](#).

4.3

Northern Ireland

The NI Direct website provides [an overview](#) of the 11 local authorities in Northern Ireland, along with a list of their responsibilities. The Northern Ireland Department for Communities also has [a page on local government funding](#), but does not provide financial statistics. Most financial figures for local authorities are best found on those authorities' websites.

The Northern Ireland Audit Office produces regular reports on local government – [the most recent](#) contains an overview of the amount of money that councils in Northern Ireland have received and spent between 2015/16 and 2023/24, as well as information on other financial matters such as staffing costs and borrowing. Previous years' reports are also available [on the Audit Office's website](#).

5 Further reading

5.1 Library briefings

- [Local government in England: structures](#): this briefing provides basic details of the structure of local government within England, as well as more details on how funding arrangements work.
- [Reviewing and reforming business rates](#): this briefing covers the changes that were made to the business rates retention scheme in the 2010s and early 2020s.
- [Local government taxation](#): this briefing explains how existing and potential future local taxes work and gives relevant statistics for each.
- [Business rates: the 2023 revaluation](#) and [Business rates: the 2026 revaluation](#): these briefings describe the revaluations of business rates (one of the main ways in which local authorities receive income), which came into effect across the UK in April 2023 and April 2026.
- [Explaining the Fair Funding Review 2.0](#): this briefing looks in detail at the proposals for reforming local government finance contained in the government's Fair Funding Review 2.0 consultation.
- The Library produces briefings for every Local Government Finance Settlement – the most recent is for [the 2026/27 to 2028/29 settlement](#).

The Library has also created [an interactive dashboard](#) providing details of settlement funding, core spending power and net spending for every local authority in England, including comparisons over time.

5.2 Other organisations

The National Audit Office (NAO) produced a [Departmental Overview](#) of local authorities in 2019, covering their finances and some of the pressures facing them. It also produced a report in March 2018 on [Financial sustainability of local authorities](#), which included an [interactive visualisation](#) of changes to authorities' funding over time. This visualisation [was later updated](#) so that it covered the full period from 2010/11 to 2020/21, as well as analysis of council income, spending and sustainability.

In November 2021, the NAO also produced a report on [The local government finance system in England: overview and challenges](#). This included statistics and summaries of policy development in local government finances since 2010. In February 2025, it produced a further report on [Local government](#)

[financial sustainability](#), which was itself the basis of a [Public Accounts Committee inquiry](#).

Think tanks also regularly produce research on local government funding. The Institute for Government has produced an “explainer” article on [Local government funding in England](#), which is regularly updated. The Institute for Fiscal Studies similarly has [a page of resources](#), including a report on [English local government funding: trends and challenges in 2019 and beyond](#) and a [mathematical model of local government finance](#), giving projections for revenue and spending under a range of scenarios.

The Local Government Association, as the national membership body for local authorities in England, also regularly publishes research on local government funding. This includes [a report in January 2022 on possible ways of reforming local government finances](#), and responses to each Local Government Finance Settlement – [the most recent](#) was published in December 2025.

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