

# 7

## Local government financing and expenditure

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**7.1** This chapter describes central government support for local government within budgets (**Tables 7.1 to 7.3**) and local government expenditure on services (**Tables 7.4 to 7.8**). It deals primarily with Great Britain – most equivalent spending in Northern Ireland is central government spending carried out by Northern Ireland departments. Where relevant, district council spending in Northern Ireland is included in this chapter.

**7.2** Data for outturn years (to 2010-11) are covered by National Statistics protocols.

**7.3** Central government support data for all years up to 2010-11 are final outturn figures and data from 2011-12 onwards are latest plans.

**7.4** Local government spending data for all years up to 2009-10 are final outturn. Data for 2010-11 are based on budget plans.

### What's new

**7.5** There have been no significant changes to the presentation of data within this chapter since PESA 2010.

### The financing of local government expenditure

**7.6** Central government support for local government expenditure is provided in three forms: capital and current grants; non-domestic rate payments; and Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. Support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. schools grant.

**7.7** Local authorities also raise finance locally, largely through council tax, receipts from sales of assets, contributions from developers and unsupported borrowing. By convention, Scottish Non-Domestic Rates Income (NDRI) is shown in PESA as locally financed central government support in other AME, as it is raised in Scotland rather than funded by Whitehall.

**7.8** Funding provided to local government by the EU is channelled through departmental budgets but is not treated as central government support in PESA. This is because the receipts from the EU offset in budgets against the subsequent payment to local government, so this funding forms part of the accounting and other adjustments that are required to reconcile the departmental budgeting data to an aggregate drawn from the National Accounts.

**7.9** **Table 7.1** shows current and capital support provided to local government within each country in the UK, according to whether support is in DEL or AME. As noted above, further adjustments are made to these budgeting aggregates to reconcile with total local government expenditure in the National Accounts.

### Support for local government current spending

**7.10** Central government support for current expenditure on local services is largely provided through:

- Revenue Support Grant (RSG) – a non ring-fenced grant paid to local government in England, Scotland and Wales;

- non-domestic (business) rate payments – the proceeds of National Non-Domestic Rates (NDR) are pooled separately in England and Wales, and then redistributed. As noted above, equivalent payments in Scotland are considered to be locally financed rather than central government support; and
- other specific and special grants such as the schools grant and police grant, which fund part of the current expenditure on a specific service or activity.

**7.11 Table 7.2** shows the above support by country, department and grant.

## Support for local government capital programmes

**7.12** Central government support for local government capital expenditure comprises capital grants and Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. The latter enables local authorities to borrow or use other forms of credit to finance capital expenditure, with central government providing a revenue stream to support repayment of principal and interest. This is distinct from prudential borrowing where local authorities finance any additional borrowing from their own available resources. **Table 7.3** shows the components of central government capital support within the United Kingdom by country and department.

## Data sources and data quality

**7.13** The central government support for local government shown in **Tables 7.1 to 7.3** is taken from finance data loaded onto the Treasury spending database by departments, consistent with their resource accounts.

## Local government expenditure

**7.14** Total local government expenditure is defined as the contribution of local government to Total Managed Expenditure (TME). TME is a consolidated measure in the sense that most transactions between parts of the public sector are excluded. For example, total local government expenditure defined here excludes capital grants paid to public corporations and interest paid to central government. Local government expenditure accounts for around one quarter of TME.

**7.15** Local government have considerable discretion to determine the level, pattern, and standard of the main services – subject to the financial resources available, including the implications for local taxation, and in some cases subject also to central government regulation and inspection of the service provided.

## Local government expenditure on services

**7.16** The measure of local government spending that is analysed by function and economic category in PESA is local government expenditure on services. It is largely equivalent to the National Accounts measure of local government expenditure, which is also shown in the tables. **Annex E** gives more information on expenditure on services.

**7.17** The functional categories in **Tables 7.4 to 7.7** are based on the UN Classification Of the Functions Of Government (COFOG) and are consistent with the functional categories used in other PESA chapters:

- **Table 7.4** presents total local government expenditure by function;
- **Table 7.5** shows local government current expenditure by country and function;
- **Table 7.6** shows gross capital expenditure, split by country and function. Gross indicates that it is before sales of capital assets and depreciation; and

- **Table 7.7** shows local government capital receipts within the United Kingdom, again by country and function.

**7.18 Table 7.8** shows local government expenditure by country and economic category. The economic categories are broadly consistent with those used by the ONS for the National Accounts. These are described in **Chapter 5**.

## Data sources and data quality

**7.19** The local government expenditure shown in **Tables 7.4 to 7.8** is based on revenue (current) and capital data collections completed by local authorities and sent to the Department for Communities and Local Government (CLG) and devolved administrations. These departments carry out quality assurance on the data received, produce aggregate results for publication, and supply this information to the Treasury.

**7.20** Information is sought from all local authorities, who derive the material from the accounting records used to produce audited accounts. However, detailed expenditure breakdowns may be of lower quality because of inconsistencies of classification by respondents and resource constraints on quality assurance.

**7.21** Spending information received from local government is described in terms of local authority services (education, roads etc). The Treasury assign spending to the COFOG functional categories used in PESA. In general the read-across from service categories to COFOG categories is relatively clear, but in some cases it is less straightforward and assumptions are applied.

**7.22** Although the quality of the local government expenditure data in PESA is good enough to provide a broad picture of local government spending, the quality is likely to be lower than the quality of the central government data in PESA. Figures are shown to the nearest £1m so that users performing calculations on the numbers do not introduce errors due to working on rounded numbers.

**7.23** The Treasury are working with CLG and the ONS to improve the quality and timeliness of local government spending data.

