

Statistical Release

28 June 2012

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

England: 2011-12 Provisional Outturn & 2012-13 Forecast

- Capital expenditure by local authorities in England excluding special factors of Housing Revenue Account (HRA) reform fell to £20.7 billion in 2011-12, a year-on-year decrease of more than 10%, due partly to a reduction in expenditure on new construction and conversion. It is forecast to rise to £21.4 billion in 2012-13, a year-on-year rise of 3%.
- Capital receipts have increased significantly in 2011-12 to £1.8 billion excluding special factors of HRA reform, a year-on-year increase of 22%. Receipts are forecast to rise to £2.0 billion in 2012-13.
- If HRA self-financing determination payments are included, capital expenditure and receipts increased significantly in 2011-12 to £34.2 billion and £8.5 billion respectively.

This release provides provisional outturn estimates of local authority capital expenditure and receipts in the financial year April 2011 to March 2012 and forecasts of local authority capital expenditure and receipts in the financial year April 2012 to March 2013. Figures for both 2011-12 and 2012-13 reflect the service category changes on the Capital Payments & Receipt (CPR4) form and Capital Estimates Return (CER) consistent with Service Reporting Code of Practice (SeRCOP).

The information for 2011-12 is derived from Capital Payments and Receipts Returns (CPR4) submitted by local authorities in England and is based on returns from 444 authorities in England that complete the return. The information for 2012-13 is derived from valid Capital Estimates Returns (CER) submitted by 444 local authorities in England.

In Tables 1 to 7 the figures reported by local authorities have been adjusted to reflect the historic difference between provisional and final estimates and between forecasts and final estimates. Figures in Tables 8 and 9 and Annex A are as reported by local authorities.

The release has been compiled by the Local Government Finance – Data Collection Analysis and Accountancy division of Communities and Local Government.

Responsible Statisticians:

Steven Melbourne and Mike Young

Email: capital.receipts@communities.gsi.gov.uk

Contact points:

Press enquiries:

Telephone 0303 444 1201

Email press.office@communities.gsi.gov.uk

Other enquiries:

Telephone 0303 444 2115

Email capital.receipts@communities.gsi.gov.uk

Website: www.communities.gov.uk

Web-link (capital statistics) :

www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/

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Special Factors

There has been a reform to the Housing Revenue Account (HRA) system of payments which is reflected in the financial statistics shown in this Statistical Release.

HRA self-financing determination

The HRA Subsidy Amendment Determination for the year 2011-12 was published in February 2012. This adjusts the subsidy entitlement for the financial year 2011-12 in order to take account of the interest costs or savings arising from the settlement payments. These payments were made before the end of the last financial year.

Authorities were asked to complete the CPR4 return taking full account of the transactions associated with the 'The HRA Self-financing Determinations'. Local authorities subject to these self-financing determinations were required to include the determination in relation to expenditure or receipts and also the financing if applicable. The capital expenditure figure and receipts information on the form were required to match the information published in the self-financing documentation.

The transactions required to implement the self-financing determination took place on 28 March 2012 and are shown in Table 1, Table 7 and Table 8 of the statistical release.

Capital expenditure and receipts 2007-08 to 2012-13

1. **Chart A** and **Table 1** illustrate the change in capital expenditure and receipts from 2007-08 to 2012-13.

- Capital expenditure by local authorities in England excluding special factors of Housing Revenue Account (HRA) reform fell to £20.7 billion in 2011-12, a year-on-year decrease of more than 10%, due partly to a reduction in expenditure on new construction and conversion. It is forecast to rise to £21.4 billion in 2012-13, a year-on-year rise of 3%.
- Capital receipts have increased significantly in 2011-12 to £1.8 billion excluding special factors of HRA reform, a year-on-year increase of 22%. Receipts are forecast to rise to £2.0 billion in 2012-13.
- If HRA self-financing determination payments are included, capital expenditure and receipts increased significantly in 2011-12 to £34.2 billion and £8.5 billion respectively.

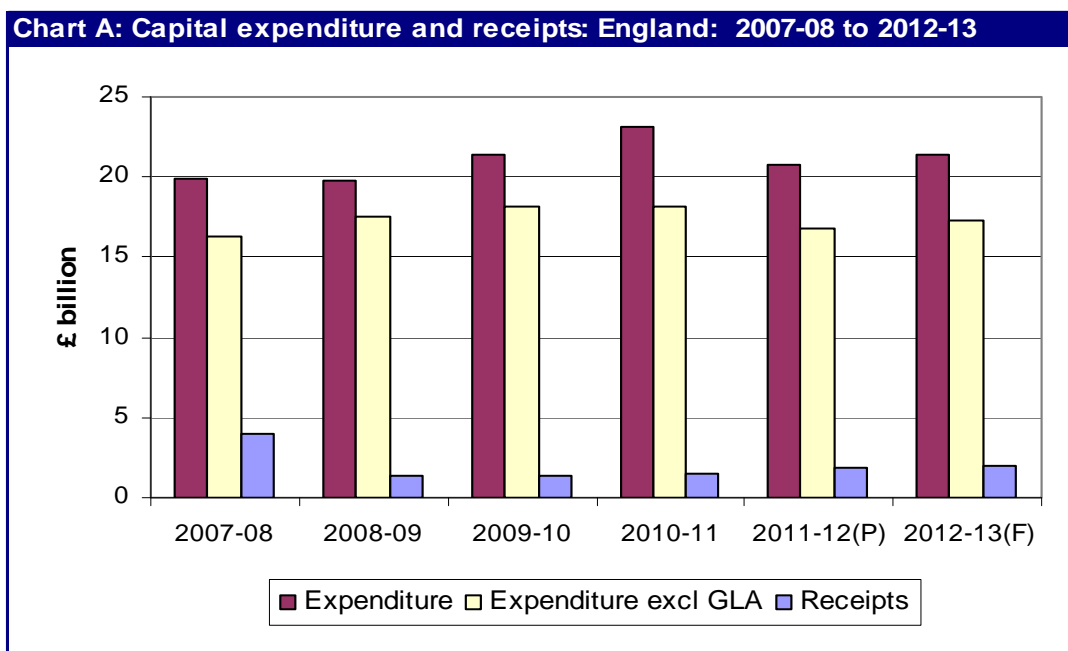


Table 1: Local authority capital expenditure and receipts: England: 2007-08 to 2012-13

