

## Local Transparency Expense Categorisation

Local Transparency imposes a requirement to categorise expenses according to Chartered Institute of Public Finance & Accountancy (CIPFA) Best Value Accounting Code of Practice (BVACOP)

### Best Value Accounting Code of Practice (BVACOP)

The standard subjective analysis used for expense categorisation has 10 groupings.

Category	What it includes
1. Employees	Includes the cost of employee expenses to the authority
2. Premises-related expenditure	Includes expenses directly related to the running of premises and land
3. Transport-related expenditure	Includes all costs associated with the provision, hire or use of transport including travelling allowances and home to school transport
4. Supplies and services	Includes all direct supplies and service expenses
5. Third party payments	Payment to an external provider or an internal service delivery unit defined as a trading operation
6. Transfer payments	Cost of payments to individuals for which no goods or service are received in return
7. Support services	Charges for services that support the provision of services to the public
8. Depreciation and impairment losses	Records the revenue impact of capital items in the service revenue accounts
9. Income	All income received by the service from external users or by way of charges or recharges to internal users
10. Capital financing costs	Corporate capital financing costs

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Employees	Direct employee expenses	<ul style="list-style-type: none"> <li>• Salaries</li> <li>• Employer's National Insurance contribution</li> <li>• Employer's retirement benefit costs</li> <li>• Agency staff</li> <li>• Employee allowances (not including travel and subsistence)</li> </ul>
	Indirect employee expenses	<ul style="list-style-type: none"> <li>• Relocation</li> <li>• Interview</li> <li>• Training</li> <li>• Advertising</li> <li>• Severance payments</li> <li>• Employee-related schemes (welfare schemes, discount schemes)</li> </ul>

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Premises-related expenses	Repairs, alterations and maintenance of buildings	Includes relevant materials and consumables, payments to contractors and internal trading operations
	Energy costs	
	Rents	
	Rates	
	Water services	All payments to water undertakings/authorities
	Fixtures and fittings	Only those physically attached to buildings. Equipment, loose furniture and materials used in the operation of a service should be included in the Supplies and Services standard grouping
	Apportionment of expenses of operational expenses	Any charge for the shared use of operational buildings
	Cleaning and domestic supplies	Includes expenditure on contract cleaning. Cleaning equipment is charged to "equipment, furniture and materials" as part of the "Supplies and Services" standard grouping
	Grounds maintenance costs	Includes expenditure on external contracts for grounds maintenance
Premises insurance		

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Transport-related expenditure	Direct transport costs	Repairs and maintenance, running costs and contributions to provisions in respect of vehicles
	Recharges	For vehicles hired from a central pool
	Contract hire and operating leases	Payments to outside firms
	Public transport	Staff travelling expenses
	Transport insurance	

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Supplies and services	Equipment furniture and materials	All items used in the operation or administration of the service, unless specifically contained in other sub-groups
	Catering	Includes food and expenditure on contract catering
	Clothes, uniform and laundry	
	Printing, stationery and general office expenses	
	Services	Expenditure on services not otherwise distinguished in the standard classification
	Communications and computing	Includes postage, telephones, radio and computer costs. Operational leases and charges for central computing facilities
	Members allowances	All Members allowances (and salaries where paid) including attendance allowances and special responsibility allowances
	Expenses	Include subsistence and conference expenses (not already included as an employee cost)
	Grants and subscriptions	
	Private Finance Initiative and Public Private Partnership schemes	Includes payments for services and services under these schemes
	Contributions to provisions	
Miscellaneous expenses		

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Third party payments	Independent units within the council	
	Other local authorities	
	Government departments	
	Voluntary associations	
	Other establishments	
	Private contractors	

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Transfer payments	Rent allowances, rebates and housing benefit	
	Other housing payments	
	Rate rebates	
	Social services	
	Education	
	Grants	
	Other	

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Support Services	Central support services	Finance, IT, HR, property management, legal services

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Depreciation and Impairment losses	Depreciation	
	Revaluation losses	
	Impairment losses	

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Income	Government grants	
	Customer and client receipts	Sales, fees and charges
	Interest	
	Recharges	Costs recharged to internal users

<b>GROUP</b>	<b>SUB-GROUP</b>	<b>What it includes</b>
Capital financing costs	Interest payments	
	Debt management expenses	