**7.24** More information on local government finance and spending is available from the following sources:

- England – CLG publication Local Government Financial Statistics  
<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/localgovernmentfinance/statistics>
- Scotland – Scottish Executive publication  
<http://www.Scotland.gov.uk/topics/statistics>
- Wales – National Assembly for Wales publication  
<http://www.wales.gov.uk/statistics>

**Table 7.1 Financing of local government in the United Kingdom by country, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Current finance in DEL</b>									
England	70,104	73,878	76,621	79,659	81,717	75,620	79,718	79,239	78,183
Scotland	7,396	7,818	8,329	8,650	9,055	8,648	8,753	8,820	8,856
Wales	4,465	4,693	4,971	5,202	5,523	5,079	5,054	5,122	5,117
Northern Ireland	50	54	54	54	53	56	56	55	54
<b>Total current finance in DEL</b>	<b>82,016</b>	<b>86,443</b>	<b>89,976</b>	<b>93,565</b>	<b>96,349</b>	<b>89,403</b>	<b>93,581</b>	<b>93,236</b>	<b>92,210</b>
<b>Capital support in DEL</b>									
England	8,898	10,515	10,490	13,380	11,134	8,606	8,100	6,678	6,662
Scotland	961	976	951	1,057	863	692	674	609	631
Wales	687	735	769	684	788	599	572	499	499
Northern Ireland	9	10	3	3	16	3	3	3	3
<b>Total capital support in DEL</b>	<b>10,555</b>	<b>12,235</b>	<b>12,213</b>	<b>15,124</b>	<b>12,801</b>	<b>9,900</b>	<b>9,349</b>	<b>7,789</b>	<b>7,795</b>
<b>Total central government support in DEL<sup>(1)</sup></b>	<b>92,571</b>	<b>98,678</b>	<b>102,188</b>	<b>108,689</b>	<b>109,149</b>	<b>99,303</b>	<b>102,930</b>	<b>101,025</b>	<b>100,005</b>
<b>Current finance in departmental AME</b>									
England	17,807	18,116	19,703	22,632	25,021	25,345	25,792	24,783	25,059
Scotland	1,583	1,622	1,718	1,890	2,009	1,736	1,762	1,674	1,685
Wales	814	848	900	1,034	1,041	1,521	1,553	1,493	1,515
Northern Ireland	2	1	1	2	1	2	1	2	2
<b>Total current finance in departmental AME</b>	<b>20,206</b>	<b>20,587</b>	<b>22,322</b>	<b>25,559</b>	<b>28,072</b>	<b>28,603</b>	<b>29,108</b>	<b>27,952</b>	<b>28,260</b>
<b>Capital support in departmental AME</b>									
England	617	1,495	783	399	1,062	892	875	892	892
Scotland	0	7	6	3	7	9	9	9	9
Wales	7	3	3	1	2	2	2	2	2
Northern Ireland	1	1	1	0	1	1	1	1	1
<b>Total capital support in departmental AME</b>	<b>626</b>	<b>1,506</b>	<b>793</b>	<b>402</b>	<b>1,071</b>	<b>904</b>	<b>886</b>	<b>904</b>	<b>904</b>
<b>Total central government support in departmental AME<sup>(2)</sup></b>	<b>20,832</b>	<b>22,093</b>	<b>23,115</b>	<b>25,961</b>	<b>29,143</b>	<b>29,507</b>	<b>29,995</b>	<b>28,856</b>	<b>29,164</b>
<b>Locally financed expenditure</b>									
Local authority self-financed expenditure	24,224	26,090	31,719	29,212	28,926	37,645	31,390	32,371	33,093
Locally financed support in Scotland <sup>(3)</sup>	1,884	1,860	1,963	2,165	2,068	2,171	2,171	2,171	2,171
<b>Total locally financed expenditure</b>	<b>26,108</b>	<b>27,949</b>	<b>33,682</b>	<b>31,377</b>	<b>30,994</b>	<b>39,816</b>	<b>33,560</b>	<b>34,542</b>	<b>35,263</b>
<b>Total financing of local government expenditure</b>	<b>139,511</b>	<b>148,721</b>	<b>158,986</b>	<b>166,026</b>	<b>169,286</b>	<b>168,626</b>	<b>166,484</b>	<b>164,423</b>	<b>164,432</b>
Accounting and other adjustments	6,669	6,451	7,650	7,030	9,721	13,600	13,200	13,600	13,500
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	<b>182,200</b>	<b>179,700</b>	<b>178,000</b>	<b>177,900</b>

<sup>(1)</sup> Receipts from the EU offset in budgets against the subsequent payment to local government.

<sup>(2)</sup> Includes lottery grants.

<sup>(3)</sup> By convention, Non-Domestic rates Income (NDRI) in Scotland (equivalent to non-domestic rate payment in England and Wales) is shown in PESA as locally raised central government support. i.e. It is finance raised in Scotland rather than funding from Whitehall.

**Table 7.2 Central government current grants for local government in the United Kingdom by department group, 2006-07 to 2014-15**