	2007-08	2008-09	2009-10	2010-11	2011-12 (P)	£ million 2012-13 (F)
Expenditure:						
Acquisition of land and existing buildings and works	1,184	1,511	1,301	1,043	666	651
New construction and conversion	12,393	13,390	14,551	14,777	13,608	14,811
Vehicles, plant equipment and machinery	1,321	1,488	1,597	1,520	1,259	1,199
Intangible assets	262	204	197	205	160	310
Total expenditure on fixed assets	15,159	16,593	17,645	17,544	15,693	16,971
Grants, loans and other financial assistance	4,788 ^(b)	3,172	3,574	5,148 ^(c)	4,084	4,393
Acquisition of share and loan capital	11	36	143	454	954	0
Total capital expenditure	19,958	19,801	21,362	23,146	20,731	21,364
<i>of which GLA:</i>	<i>3,654</i>	<i>2,299</i>	<i>3,156</i>	<i>4,969</i>	<i>3,946</i>	<i>4,021</i>
Expenditure by virtue of a section 16(2)(b) direction ^(a)	415	432	464	239	210 ^(d)	17 ^(e)
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	22	0	0	0	16	0
Total expenditure and other transactions	20,395	20,233	21,826	23,385	34,252	21,381
Total expenditure excl HRA self-financing determination payment					20,957	
One-off HRA self-financing determination payment:					13,295 ^(f)	
Receipts	3,992	1,353	1,427	1,498	8,539	2,012
Receipts excl HRA self-financing determination & premium					1,829	
One-off HRA self-financing determination & premium:					6,711 ^(f)	

(a) Expenditure which does not fall within the definition of expenditure for capital purposes, but is treated as capital expenditure by a direction under section 16(2)(b) of the Local Government Act 2003.

(b) Includes GLA (TfL) grant payment of £1.7 billion in respect of Metronet.

(c) GLA's grants and loans total £4.9 billion, including GLA's £1 billion contribution to Crossrail.

(d) At the provisional outturn stage local authorities are not able to provide accurate figures on capitalisation. Therefore this could be an underestimate.

(e) Capitalisations are difficult for authorities to forecast, for a number of reasons:- (i) no expectation, at time of compiling forecasts, of a need to seek capitalisation approval; (ii) cautious assumptions that approval may not be granted. Therefore forecasts, even after adjustments, are likely to underestimate the outturn for the financial year.

(f) Local authorities subject to the transactions associated with the HRA Self-financing Determinations are required to include the determination in relation to expenditure or receipts and also the financing if applicable. This is a one-off exercise for 2011-12 and figures are provided both inclusive and exclusive of this transaction.

Capital expenditure by service

2. **Chart B** and **Table 2** below illustrate the change in the pattern of expenditure for the major services between 2007-08 and 2012-13.

- The percentage decrease in capital expenditure in 2011-12 is nearly 14% in housing, almost 13% in highways and transport, and 9% in education.
- In 2012-13 capital expenditure is forecast to fall by 11% in highways and transport and by 7.5% in education. However, expenditure is expected to increase by 23% in housing.

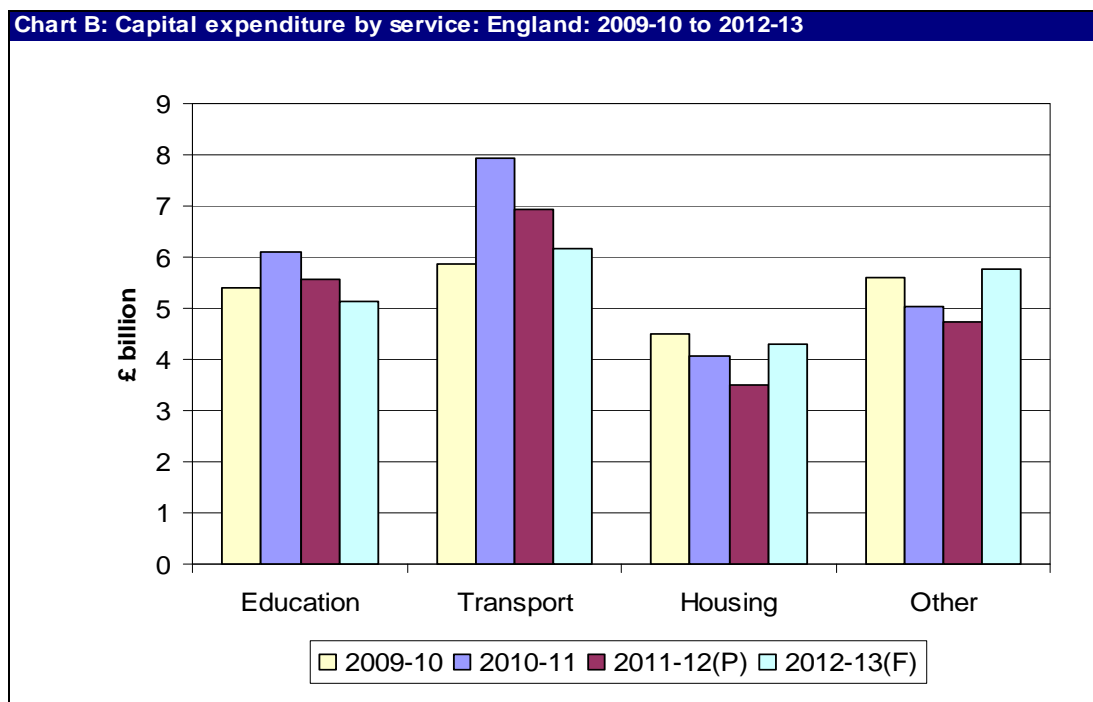


Table 2: Local authority capital expenditure by service: England: 2007-08 to 2012-13