	£ million									
	National Statistics									
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
<b>England</b>										
<b>Education</b>										
Schools Grant <sup>(1)</sup>	29,532	30,824	33,065	34,274	35,318	32,386	37,745	38,158	38,577	
Schools standard grant	1,217	1,530	1,545	1,556	1,571	-	-	-	-	
Sure start	817	927	1,242	1,433	1,603	-	-	-	-	
Early intervention grant	-	-	-	-	-	2,211	2,298	2,207	2,163	
Pupil Premium	-	-	-	-	-	625	1,250	1,875	2,500	
Maintained sixth forms grant	-	-	-	-	2,184	2,426	2,371	2,307	2,208	
Private Finance Initiative grant	-	-	-	-	-	596	719	796	827	
Other	332	426	128	362	539	114	97	99	105	
<b>Total Education</b>	<b>31,898</b>	<b>33,706</b>	<b>35,980</b>	<b>37,625</b>	<b>41,214</b>	<b>38,358</b>	<b>44,480</b>	<b>45,442</b>	<b>46,379</b>	
<b>Health</b>										
Health	194	186	141	30	180	-	-	-	-	
Social Care	1,579	1,609	131	260	-	-	-	-	-	
Area Based Grants	-	-	943	968	988	-	-	-	-	
Other	-	-	-	-	329	1,326	1,357	-	-	
<b>Total Health<sup>(2)</sup></b>	<b>1,773</b>	<b>1,795</b>	<b>1,215</b>	<b>1,258</b>	<b>1,496</b>	<b>1,326</b>	<b>1,357</b>	<b>-</b>	<b>-</b>	
<b>Transport</b>										
GLA transport	2,390	2,521	2,467	2,555	2,772	2,804	2,803	2,699	2,404	
Strategic rail authority	234	219	206	204	205	-	-	-	-	
Area Based Grants	-	-	181	184	169	-	-	-	-	
Other	472	237	359	334	685	370	471	802	555	
<b>Total Transport</b>	<b>3,096</b>	<b>2,976</b>	<b>3,213</b>	<b>3,278</b>	<b>3,831</b>	<b>3,174</b>	<b>3,274</b>	<b>3,501</b>	<b>2,959</b>	
<b>CLG Communities</b>										
Supporting people	1,726	1,735	1,686	1,666	-	-	-	-	-	
New deal for communities	144	131	102	72	32	-	-	-	-	
Local area agreements	456	1,707	-	-	-	-	-	-	-	
Area Based Grants	-	-	645	676	2,166	-	-	-	-	
Other	447	409	488	764	620	843	1,005	811	838	
<b>Total CLG Communities</b>	<b>2,773</b>	<b>3,981</b>	<b>2,921</b>	<b>3,178</b>	<b>2,818</b>	<b>843</b>	<b>1,005</b>	<b>811</b>	<b>838</b>	
<b>CLG Local Government</b>										
Non-domestic rate payments	18,207	18,953	21,058	19,784	22,611	19,300	23,243	23,503	22,164	
Revenue Support Grant	3,443	3,163	2,909	4,547	3,167	5,905				
Neighbourhood renewal fund	525	-	-	-	-	-	-	-	-	
PFI special grant	513	594	677	773	908	-	-	-	-	
LA business growth incentive scheme	329	389	102	49	-	-	-	-	-	
Other	274	197	275	347	109	759	747	733	728	
<b>Total CLG Local Government</b>	<b>23,292</b>	<b>23,296</b>	<b>25,023</b>	<b>25,501</b>	<b>26,795</b>	<b>25,965</b>	<b>23,990</b>	<b>24,237</b>	<b>22,892</b>	
<b>Business, Innovation and Skills</b>										
LSC grants	1,944	2,039	2,113	2,201	-	-	-	-	-	
RDA development fund	380	346	294	263	254	144	55	27	32	
Other	6	7	8	3	4	-	-	-	-	
<b>Total Business, Innovation and Skills</b>	<b>2,330</b>	<b>2,392</b>	<b>2,415</b>	<b>2,467</b>	<b>258</b>	<b>144</b>	<b>55</b>	<b>27</b>	<b>32</b>	
<b>Home Office</b>										
Police	5,749	5,991	6,240	6,637	6,622	6,645	6,631	6,479	6,484	
Area Based Grants	-	-	61	81	71	57	29	0	0	
Other	155	147	200	181	146	145	123	121	118	
<b>Total Home Office</b>	<b>5,904</b>	<b>6,138</b>	<b>6,502</b>	<b>6,898</b>	<b>6,840</b>	<b>6,847</b>	<b>6,783</b>	<b>6,600</b>	<b>6,602</b>	
<b>Environment, Food and Rural Affairs</b>										
Environment Agency	-58	-27	-22	-38	-31	-	-	-	-	
Area Based Grants	-	-	3	3	3	-	-	-	-	
Other	93	51	68	69	75	59	56	52	48	
<b>Total Environment, Food and Rural Affairs</b>	<b>35</b>	<b>24</b>	<b>49</b>	<b>34</b>	<b>47</b>	<b>59</b>	<b>56</b>	<b>52</b>	<b>48</b>	
<b>Work and Pensions</b>										
Rent rebates	4,399	4,439	4,373	4,475	4,401	4,465	4,593	4,448	4,497	
Rent allowances	8,308	9,021	10,278	12,799	14,109	14,990	15,098	14,549	14,673	
Council tax benefits	3,278	3,370	3,583	3,994	4,184	4,170	4,201	3,761	3,765	
Area Based Grants	-	-	33	51	44	-	-	-	-	
Other	630	649	549	621	579	545	544	517	479	
<b>Total Work and Pensions</b>	<b>16,615</b>	<b>17,480</b>	<b>18,817</b>	<b>21,940</b>	<b>23,317</b>	<b>24,171</b>	<b>24,437</b>	<b>23,275</b>	<b>23,413</b>	
<b>Other government departments</b>	<b>195</b>	<b>206</b>	<b>189</b>	<b>113</b>	<b>123</b>	<b>79</b>	<b>73</b>	<b>79</b>	<b>79</b>	
<b>Total England</b>	<b>87,912</b>	<b>91,994</b>	<b>96,324</b>	<b>102,291</b>	<b>106,738</b>	<b>100,965</b>	<b>105,509</b>	<b>104,023</b>	<b>103,242</b>	

**Table 7.2 Central government current grants for local government in the United Kingdom by department group, 2006-07 to 2014-15 (continued)**

	£ million									
	National Statistics									
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
<b>Scotland</b>										
<b>Work and Pensions</b>										
Rent allowance	670	707	786	905	978	1,048	1,061	1,043	1,053	
Rent rebates	554	556	572	609	643	653	664	634	635	
Council tax benefits	358	356	350	365	376	374	376	336	335	
Other	81	80	63	59	54	0	0	0	0	
<b>Total Work and Pensions</b>	<b>1,663</b>	<b>1,699</b>	<b>1,770</b>	<b>1,939</b>	<b>2,050</b>	<b>2,075</b>	<b>2,101</b>	<b>2,013</b>	<b>2,023</b>	
<b>Scottish Government</b>										
Revenue Support Grant	5,778	6,170	7,433	7,750	8,395	8,058	8,156	8,218	8,252	
Non-domestic rate income <sup>(3)</sup>	1,884	1,860	1,963	2,165	2,068	2,171	2,171	2,171	2,171	
Police	530	550	552	570	496	480	486	490	492	
Other	1,009	1,019	289	279	119	119	121	122	123	
<b>Total Scottish Government</b>	<b>9,200</b>	<b>9,598</b>	<b>10,237</b>	<b>10,764</b>	<b>11,078</b>	<b>10,828</b>	<b>10,933</b>	<b>11,000</b>	<b>11,037</b>	
<b>Other government departments</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	
<b>Total Scotland</b>	<b>10,863</b>	<b>11,300</b>	<b>12,010</b>	<b>12,705</b>	<b>13,132</b>	<b>12,905</b>	<b>13,036</b>	<b>13,014</b>	<b>13,062</b>	
<b>Wales</b>										
<b>Home Office</b>										
Police	218	268	270	280	278	263	244	249	245	
Other	0	12	12	0	0	13	0	0	0	
<b>Total Home Office</b>	<b>218</b>	<b>280</b>	<b>282</b>	<b>280</b>	<b>278</b>	<b>276</b>	<b>244</b>	<b>249</b>	<b>245</b>	
<b>Work and Pensions</b>										
Rent allowance	317	356	442	574	649	701	722	695	712	
Rent rebates	284	294	260	241	235	229	235	226	228	
Council tax benefits	177	184	195	216	233	239	243	220	222	
Other	37	43	34	29	28	0	0	0	0	
<b>Total Work and Pensions</b>	<b>815</b>	<b>876</b>	<b>931</b>	<b>1,060</b>	<b>1,145</b>	<b>1,169</b>	<b>1,200</b>	<b>1,141</b>	<b>1,162</b>	
<b>Welsh Assembly Government</b>										
Revenue Support Grant	2,899	3,011	3,055	3,148	3,218	3,283	3,293	3,336	3,336	
Non-domestic rate payments	844	902	976	1,005	1,044	913	912	921	921	
Other	503	468	624	740	877	607	605	616	616	
<b>Total Welsh Assembly Government</b>	<b>4,246</b>	<b>4,380</b>	<b>4,656</b>	<b>4,893</b>	<b>5,139</b>	<b>4,803</b>	<b>4,810</b>	<b>4,873</b>	<b>4,873</b>	
<b>Other government departments</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	
<b>Total Wales</b>	<b>5,279</b>	<b>5,540</b>	<b>5,871</b>	<b>6,235</b>	<b>6,565</b>	<b>6,250</b>	<b>6,257</b>	<b>6,265</b>	<b>6,282</b>	
<b>Northern Ireland</b>										
<b>Culture, Media and Sport</b>										
Culture, Media and Sport	2	1	1	2	1	2	1	2	2	
<b>Northern Ireland Executive</b>										
Northern Ireland Executive	50	54	54	54	53	56	56	55	54	
<b>Total Northern Ireland</b>	<b>53</b>	<b>56</b>	<b>56</b>	<b>57</b>	<b>54</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>55</b>	
<b>Total current finance</b>	<b>104,106</b>	<b>108,890</b>	<b>114,260</b>	<b>121,288</b>	<b>126,488</b>	<b>120,177</b>	<b>124,860</b>	<b>123,359</b>	<b>122,641</b>	

<sup>(1)</sup> The Department for Education has yet to settle the nature of the funding streams for education institutions from 2012-13.

<sup>(2)</sup> The Department of Health has not settled its local government grants beyond 2012-13.

<sup>(3)</sup> By convention, Non-Domestic Rates Income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, i.e. it is finance raised in Scotland rather than funding from Whitehall.