	2007-08	2008-09	2009-10	2010-11	2011-12 (P)	£ million 2012-13 (F)
Education	3,711	4,542	5,392	6,107	5,553	5,134
Highways & transport	5,916	4,735	5,851	7,943	6,923	6,151
<i>of which GLA</i>	3,057	1,564	2,699	4,520	3,658	3,269
Housing	5,008	4,901	4,514	4,063	3,505	4,310
Other	5,323	5,622	5,605	5,034	4,749	5,769
<i>Of which:</i>						
Social services	411	300	288	312	264	447
Recreation & sport	446	496	598	524	596	588
Police	550	794	704	602	537	545
Other	3,917	4,033	4,015	3,596	3,352	4,188
Total capital expenditure	19,958	19,801	21,362	23,146	20,731	21,364

(a) Includes GLA (TfL) grant payment of £1.7 billion in respect of Metronet

(b) Owing to form changes reflecting Best Value Accounting Code of Practice (BVACOP) revisions, from 2009-10 Sport & Recreation (now Recreation & Sport) is now part of Culture & Related Services category. Therefore the figure has been estimated based on the past three years provisional outturn figures from Capital Payments & Receipts returns (CPR4).

(c) The 2012-13 expenditure total is as reported in Annex A (ii) and excludes any acquisitions of share and loan capital, usually negligible within this service.

(d) Includes a one-off acquisition of land and existing buildings by Metropolitan Police in 2008-09

3. **Tables 3 (a & b)** and **4** provide a service breakdown of estimated provisional expenditure and receipts for 2011-12. These figures (and those in Tables 1 and 2) are based on local

authorities' own estimates of spending and receipts, further adjusted by increasing local authorities' own estimates of expenditure and receipts to reflect the historic difference between provisional and final estimates.

Table 3a: Local authority capital expenditure on fixed assets by economic category and service: England 2011-12: provisional outturn

	£ million				
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets
Education	120	4,962	235	9	5,326
Highways & transport	48	2,975	148	10	3,181
Social services	6	178	35	7	226
Housing	143	2,553	62	4	2,762
Culture & related services	11	888	57	3	958
Environmental services	13	440	132	2	587
Planning & development services	163	523	23	3	712
Police	49	209	249	30	537
Fire & rescue	5	58	64	4	131
Central services	90	740	243	87	1,160
Trading services	19	82	10	0	112
TOTAL	666	13,608	1,259	160	15,693

Table 3b : Local authority capital expenditure by economic category and service: England 2011-12: provisional outturn

	£ million				
	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	Total capital expenditure
Education	5,326	189	38	0	5,553
Highways & transport	3,181	1,119	1,736	886 ^(a)	6,923
Social services	226	37	1	0	264
Housing	2,762	523	153	68	3,505
Culture & related services	958	54	6	0	1,018
Environmental services	587	42	6	0	634
Planning & development services	712	53	5	0	771
Police	537	0	0	0	537
Fire & rescue	131	1	0	0	131
Central services	1,160	32	89	0	1,280
Trading services	112	1	0	0	113
TOTAL	15,693	2,050	2,034	954	20,731

(a) Nottingham City Council paid £236m towards a £258m scheme to buy the Tram Company to assist with delivery of future lines. TfL Corporation acquired £650m of share capital in Crossrail Ltd.

Table 4: Local authority capital receipts by economic category: England 2011-12: provisional outturn

			Repayments of grants, loans & financial assistance	Disposals of investments inc. share & loan capital	£ million
	Sales of fixed assets	Sales of intangible assets			Total capital receipts
Education	89	0	2	0	91
Highways & transport	21	0	1	0	22
Social services	53	0	0	0	53
Housing	770	(a) 2	13	0	786
Culture & related services	47	0	1	0	48
Environmental services	54	4	1	0	59
Planning & development services	128	0	1	0	130
Police	114	0	1	0	115
Fire & rescue	12	0	2	0	14
Central services	408	0	4	25	437
Trading services	73	0	0	1	74
TOTAL	1,770	7	26	26	1,829

(a) Includes receipts from whole stock transfers as well as partial stock transfers by a few authorities in 2011-12.

4. **Tables 5 (a & b) and 6** provide a service breakdown of forecast expenditure and receipts for 2012-13. These figures (and those in Tables 1 and 2) are based on local authorities' own estimates of planned spending and receipts, but further adjusted by:

- reducing local authorities' forecast expenditure to reflect the historic pattern of capital programme slippage;
- increasing local authorities' forecasts of receipts to reflect the historic pattern of under recording receipts at the forecast stage.

Table 5a : Local authority capital expenditure on fixed assets by economic category and service: England 2012-13: forecast

					£ million
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets
Education	26	4,932	120	8	5,086
Highways & transport	63	3,136	115	5	3,320
Social services	2	276	46	18	341
Housing	173	2,832	30	66	3,100
Culture & related services	97	1,062	47	2	1,208
Environmental & regulatory services	56	526	153	3	737
Planning & development services	104	527	13	7	650
Police	6	235	264	40	545
Fire & rescue	9	105	85	11	210
Central services incl court services	49	1,064	310	148	1,571
Trading services	67	117	17	1	202
TOTAL	651	14,811	1,199	310	16,971

Table 5b : Local authority capital expenditure by economic category and service: England 2012-13: forecast

	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	£ million Total capital expenditure
Education	5,086	39	10	0	5,134
Highways & transport	3,320	2,410	(a) 421	0	6,151
Social services	341	27	79	0	447
Housing	3,100	1,055	155	0	4,310
Culture & related services	1,208	36	1	0	1,245
Environmental & regulatory services	737	21	3	0	761
Planning & development services	650	67	17	0	735
Police	545	0	0	0	545
Fire & rescue	210	0	0	0	210
Central services incl court services	1,571	40	7	0	1,619
Trading services	202	5	0	0	208
TOTAL	16,971	3,699	693	0	21,364

(a) The increase in expenditure reflects an additional £0.8 billion of expenditure within the GLA. The balance relates to additional expenditure incurred by TfL.

Table 6: Local authority capital receipts by economic category: England 2012-13: forecast

	Sales of fixed assets	Sales of intangible assets	Repayments of grants, loans & financial assistance	Disposals of investments inc. share & loan capital	£ million Total capital receipts
Education	320	0	1	0	321
Highways & transport	44	0	0	0	44
Social services	101	0	0	0	101
Housing	446	18	6	0	470
Culture & related services	75	0	1	0	77
Environmental & regulatory services	35	0	1	0	36
Planning & development services	103	0	0	0	103
Police	119	0	0	0	119
Fire & rescue	10	0	0	0	10
Central services incl court services	553	0	4	4	561
Trading services	169	0	1	0	169
TOTAL	1,976	18	14	4	2,012

Financing of capital expenditure in 2011-12 and 2012-13

5. **Table 7** provides a breakdown of the financing of expenditure from 2007-08 to 2012-13. Figures for 2007-08 to 2010-11 are outturn figures reported by local authorities. The figures for 2011-12 and 2012-13 have been adjusted for likely differences between provisional and final outturn spending.

- The financing of capital expenditure through central government grants is forecast to increase from £8.0 billion in 2011-12 to £8.7 billion in 2012-13 partly due to Transport for London (TfL) now having a separate investment (capital) grant of about £844m which must be spent on capital projects (e.g. the tube upgrade) as set out in TfL's CSR funding settlement.
- The ten local authorities that have forecast the highest amounts of self-financed borrowing in 2012-13 together account for 26.5% of the England total. Local authority self-financed borrowing (excluding HRA self-financing determination payments) in 2011-12 has decreased by 0.3% from 2010-11.
- In 2012-13 capital expenditure financed by borrowing is forecast to fall by 3% from 2011-12 if an estimated HRA figure of approximately £13 billion is excluded from the calculation.

Table 7: Financing of local authority capital expenditure: England: 2007-08 to 2012-13

	£ million					
	2007-08	2008-09	2009-10	2010-11	2011-12 (P)	2012-13 (F)
Central government grants	7,007 ^(a)	5,733	7,494	8,063	8,031	8,684
EU structural funds grants	157	156	43	38	82	57
Grants and contributions from private developers and from leaseholders etc	1,122 ^(b)	1,176 ^(c)	502	634	699	621
Grants and contributions from NDPBs ^(d)	635	540	602	753	401	246
National lottery grants	105	106	119	104	124	85
Use of capital receipts	2,665	2,040	1,603	1,409	1,475	1,860
Revenue financing of capital expenditure	2,591	3,241	3,532	3,984	3,407	3,482
of which:						
Housing Revenue Account (CERA)	208	228	247	235	337	691
Major Repairs Reserve	1,180	1,224	1,377	1,069	1,142	1,225
General Fund (CERA)	1,204	1,789	1,908	2,680	1,928	1,567
Capital expenditure financed by borrowing/credit	6,112	7,241	7,931	8,399	20,032	6,346
of which:						
SCE(R) Single Capital Pot ^(f)	2,296	2,257	2,181	1,581	345	176
SCE(R) Separate Programme Element ^(f)	630	760	748	484	75	19
Other borrowing & credit arrangements not supported by central government ^(e)	3,186	4,224	5,002	6,335	19,612 ^(g)	6,151
Total	20,395	20,233	21,826	23,385	34,252 ^(g)	21,381

(a) Includes grant of £1.7 billion from DfT to the GLA for the purpose of discharging Metronet liabilities.

(b) Includes RSL financing of £500 million for the transfer of Liverpool's housing stock.

(c) Includes RSL financing of £483 million for the transfer of Salford's housing stock.

(d) Non-Departmental Public Bodies, organisations that are not government departments but which have a role in the processes of national government, such as the Sport England, English Heritage and Natural England.

(e) The Prudential System, which came into effect on 1 April 2004, allows local authorities to raise finance for capital expenditure - without Government consent - where they can afford to service the debt without extra Government support.

(f) Supported capital expenditure (SCE) financed by borrowing that is attracting central government support has been discontinued as of March 31 2011. This may have a bearing on the financing of capital expenditure. A residue of schemes in 2011-12 and 2012-13 will continue to be financed in reliance of supported borrowing from earlier years.

(g) It is estimated that approximately £13 billion is associated with the financing of the HRA self-financing determination payment.