**Table 7.3 Central government capital support for local government in the United Kingdom by country and department group, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12	2012-13	2013-14	2014-15	
	2006-07	2007-08	2008-09	2009-10	2010-11	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
<b>England</b>										
<b>Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>										
Education	1,031	1,050	1,045	942	539	-	-	-	-	
Health	50	50	0	0	0	-	-	-	-	
Transport	1,368	854	856	902	972	-	-	-	-	
CLG Communities	1,181	1,295	1,230	1,265	946	-	-	-	-	
Home Office	123	67	67	73	73	-	-	-	-	
<b>Total Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>	<b>3,754</b>	<b>3,317</b>	<b>3,198</b>	<b>3,182</b>	<b>2,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Capital grants</b>										
Education	2,544	3,658	3,800	5,729	5,772	4,606	3,778	2,947	2,763	
Health <sup>(2)</sup>	131	108	164	257	118	124	127	-	-	
Transport	291	1,077	1,014	1,268	1,089	2,696	3,197	2,720	2,780	
CLG Communities	1,719	2,706	1,916	2,022	2,136	1,454	1,389	1,431	1,588	
CLG Local Government	222	32	122	258	-68	0	0	0	0	
Business, Innovation and Skills	578	567	447	503	243	218	79	76	28	
Home Office	55	246	249	236	206	129	150	124	124	
Justice	2	0	3	0	0	0	0	0	0	
Environment, Food and Rural Affairs	140	68	170	169	123	38	38	38	38	
Culture, Media and Sport	69	226	177	141	47	234	217	234	234	
Work and Pensions	0	0	0	0	0	0	0	0	0	
Cabinet Office	11	5	13	12	0	0	0	0	0	
<b>Total capital grants</b>	<b>5,762</b>	<b>8,694</b>	<b>8,076</b>	<b>10,598</b>	<b>9,666</b>	<b>9,498</b>	<b>8,975</b>	<b>7,570</b>	<b>7,554</b>	
<b>Total England</b>	<b>9,516</b>	<b>12,010</b>	<b>11,273</b>	<b>13,779</b>	<b>12,196</b>	<b>9,498</b>	<b>8,975</b>	<b>7,570</b>	<b>7,554</b>	
<b>Scotland</b>										
<b>Supported borrowing</b>										
Scottish Government	352	358	330	328	330	20	20	18	18	
<b>Total supported borrowing</b>	<b>352</b>	<b>358</b>	<b>330</b>	<b>328</b>	<b>330</b>	<b>20</b>	<b>20</b>	<b>18</b>	<b>18</b>	
<b>Capital grants</b>										
Culture, Media and Sport	0	7	6	3	7	9	9	9	9	
Scottish Government	609	617	621	729	533	672	655	592	613	
<b>Total capital grants</b>	<b>609</b>	<b>624</b>	<b>628</b>	<b>732</b>	<b>540</b>	<b>681</b>	<b>663</b>	<b>600</b>	<b>622</b>	
<b>Total Scotland</b>	<b>961</b>	<b>982</b>	<b>957</b>	<b>1,060</b>	<b>870</b>	<b>701</b>	<b>683</b>	<b>618</b>	<b>640</b>	
<b>Wales</b>										
<b>Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>										
Home Office	0	7	7	0	0	0	0	0	0	
Welsh Assembly Government	163	163	163	162	163	131	120	113	113	
<b>Total Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>	<b>163</b>	<b>170</b>	<b>170</b>	<b>162</b>	<b>163</b>	<b>131</b>	<b>120</b>	<b>113</b>	<b>113</b>	
<b>Capital grants</b>										
Home Office	0	7	7	8	7	0	0	0	0	
Culture, Media and Sport	7	3	3	1	2	2	2	2	2	
Welsh Assembly Government	523	558	592	513	617	468	452	385	385	
<b>Total capital grants</b>	<b>530</b>	<b>568</b>	<b>602</b>	<b>522</b>	<b>626</b>	<b>469</b>	<b>454</b>	<b>387</b>	<b>387</b>	
<b>Total Wales</b>	<b>694</b>	<b>738</b>	<b>772</b>	<b>684</b>	<b>790</b>	<b>600</b>	<b>574</b>	<b>500</b>	<b>500</b>	
<b>Northern Ireland</b>										
<b>Northern Ireland capital grants</b>										
Culture, Media and Sport	1	1	1	0	1	1	1	1	1	
Northern Ireland Executive	9	10	3	3	16	3	3	3	3	
<b>Total Northern Ireland</b>	<b>10</b>	<b>11</b>	<b>4</b>	<b>3</b>	<b>16</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	
<b>Total United Kingdom</b>	<b>11,180</b>	<b>13,741</b>	<b>13,006</b>	<b>15,526</b>	<b>13,872</b>	<b>10,804</b>	<b>10,235</b>	<b>8,693</b>	<b>8,699</b>	

<sup>(1)</sup> A full definition of Supported Capital Expenditure (SCR) is given in Appendix G. This is equivalent to supported borrowing in Scotland.

<sup>(2)</sup> The Department of Health has not settled its local government grants beyond 2012-13

**Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>Current</b>						
1. General public services	4,448	4,651	4,751	4,290	4,092	
<i>of which: public and common services</i>	3,930	3,959	4,237	4,284	4,089	
<i>of which: public sector debt interest<sup>(1)</sup></i>	518	692	514	6	3	
2. Defence	59	65	63	64	69	
3. Public order and safety	14,886	15,222	15,788	16,256	16,571	
4. Economic affairs	5,967	6,557	6,851	7,084	6,994	
<i>of which: enterprise and economic development</i>	1,209	1,539	1,830	1,702	1,429	
<i>of which: agriculture, fisheries and forestry</i>	11	13	17	20	14	
<i>of which: transport</i>	4,747	5,005	5,004	5,362	5,551	
5. Environment protection	4,772	5,132	5,501	5,663	5,963	
6. Housing and community amenities	2,520	2,779	3,105	3,249	3,075	
7. Health	231	228	195	82	76	
8. Recreation, culture and religion	3,890	4,016	4,206	4,339	4,261	
9. Education	42,637	45,104	47,583	48,512	49,425	
10. Social protection	39,519	41,620	44,652	49,374	51,080	
<b>Total local government current expenditure on services</b>	<b>118,929</b>	<b>125,374</b>	<b>132,694</b>	<b>138,911</b>	<b>141,605</b>	
Accounting adjustments	13,684	14,422	14,761	14,380	16,448	
<b>Total local government current expenditure</b>	<b>132,613</b>	<b>139,796</b>	<b>147,455</b>	<b>153,291</b>	<b>158,053</b>	
<b>Capital</b>						
1. General public services	854	858	1,297	1,067	1,485	
<i>of which: public and common services</i>	854	858	1,297	1,067	1,485	
3. Public order and safety	629	677	1,013	928	1,127	
4. Economic affairs	3,434	3,490	4,368	4,774	5,710	
<i>of which: enterprise and economic development</i>	-3	-114	335	326	407	
<i>of which: employment policies</i>	0	1	3	4	2	
<i>of which: agriculture, fisheries and forestry</i>	63	66	115	112	156	
<i>of which: transport</i>	3,373	3,537	3,916	4,332	5,146	
5. Environment protection	330	450	572	563	912	
6. Housing and community amenities	1,840	2,519	2,509	1,814	1,646	
7. Health	86	52	57	58	64	
8. Recreation, culture and religion	1,053	1,208	1,370	1,530	1,604	
9. Education	4,398	4,627	5,706	6,621	7,948	
10. Social protection	266	342	274	376	496	
<b>Total local government capital expenditure on services</b>	<b>12,889</b>	<b>14,222</b>	<b>17,168</b>	<b>17,731</b>	<b>20,993</b>	
Accounting adjustments	678	1,154	2,013	2,034	-39	
<b>Total local government capital expenditure</b>	<b>13,567</b>	<b>15,376</b>	<b>19,181</b>	<b>19,765</b>	<b>20,954</b>	
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	

<sup>(1)</sup> This excludes all intra-public sector payments of debt interest.