Local authorities' own reported information on prudential system: 2011-12 and 2012-13

6. **Tables 8** and **9** provide local authorities' own provisional outturn information about the prudential system in 2011-12 and their forecast information about the prudential system in 2012-13.
7. The Prudential Code for Capital Finance in Local Authorities was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities in taking their decisions. Its key objectives are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. As part of this framework the Prudential Code sets out the indicators that must be used.
8. These indicators include forecasts for:
 - capital expenditure;
 - capital financing requirement - a measure that reflects an authority's underlying need to borrow;
 - external debt - gross borrowing and other long-term liabilities;
 - operational boundary for external debt - based on an authority's working estimate of most likely (i.e. prudent), but not worst case scenario;
 - authorised limit for external debt - the intended absolute limit that has to be set by the full Council.

- Local authority external debt was provisionally reported to stand at £81.5 billion at the end of 2011-12, an increase of 21% from 2010-11, and forecast to stand at £86.2 billion at the end of 2012-13, an increase of nearly 6% from 2011-12.
- At the end of 2011-12, local authority net debt (total external debt less investments) provisionally stood at £55.6 billion, an increase of 23.5% from 2010-11. At the end of 2012-13, local authority net debt is forecast to stand at £65.3 billion, an increase of 17% from 2011-12. The increases are due to investments being used to finance expenditure rather than used to repay liabilities.
- At the end of 2011-12, the stock of local authority investments is provisionally reported as £25.9 billion, an increase of 15% from 2010-11. At the end of 2012-13, the stock of local authority investments is forecast at £21.0 billion, a fall of 19% from 2011-12.
- At the end of 2011-12 and 2012-13 the England totals for operational boundaries and authorised limits were provisionally reported at and forecast at £95.0 billion and £107.5 billion, and £116.0 billion and £129.0 billion respectively. These amount to year-on-year increases of 14% and 22% for the operational boundary, and 12% and 20% for the authorised limit.

Table 8 - Local authority capital finance : prudential information : England 2011-12 : provisional outturn

	as at 1 April 2011	in 2011-12	£ million as at 31 March 2012
Capital Financing Requirement as at 1 April 2011	78,905		
Capital expenditure to be resourced by means of credit (+)		21,150 ^(b)	
Minimum Revenue Provision, Additional contribution from revenue, Contribution from Major Repairs Reserve, Use of receipts (-) ^(a)		3,759	
Change in Capital Financing Requirement		17,391	
Capital Financing Requirement as at 31 March 2012			96,296
Gross borrowing	59,044		73,618
Other long-term liabilities	7,358		7,926
Total external debt	66,402		81,545
Operational boundary for external debt	86,355		95,013
Authorised limit for external debt	97,805		107,465
Investments	21,702		25,937

(a) Any capital receipts used to repay principal of any amount borrowed or to meet any liability in respect of credit arrangements, as authorised in Regulation 23(b) and 23(d). Excludes receipts used under Regulation 23(c) to repay premiums charged in relation to amounts borrowed.

(b) It is estimated that approximately £13 billion is associated with HRA self-financing determination payment.

Table 9 - Local authority capital expenditure : prudential information : England 2012-13 : forecast

	as at 1 April 2012	in 2012-13	£ million as at 31 March 2013
Capital Financing Requirement as at 1 April 2012	86,424		
Capital expenditure to be resourced by means of credit (+)		7,588	
Minimum Revenue Provision, Additional contribution from revenue, Contribution from Major Repairs Reserve, Use of receipts (-) ^(a)		2,304	
Change in Capital Financing Requirement		5,283	
Capital Financing Requirement as at 31 March 2013			91,707
Gross borrowing	71,319		76,709
Other long-term liabilities	9,172		9,534
Total external debt	80,491		86,243
Operational boundary for external debt		115,977	
Authorised limit for external debt		128,967	
Investments	22,292		20,961

(a) Any capital receipts used to repay principal of any amount borrowed or to meet any liability in respect of credit arrangements, as authorised in Regulation 23(b) and 23(d). Excludes receipts used under Regulation 23(c) to repay premiums charged in relation to amounts borrowed.

9. **Annex A** provides full detail on capital expenditure and receipts as collected on the CER form. This table does not include acquisitions and disposals of share and loan capital, since these are not collected at this level of detail.