**Table 7.5 Local government current expenditure on services in the United Kingdom by country and function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>England</b>						
1. General public services	3,336	3,297	3,566	3,451	3,397	
<i>of which: public and common services</i>	3,336	3,297	3,566	3,451	3,397	
2. Defence	51	57	54	56	59	
3. Public order and safety	13,019	13,342	13,873	14,280	14,523	
4. Economic affairs	5,075	5,622	5,792	6,003	5,874	
<i>of which: enterprise and economic development</i>	967	1,285	1,497	1,349	1,020	
<i>of which: agriculture, fisheries and forestry</i>	8	10	13	16	11	
<i>of which: transport</i>	4,100	4,327	4,282	4,638	4,843	
5. Environment protection	3,833	4,153	4,422	4,530	4,771	
6. Housing and community amenities	2,299	2,398	2,589	2,748	2,628	
7. Health	194	186	141	30	29	
8. Recreation, culture and religion	2,921	3,017	3,133	3,254	3,193	
9. Education	36,040	38,249	40,456	41,323	42,048	
10. Social protection	33,871	35,444	38,051	42,268	43,755	
<b>Total England</b>	<b>100,639</b>	<b>105,765</b>	<b>112,077</b>	<b>117,942</b>	<b>120,277</b>	
<b>Scotland</b>						
1. General public services	389	439	444	613	409	
<i>of which: public and common services</i>	389	439	444	613	409	
2. Defence	5	4	5	5	5	
3. Public order and safety	1,132	1,148	1,141	1,175	1,245	
4. Economic affairs	588	618	679	721	784	
<i>of which: enterprise and economic development</i>	142	150	190	222	295	
<i>of which: agriculture, fisheries and forestry</i>	1	1	1	1	1	
<i>of which: transport</i>	445	466	487	498	488	
5. Environment protection	511	532	590	620	660	
6. Housing and community amenities	2	131	186	179	145	
8. Recreation, culture and religion	556	562	573	604	625	
9. Education	4,371	4,514	4,673	4,636	4,803	
10. Social protection	3,635	4,049	4,353	4,693	4,836	
<b>Total Scotland</b>	<b>11,189</b>	<b>11,997</b>	<b>12,645</b>	<b>13,246</b>	<b>13,511</b>	
<b>Wales</b>						
1. General public services	206	224	228	220	282	
<i>of which: public and common services</i>	206	224	228	220	282	
2. Defence	3	3	3	3	4	
3. Public order and safety	735	732	774	800	803	
4. Economic affairs	290	302	359	339	318	
<i>of which: enterprise and economic development</i>	86	88	122	110	96	
<i>of which: agriculture, fisheries and forestry</i>	2	2	3	3	2	
<i>of which: transport</i>	202	212	234	226	220	
5. Environment protection	298	296	330	343	365	
6. Housing and community amenities	139	148	232	221	199	
8. Recreation, culture and religion	263	274	293	294	274	
9. Education	2,226	2,341	2,454	2,553	2,574	
10. Social protection	2,014	2,126	2,248	2,414	2,489	
<b>Total Wales</b>	<b>6,175</b>	<b>6,447</b>	<b>6,919</b>	<b>7,187</b>	<b>7,309</b>	
<b>Total Great Britain</b>	<b>118,003</b>	<b>124,209</b>	<b>131,641</b>	<b>138,376</b>	<b>141,097</b>	
<b>Northern Ireland</b>						
4. Economic affairs	14	16	21	21	18	
<i>of which: enterprise and economic development</i>	14	16	21	21	18	
5. Environment protection	129	150	159	170	168	
6. Housing and community amenities	79	101	98	100	102	
7. Health	37	42	54	52	47	
8. Recreation, culture and religion	150	163	207	187	169	
<b>Total Northern Ireland</b>	<b>409</b>	<b>473</b>	<b>539</b>	<b>529</b>	<b>505</b>	
Debt interest <sup>(1)</sup>	518	692	514	6	3	
<b>Total local government current expenditure on services</b>	<b>118,929</b>	<b>125,374</b>	<b>132,694</b>	<b>138,911</b>	<b>141,605</b>	
Accounting adjustments	13,684	14,422	14,761	14,380	16,448	
<b>Total local government current expenditure</b>	<b>132,613</b>	<b>139,796</b>	<b>147,455</b>	<b>153,291</b>	<b>158,053</b>	

<sup>(1)</sup> Debt interest is not allocated to individual countries so is only included in the total UK figures. These figures exclude all intra-public sector debt interest payments.