Annex A (1): Capital expenditure on fixed assets: all services: England 2012-13: forecast						
	£ thousand					
	Acquisition of land & existing buildings	New construction conversion & renovation	Vehicles	Plant machinery & equipment	Intangible assets	Total expenditure for capital purposes on fixed & intangible assets (6) (1+2+3+4+5)
	(1)	(2)	(3)	(4)	(5)	(6)
Pre-primary & Primary Education	2,503	2,127,230	110	34,377	1,253	2,165,474
Secondary Education	19,061	2,292,695	184	67,226	814	2,379,980
Special Education	3,901	274,493	134	3,698	131	282,357
Other school related education functions and services to young people	659	237,870	213	13,677	5,980	258,399
Education	26,123	4,932,288	642	118,978	8,178	5,086,210
Roads (incl. struct. Maint.), Street Lighting & Road Safety	8,259	2,180,464	13,305	21,256	446	2,223,730
Parking of Vehicles (including car parks)	1,111	81,858	303	9,430	368	93,070
Public Integrated Transport (GFRA) - bus	1,059	153,324	474	2,423	2,016	159,296
Public Integrated Transport (GFRA) - other	25,401	689,435	44,473	9,827	2,434	771,571
Airports	0	3,930	0	0	0	3,930
Local Authority Ports and Piers	0	10,472	166	488	0	11,126
Tolled road bridges, tunnels & ferries, PTC	27,410	16,380	0	13,155	0	56,945
Highways & transport	63,241	3,135,864	58,720	56,579	5,264	3,319,668
Social services	1,578	275,665	4,315	41,515	17,975	341,048
Housing	173,081	2,831,720	2,374	27,276	65,803	3,100,254
Culture and heritage	1,690	238,015	172	5,016	104	244,997
Recreation and sport	47,350	499,918	1,643	23,726	399	573,036
Open Spaces	47,478	160,629	3,576	5,037	1,879	218,599
Tourism	0	12,058	182	324	5	12,568
Library Services	20	151,452	360	6,778	40	158,649
Culture & related services	96,538	1,062,072	5,933	40,880	2,426	1,207,850
Cemeteries, Cremation and Mortuary	1,918	48,421	96	13,555	6	63,996
Coast Protection	1,380	28,860	0	112	1,488	31,840
Community Safety	0	11,125	236	1,663	935	13,958
Community Safety (CCTV)	317	2,803	0	8,401	0	11,522
Flood Defence and Land Drainage	0	32,253	0	313	0	32,566
Agriculture and Fisheries Services	0	6,355	0	75	0	6,430
Regulatory Services (Environmental Health)	0	21,208	1,457	2,769	247	25,682
Regulatory Services (Trading Standards)	0	61	78	49	55	243
Street Cleaning (not chargeable to highways)	0	812	9,774	2,195	17	12,799
Waste Collection	1,725	26,585	51,194	19,013	177	98,694
Waste Disposal	49,789	192,982	424	7,676	222	251,093
Trade Waste	0	708	1,900	213	0	2,822
Recycling	502	22,304	6,572	6,192	22	35,593
Waste Minimisation	0	24,106	14	539	0	24,659
Climate Change Costs	0	107,161	109	18,278	15	125,563
Environmental & regulatory services	55,631	525,745	71,855	81,044	3,184	737,459
Planning & development services	103,937	526,608	117	12,602	6,904	650,168
Police	5,528	234,976	80,492	183,769	40,136	544,901
Fire & rescue	8,821	104,930	51,039	33,534	11,230	209,554
Central Services incl court services	48,702	1,064,373	44,380	266,022	147,688	1,571,164
Industrial and Commercial Trading	62,155	81,192	19	509	0	143,875
Other Trading	5,244	35,721	13,750	2,905	862	58,483
Trading services	67,399	116,913	13,770	3,414	862	202,358
Total all services	650,581	14,811,154	333,635	865,613	309,650	16,970,633

Annex A (2): Capital expenditure: all services: England 2012-13: forecast

£ thousand

	Total expenditure for capital purposes on fixed & intangible assets (6) (1+2+3+4+5)	Expenditure on grants (7)	Expenditure on loans & other financial assistance (8)	Total Expenditure ^(a) (9) (6+7+8)
Pre-primary & Primary Education	2,165,474	7,441	92	2,173,007
Secondary Education	2,379,980	25,790	9,623	2,415,394
Special Education	282,357	573	0	282,930
Other school related education functions and services to young people	258,399	4,729	0	263,127
Education	5,086,210	38,533	9,715	5,134,458
Roads (incl. struct. Maint.), Street Lighting & Road Safety	2,223,730	3,719	0	2,227,449
Parking of Vehicles (including car parks)	93,070	87	0	93,157
Public Integrated Transport (GFRA) - bus	159,296	2,121	0	161,417
Public Integrated Transport (GFRA) - other	771,571	2,403,896	391,000	3,566,466
Airports	3,930	0	27,600	31,530
Local Authority Ports and Piers	11,126	0	2,576	13,702
Tolled road bridges, tunnels & ferries, PTC	56,945	0	0	56,945
Highways & transport	3,319,668	2,409,822	421,176	6,150,666
Social services	341,048	26,917	79,233	447,198
Housing	3,100,254	1,054,991	154,515	4,309,759
Culture and heritage	244,997	8,339	903	254,239
Recreation and sport	573,036	15,050	314	588,400
Open Spaces	218,599	11,756	0	230,355
Tourism	12,568	541	0	13,109
Library Services	158,649	0	0	158,649
Culture & related services	1,207,850	35,686	1,217	1,244,753
Cemeteries, Cremation and Mortuary	63,996	46	920	64,962
Coast Protection	31,840	0	0	31,840
Community Safety	13,958	1,645	0	15,603
Community Safety (CCTV)	11,522	94	0	11,616
Flood Defence and Land Drainage	32,566	638	0	33,204
Agricultural and Fisheries Services	6,430	230	0	6,660
Regulatory Services (Environmental Health)	25,682	6,096	0	31,778
Regulatory Services (Trading Standards)	243	0	0	243
Street Cleaning (not chargeable to highways)	12,799	0	0	12,799
Waste Collection	98,694	1,109	374	100,177
Waste Disposal	251,093	1,003	368	252,464
Trade Waste	2,822	0	0	2,822
Recycling	35,593	1,849	0	37,442
Waste Minimisation	24,659	0	0	24,659
Climate Change Costs	125,563	7,826	920	134,309
Environmental & regulatory services	737,459	20,535	2,582	760,577
Planning & development services	650,168	111,199	17,487	778,854
Police	544,901	0	0	544,901
Fire & rescue	209,554	0	0	209,554
Central Services incl court services	1,571,164	40,371	7,492	1,619,026
Industrial and Commercial Trading	143,875	1,294	0	145,169
Other Trading	58,483	3,906	0	62,389
Trading services	202,358	5,200	0	207,558
Total all services	16,970,633	3,743,254	693,418	21,407,304