**Table 7.6 Local government gross<sup>(1)</sup> capital expenditure on services in the United Kingdom by country and function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>England</b>						
1. General public services	1,168	1,286	1,261	1,222	1,549	
<i>of which: public and common services</i>	1,168	1,286	1,261	1,222	1,549	
3. Public order and safety	652	717	960	893	1,058	
4. Economic affairs	3,108	3,302	3,716	4,119	4,866	
<i>of which: enterprise and economic development</i>	252	276	349	292	340	
<i>of which: employment policies</i>	0	1	3	4	2	
<i>of which: agriculture, fisheries and forestry</i>	96	85	80	69	80	
<i>of which: transport</i>	2,760	2,940	3,284	3,754	4,444	
5. Environment protection	284	346	447	469	816	
6. Housing and community amenities	1,846	2,447	2,352	1,725	1,548	
7. Health	84	42	55	57	58	
8. Recreation, culture and religion	898	963	1,051	1,265	1,331	
9. Education	4,077	4,319	5,159	6,164	7,231	
10. Social protection	279	363	240	335	440	
<b>Total England</b>	<b>12,395</b>	<b>13,785</b>	<b>15,241</b>	<b>16,249</b>	<b>18,897</b>	
<b>Scotland</b>						
1. General public services	283	180	268	166	237	
<i>of which: public and common services</i>	283	180	268	166	237	
3. Public order and safety	67	69	79	63	66	
4. Economic affairs	526	636	600	681	735	
<i>of which: enterprise and economic development</i>	24	87	95	133	131	
<i>of which: agriculture, fisheries and forestry</i>	30	42	61	64	84	
<i>of which: transport</i>	472	507	444	484	520	
5. Environment protection	40	75	69	66	81	
6. Housing and community amenities	130	72	63	68	31	
8. Recreation, culture and religion	137	167	210	223	270	
9. Education	415	465	479	416	631	
10. Social protection	59	65	63	59	95	
<b>Total Scotland</b>	<b>1,658</b>	<b>1,729</b>	<b>1,831</b>	<b>1,742</b>	<b>2,147</b>	
<b>Wales</b>						
1. General public services	79	73	67	51	35	
<i>of which: public and common services</i>	79	73	67	51	35	
3. Public order and safety	37	43	62	45	84	
4. Economic affairs	249	258	259	228	281	
<i>of which: enterprise and economic development</i>	30	13	17	15	14	
<i>of which: agriculture, fisheries and forestry</i>	9	11	14	14	18	
<i>of which: transport</i>	211	234	227	199	249	
5. Environment protection	34	30	54	31	21	
6. Housing and community amenities	182	213	200	153	191	
8. Recreation, culture and religion	104	151	117	55	50	
9. Education	185	190	203	214	260	
10. Social protection	19	19	22	22	27	
<b>Total Wales</b>	<b>889</b>	<b>975</b>	<b>984</b>	<b>799</b>	<b>950</b>	
<b>Total Great Britain</b>	<b>14,942</b>	<b>16,489</b>	<b>18,057</b>	<b>18,789</b>	<b>21,993</b>	
<b>Northern Ireland</b>						
4. Economic affairs	2	8	4	0	6	
<i>of which: enterprise and economic development</i>	2	8	4	0	6	
5. Environment protection	15	24	15	8	17	
6. Housing and community amenities	27	35	32	30	33	
7. Health	2	10	2	1	6	
8. Recreation, culture and religion	56	75	64	40	88	
<b>Total Northern Ireland</b>	<b>102</b>	<b>151</b>	<b>116</b>	<b>79</b>	<b>150</b>	
<b>Total United Kingdom</b>	<b>15,044</b>	<b>16,641</b>	<b>18,173</b>	<b>18,869</b>	<b>22,143</b>	
<b>Memorandum</b>						
United Kingdom gross capital expenditure, from above	15,044	16,641	18,173	18,869	22,143	
United Kingdom capital receipts (see table 7.7)	-2,154	-2,419	-1,006	-1,138	-1,151	
<b>Total local government net capital expenditure on services</b>	<b>12,889</b>	<b>14,222</b>	<b>17,168</b>	<b>17,731</b>	<b>20,993</b>	
Accounting adjustments	678	1,154	2,013	2,034	-39	
<b>Total local government net capital expenditure</b>	<b>13,567</b>	<b>15,376</b>	<b>19,181</b>	<b>19,765</b>	<b>20,954</b>	

<sup>(1)</sup> 'Gross' – before sales of capital assets and depreciation.

**Table 7.7 Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>England</b>						
1. General public services	430	462	244	227	300	
<i>of which: public and common services</i>	430	462	244	227	300	
3. Public order and safety	121	144	80	67	70	
4. Economic affairs	412	673	194	229	118	
<i>of which: enterprise and economic development</i>	283	467	118	101	71	
<i>of which: employment policies</i>	0	0	0	0	0	
<i>of which: agriculture, fisheries and forestry</i>	65	69	39	23	15	
<i>of which: transport</i>	63	137	37	104	32	
5. Environment protection	38	14	9	6	19	
6. Housing and community amenities	294	211	109	129	132	
8. Recreation, culture and religion	97	120	44	22	94	
9. Education	261	271	102	166	146	
10. Social protection	85	100	45	37	63	
<b>Total England</b>	<b>1,737</b>	<b>1,995</b>	<b>828</b>	<b>883</b>	<b>940</b>	
<b>Scotland</b>						
1. General public services	179	168	44	142	29	
<i>of which: public and common services</i>	179	168	44	142	29	
3. Public order and safety	5	4	5	4	8	
4. Economic affairs	22	29	8	10	40	
<i>of which: enterprise and economic development</i>	16	23	6	9	6	
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0	
<i>of which: transport</i>	5	6	2	1	34	
5. Environment protection	1	4	1	1	3	
6. Housing and community amenities	3	1	4	1	2	
8. Recreation, culture and religion	3	13	3	2	13	
9. Education	12	63	30	4	18	
10. Social protection	2	3	1	0	1	
<b>Total Scotland</b>	<b>226</b>	<b>285</b>	<b>94</b>	<b>164</b>	<b>114</b>	
<b>Wales</b>						
1. General public services	68	50	11	4	8	
<i>of which: public and common services</i>	68	50	11	4	8	
3. Public order and safety	1	4	3	1	4	
4. Economic affairs	17	10	5	16	18	
<i>of which: enterprise and economic development</i>	11	7	2	4	7	
<i>of which: agriculture, fisheries and forestry</i>	6	3	3	12	10	
<i>of which: transport</i>	1	0	0	1	1	
5. Environment protection	0	3	0	0	0	
6. Housing and community amenities	39	34	14	20	17	
8. Recreation, culture and religion	9	8	5	1	0	
9. Education	6	12	4	3	10	
10. Social protection	4	2	5	2	3	
<b>Total Wales</b>	<b>144</b>	<b>123</b>	<b>47</b>	<b>48</b>	<b>60</b>	
<b>Total Great Britain</b>	<b>2,108</b>	<b>2,404</b>	<b>970</b>	<b>1,095</b>	<b>1,114</b>	
<b>Northern Ireland</b>						
4. Economic affairs	0	1	3	0	1	
<i>of which: enterprise and economic development</i>	0	1	3	0	1	
5. Environment protection	4	4	2	4	0	
6. Housing and community amenities	8	2	11	11	7	
7. Health	0	0	0	0	0	
8. Recreation, culture and religion	34	9	19	27	29	
<b>Total Northern Ireland</b>	<b>47</b>	<b>15</b>	<b>36</b>	<b>43</b>	<b>36</b>	
<b>Total United Kingdom capital receipts</b>	<b>2,154</b>	<b>2,419</b>	<b>1,006</b>	<b>1,138</b>	<b>1,151</b>	

**Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>England</b>						
Pay	58,333	60,208	63,053	64,836	65,952	
Gross current procurement	48,221	51,208	55,260	57,483	57,952	
Income from sales of goods and services	-22,273	-23,062	-24,576	-25,680	-26,696	
Subsidies to private sector companies	2,108	2,251	1,850	2,127	2,513	
Subsidies to public corporations	18	18	20	33	29	
Current grants to persons and non-profit bodies	14,231	15,143	16,469	19,144	20,527	
Gross capital procurement	11,206	12,035	13,526	14,531	17,036	
Income from sales of capital assets	-1,737	-1,995	-828	-883	-940	
Capital grants	1,189	1,750	1,715	1,718	1,861	
<b>Total England</b>	<b>111,296</b>	<b>117,554</b>	<b>126,490</b>	<b>133,309</b>	<b>138,233</b>	
<b>Scotland</b>						
Pay	6,645	6,820	7,091	7,472	7,385	
Gross current procurement	5,763	6,305	6,781	6,639	6,708	
Income from sales of goods and services	-2,565	-2,520	-2,714	-2,525	-2,336	
Subsidies to public corporations	86	96	96	103	116	
Current grants to persons and non-profit bodies	1,259	1,296	1,392	1,556	1,638	
Gross capital procurement	1,588	1,686	1,790	1,693	2,131	
Income from sales of capital assets	-226	-285	-94	-164	-114	
Capital grants	69	43	42	48	16	
<b>Total Scotland</b>	<b>12,621</b>	<b>13,442</b>	<b>14,382</b>	<b>14,824</b>	<b>15,544</b>	
<b>Wales</b>						
Pay	3,148	3,578	3,931	3,905	3,989	
Gross current procurement	3,590	3,357	3,961	3,738	3,812	
Income from sales of goods and services	-1,178	-1,144	-1,684	-1,290	-1,376	
Current grants to persons and non-profit bodies	615	656	712	834	883	
Gross capital procurement	773	861	891	708	839	
Income from sales of capital assets	-144	-123	-47	-48	-60	
Capital grants	116	114	93	91	111	
<b>Total Wales</b>	<b>6,920</b>	<b>7,299</b>	<b>7,856</b>	<b>7,938</b>	<b>8,198</b>	
<b>Great Britain</b>						
Pay	68,126	70,606	74,074	76,213	77,326	
Gross current procurement	57,574	60,869	66,002	67,861	68,472	
Income from sales of goods and services	-26,016	-26,726	-28,974	-29,495	-30,408	
Subsidies to private sector companies	2,108	2,251	1,850	2,127	2,513	
Subsidies to public corporations	104	114	116	136	145	
Current grants to persons and non-profit bodies	16,106	17,095	18,573	21,533	23,048	
Gross capital procurement	13,567	14,582	16,207	16,932	20,005	
Income from sales of capital assets	-2,108	-2,404	-970	-1,095	-1,114	
Capital grants	1,375	1,907	1,850	1,857	1,988	
<b>Total Great Britain</b>	<b>130,836</b>	<b>138,295</b>	<b>148,728</b>	<b>156,070</b>	<b>161,976</b>	
<b>Northern Ireland</b>						
Pay	242	256	283	294	303	
Gross current procurement	308	333	407	389	369	
Income from sales of goods and services	-141	-117	-151	-154	-166	
Gross capital procurement	102	151	116	79	150	
Income from sales of capital assets	-47	-15	-36	-43	-36	
<b>Total Northern Ireland</b>	<b>464</b>	<b>609</b>	<b>620</b>	<b>565</b>	<b>619</b>	
<b>United Kingdom</b>						
Pay	68,368	70,863	74,357	76,507	77,629	
Gross current procurement	57,882	61,202	66,410	68,250	68,841	
Income from sales of goods and services	-26,157	-26,843	-29,125	-29,649	-30,574	
Subsidies to private sector companies	2,108	2,251	1,850	2,127	2,513	
Subsidies to public corporations	104	114	116	136	145	
Current grants to persons and non-profit bodies	16,106	17,095	18,573	21,533	23,048	
Local government debt interest <sup>(1)</sup>	518	692	514	6	3	
Gross capital procurement	13,669	14,734	16,324	17,012	20,155	
Income from sales of capital assets	-2,154	-2,419	-1,006	-1,138	-1,151	
Capital grants	1,375	1,907	1,850	1,857	1,988	
<b>Total local government expenditure on services</b>	<b>131,819</b>	<b>139,596</b>	<b>149,862</b>	<b>156,641</b>	<b>162,598</b>	
Accounting adjustments	14,361	15,576	16,774	16,415	16,409	
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	

<sup>(1)</sup> Debt interest is not allocated to individual countries so is only included in the total UK figures. These figures exclude all intra-public sector debt interest payments.