(a) Figures in this column do not include acquisitions of share and loan capital

Annex A (3): Capital receipts: all services: England 2012-13: forecast

	£ thousand			
	Sales & disposal of tangible fixed assets	Sales of intangible assets	Repayments of grants loans & other financial assistance	Total in-year receipts ^(a)
	(10)	(11)	(12)	(10+11+12)
Pre-primary & Primary Education	55,774	0	0	55,774
Secondary Education	207,051	0	558	207,609
Special Education	43,659	0	0	43,659
Other school related education functions and services to young people	13,733	0	32	13,765
Education	320,218	0	590	320,807
Roads (incl. struct. Maint.), Street Lighting & Road Safety	17,702	0	74	17,776
Parking of Vehicles (including car parks)	20,376	0	0	20,376
Public Integrated Transport (GFRA) - bus	0	0	406	406
Public Integrated Transport (GFRA) - other	865	0	0	865
Airports	4,650	0	0	4,650
Local Authority Ports and Piers	0	0	0	0
Tolled road bridges, tunnels & ferries, PTC	0	0	0	0
Highways & transport	43,593	0	481	44,074
Social services	101,403	0	33	101,436
Housing	446,419	17,821	5,660	469,899
Culture and heritage	2,617	0	60	2,677
Recreation and sport	41,585	72	1,138	42,795
Open Spaces	24,100	37	0	24,137
Tourism	1,079	0	0	1,079
Library Services	6,012	0	0	6,012
Culture & related services	75,392	109	1,198	76,699
Cemeteries, Cremation and Mortuary	956	0	0	956
Coast Protection	0	0	0	0
Community Safety	107	0	0	107
Community Safety (CCTV)	0	0	0	0
Flood Defence and Land Drainage	8	0	0	8
Agriculture and Fisheries Services	27,355	0	0	27,355
Regulatory Services (Environmental Health)	456	0	0	456
Regulatory Services (Trading Standards)	0	0	0	0
Street Cleaning (not chargeable to highways)	2,032	0	0	2,032
Waste Collection	2,299	0	379	2,677
Waste Disposal	1,074	0	129	1,203
Trade Waste	0	0	0	0
Recycling	0	0	290	290
Waste Minimisation	465	0	0	465
Climate Change Costs	0	0	0	0
Environmental & regulatory services	34,752	0	798	35,550
Planning & development services	103,259	0	0	103,259
Police	118,740	0	0	118,740
Fire & rescue	9,821	0	0	9,821
Central Services incl court services	553,089	113	4,317	557,519
Industrial and Commercial Trading	154,381	142	508	155,031
Other Trading	14,460	0	0	14,460
Trading services	168,841	142	508	169,491
Total all services	1,975,526	18,185	13,584	2,007,294

(a) Figures in this column do not include disposals of share and loan capital

Terminology used in this release

A set of terms relating to local government finance is given in the glossary at *Annex G to Local Government Financial Statistics England No. 22 2012*. This is accessible at <http://www.communities.gov.uk/corporate/researchandstatistics/statistics/subject/localgovernmentfinance>. The most relevant terms for this release are explained below.

Capital expenditure – expenditure on the acquisition of fixed assets or expenditure, which adds to and does not merely maintain the value of existing fixed assets.

Capital receipts – income from the sale of capital assets. Such income may only be used to repay loan debt or to finance new capital expenditure.

Capitalised current expenditure – expenditure which would normally score as current expenditure but which a local authority has been allowed to capitalise, with the permission of the Secretary of State (e.g. redundancy payments).

Capital expenditure charged to revenue account (CERA) – a method of financing capital expenditure where the expenditure is financed direct from revenue account in the year it is incurred

Credit arrangements – forms of credit that do not involve the borrowing of money by a local authority. For example leases of land (including buildings) or other property and contracts which provide for external credit (in the sense that there is more than a full financial year gap between the giving of value to the authority and the payment for that value).

Greater London Authority (GLA) – this includes GLA and its constituent bodies, the Mayor's Office for Policing, London Fire and Emergency Planning Authority, Transport for London (TfL) and London Legacy Development Corporation. Capital expenditure and receipts are reported by the GLA and the four functional bodies as a group and individually.

Minimum Revenue Provision – the minimum amount which must be charged to a revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities

Prudential capital finance system – this is the informal name for the system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003. It allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources.

The Prudential Code – a professional code of practice prepared by the CIPFA, for the prudential system introduced on 1 April 2004. Local authorities are required by legislation to have regard to the code.

Supported Capital Expenditure – the term for most forms of central government support for local authority capital expenditure from 1 April 2004. Supported Capital Expenditure (Revenue) – SCE(R) – is the amount of expenditure towards which revenue support grant will be paid to a local authority on the cost of its borrowing. The revenue grant support is provided to help authorities with the costs of financing loans. This form of financial support will be discontinued from 2011-12 so only expenditure financed from borrowing undertaken in previous years will be recorded after 2011-12.

Data quality

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

The adjustments made to local authorities' own estimates in order to calculate the main estimates include an assessment of the difference between CPR4 estimates and CER estimates respectively and final outturn information for recent years where outturn data are available. The adjustment made for underestimation of capital expenditure and receipts in the CPR4 returns was 1.00 and 1.05 respectively. Corresponding adjustments for CER were made for the overestimation of expenditure and underestimation of receipts of 0.92 and 0.93 respectively.

Further adjustments have been made to avoid double counting the GLA grants to other London authorities.

The information for 2011-12 in this release is derived from Capital Payments and Receipts Returns (CPR4) submitted to Communities and Local Government by English local authorities and is based on returns from all 444 authorities that complete the return. The information for 2012-13 is derived from Capital Estimates Returns (CER) submitted by all 444 local authorities in England.

Only data for authorities that have completed a valid form is used in the computation of national figures for the statistical release. If we do not hold a complete set of capital data for authorities in England, we use the grossing methodology to compute the national figures. This method does not calculate figures for missing or invalid authorities; it only derives an England national figure based on the following properties;

- i. data currently held from validated authorities
- ii. number of missing or invalid authorities and what type of classification group they fit in (e.g. Single Purpose Authorities, Shire Districts, Shire Counties, Unitary Authorities, Metropolitan Districts, London Boroughs etc.)

As we usually receive valid data from all authorities in England there has not been a need to use this grossing methodology.

Figures are subjected to rigorous pre-defined validation tests both within the forms themselves, while the forms are being completed by the authority and also in Communities and Local Government itself as the data are received and stored. These include:

- 1) **In form validation:** This refers to warnings that are built into the excel forms that are sent to authorities. Forms have been pre-programmed with sense checks to highlight figures outside a set range. If an authority inputs figures that are likely to be incorrect, the form flags up to the officer inputting the data that this value could be incorrect. In some fields the figure can still be accepted if a reason is given whereas some cells will definitely be rejected as it is deemed impossible. In the majority of cases this means that the forms are returned completed and without any validation queries.

- 2) **CLASS** (Computerised Local Authority Statistics System) **validation**: Once the figures have been received by DCLG, they get inputted onto the CLASS database, which has built in checks that return errors and warnings for unexpected figures. CLASS can then be asked to output a list of warnings and errors which a team member can look through and contact an authority about if necessary.
- 3) **Manual (or analytical) validation**: These are extra checks done manually by the teams to double check the figures they receive. During this process the teams also liaise with relevant policy sections and the Group Accountant to clarify and rectify any anomalies. Furthermore the data received from LAs are compared with other data sources (both internal and external).
- 4) **Post validation**: Figures get checked and double-checked on the statistical releases. Particular attention is paid to making sure the values have been entered correctly and the figures on the graphs and tables correlate with each other.

Service Reporting Code of Practice (SeRCOP) is a set of general guidance notes which are provided to local authorities, providing them with instructions on how to account on various elements of public service expenditure. The services are primarily broken down into a few main groups (e.g. Children and Family Services, Housing Services, Central services). Within each group, detailed guidance is provided on all possible elements of spending, which a Local Authority (LA) could have responsibility over. The SeRCOP is used by all LAs as a foundation for constructing their accounts in the financial year. Therefore the categorisation defined by SeRCOP is used as a basis for our form design and guidance, enabling LA to report their financial data under the correct headings – improving quality of the outputs. In-depth discussions take place with several authorities, prior to them being put forward to Central and Local Government Information Partnership/Finance (CLIP/F) for agreement, as part of our ongoing review of enhanced data collection. CLIP/F is also kept informed of the full planned developments to meet the HM Treasury and ONS requirements

Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

Uses made of the data

The data in this Statistical Release are important for a number of different purposes. They are used to provide ministers in CLG, HM Treasury and the Office for National Statistics (ONS) with the most up to date information available on local authority capital spending and how they are financed. The ONS use the information for National Accounts and public sector finances for which the service breakdown is used. In particular, the data are often provided to HM Treasury to inform the Chancellor's Pre-Budget Report or for government spending reviews. Audit Commission uses the data in their report on "Protecting the Public Purse". Information from this release such as capital receipts and self-financed borrowing are used by policy colleagues.

In addition, the returns are important sources for answering Parliamentary Questions and other requests for information by Ministers, local authorities and their associations and the general public. Local authorities also use the information for comparisons between authorities and value for money profiling.

Background Notes

1. For press enquiries about this Statistical Release please contact the Local Government press desk on 0303 444 1201 or email press.office@communities.gsi.gov.uk. For other enquiries please telephone Peter Crosland 0303 44 42336 or email capital.receipts@communities.gsi.gov.uk.
2. This Statistical Release can be found at the following web address: www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/
3. Timings of future Releases are regularly placed on the Department's website, www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/usefulinformation/ and on the ONS National Statistics web site, <http://www.statistics.gov.uk/hub/release-calendar/index.html>
4. Please see the web link below for access to the papers tabled to the 'Central and Local Information Partnership - Finance' (CLIP-F) group, <http://www.clip.local.gov.uk/lqv/core/page.do?pagelId=31626>

CLIP Finance (CLIP F) is a consultative group which considers the collection, presentation and analysis of data on local government finance. It has been in existence since 2006, prior to this the group was known as Working Group on Local Government Financial Statistics (WGLGFS). The membership consists of representatives from central government departments, local government, CIPFA and the Audit Commission, and generally meets three times a year. To ensure users are made aware of significant changes and adjustments to Local Government Finance forms papers are tabled, discussed and published. Please visit the website for details of likely changes for future Revenue/Capital statistical releases.

5. Further information is also available on the department's website www.communities.gov.uk/localgovernment/localgovernmentfinance/
6. For a fuller picture of recent trends in local government finance readers are directed to *Local Government Financial Statistics England No. 22 2012* which is available in hard copy from book.orders@tso.co.uk (Tel 08457 023 474) and electronically in PDF format via the Department's web site: www.communities.gov.uk/localgovernment/localgovernmentfinance/
7. The statistics in this Release are for England only. Statistics for Wales and Scotland can be found at wales.gov.uk/topics/statistics/theme/loc-gov/?lang=en and www.scotland.gov.uk/topics/statistics/browse/local-government-finance respectively.

Symbols and conventions

...	= not available
0	= zero or negligible
–	= not relevant
	= discontinuity
F	= forecast
P	= provisional

Rounding

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent items.