

# Statistical Release

**28 June 2011**  
(REVISED on 21 October 2011)

## LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

### England: 2011-12 Forecast

- Capital expenditure by local authorities in England is forecast to fall to nearly £20.5 billion in 2011-12, a year-on-year fall of 16%.
- Capital receipts are forecast to rise to £1.7 billion in 2011-12.

The release previously published on 28 June 2011 as part of 2010-11 Provisional Outturn & 2011-12 Forecast has been revised due to amendments made to the forecast expenditure figures for 2011-12 in Tables 1, 2, 5a and b, 6, 7, 9 and Annexes A(1), (2) and (3). The numbering of the tables has been changed. Capital expenditure was forecast to fall to £21.3 billion in the last stats release - a year on year fall of 13%. Since revisions to Capital Estimates Return (CER) by four authorities, Bournemouth, Greater London Authority (GLA), Great Yarmouth and Oxford, it is now forecast to fall to nearly 20.5 billion - a year on year fall of 16%. Forecast for capital receipts remain the same.

The main change to the national level figures was due to revised GLA data. To produce accurate national figures internal transactions between bodies within the GLA group (see definitions) have been removed to give a true picture of expenditure and financing. The two main figures that are impacted are capital grants (a removal of £868m) and General Fund CERA (please see definitions) (a net removal of £446m). These transactions were associated with Crossrail financing and expenditure and this has impacted on the headline comparison in capital expenditure made in the original release. It was also decided to input the other three revised returns, with minor amendments, that had been received after the publication of the statistical release.

The figures are used for Public Sector Finances and the National Accounts. For additional uses please see "uses made of the data" section

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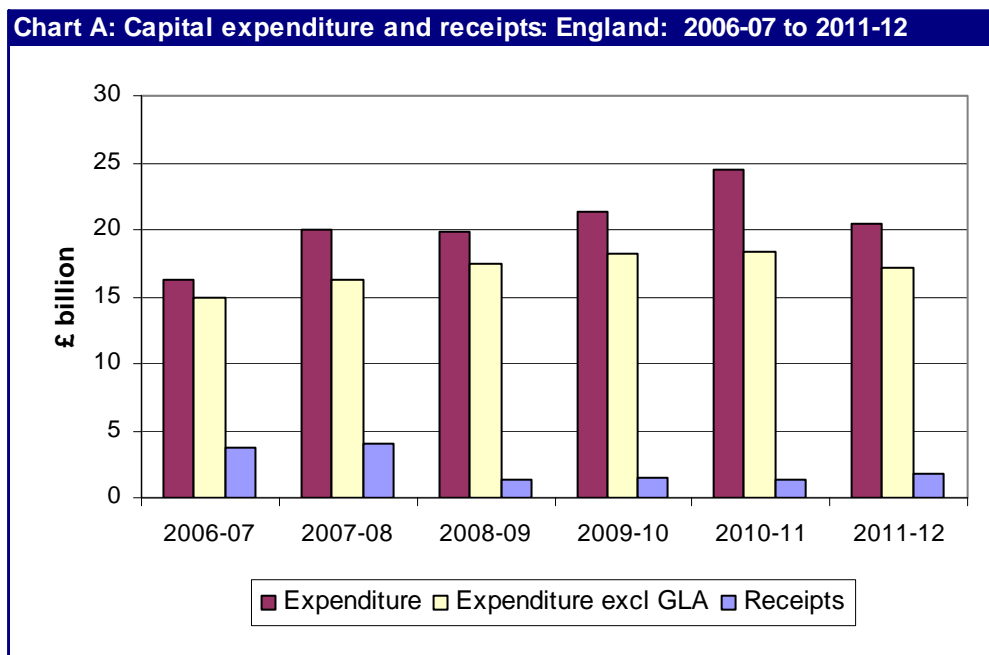
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## Capital expenditure and receipts 2006-07 to 2011-12

1. **Chart A** and **Table 1 (revised)** illustrate the change in capital expenditure and receipts from 2006-07 to 2011-12.

- Capital expenditure by local authorities in England is forecast to fall to nearly £20.5 billion in 2011-12, a year-on-year fall of 16%.
- Capital receipts are forecast to rise to £1.7 billion in 2011-12.



**Table 1 (revised): Local authority capital expenditure and receipts: England: 2007-08 to 2011-12**

	2006-07	2007-08	2008-09	2009-10	2010-11 (P)	£ million 2011-12 (F)
<b>Expenditure:</b>						
Acquisition of land and existing buildings and works	964	1,184	1,511	1,301	1,123	529
New construction and conversion	11,797	12,393	13,390	14,551	14,994	15,035
Vehicles, plant equipment and machinery	1,312	1,321	1,488	1,597	1,478	1,181
Intangible assets	292	262	204	197	164	149
<b>Total expenditure on fixed assets</b>	<b>14,366</b>	<b>15,159</b>	<b>16,593</b>	<b>17,645</b>	<b>17,759</b>	<b>16,895</b>
Grants, loans and other financial assistance	1,918	4,788 <sup>(b)</sup>	3,172	3,574	6,302 <sup>(c)</sup>	3,559
Acquisition of share and loan capital	23	11	36	143	468	0
<b>Total capital expenditure</b>	<b>16,307</b>	<b>19,958</b>	<b>19,801</b>	<b>21,362</b>	<b>24,528</b>	<b>20,454</b>
<i>of which GLA:</i>	<i>1,372</i>	<i>3,646</i>	<i>2,292</i>	<i>3,152</i>	<i>6,101</i>	<i>3,254</i>
Expenditure by virtue of a section 16(2)(b) direction <sup>(a)</sup>	163	415	432	464	212 <sup>(d)</sup>	14 <sup>(e)</sup>
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	2	22	0	0	2	0
<b>Total expenditure and other transactions</b>	<b>16,472</b>	<b>20,395</b>	<b>20,233</b>	<b>21,826</b>	<b>24,742</b>	<b>20,468</b>
<b>Receipts</b>	<b>3,671</b>	<b>3,992</b>	<b>1,353</b>	<b>1,427</b>	<b>1,463</b>	<b>1,734</b>

(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.

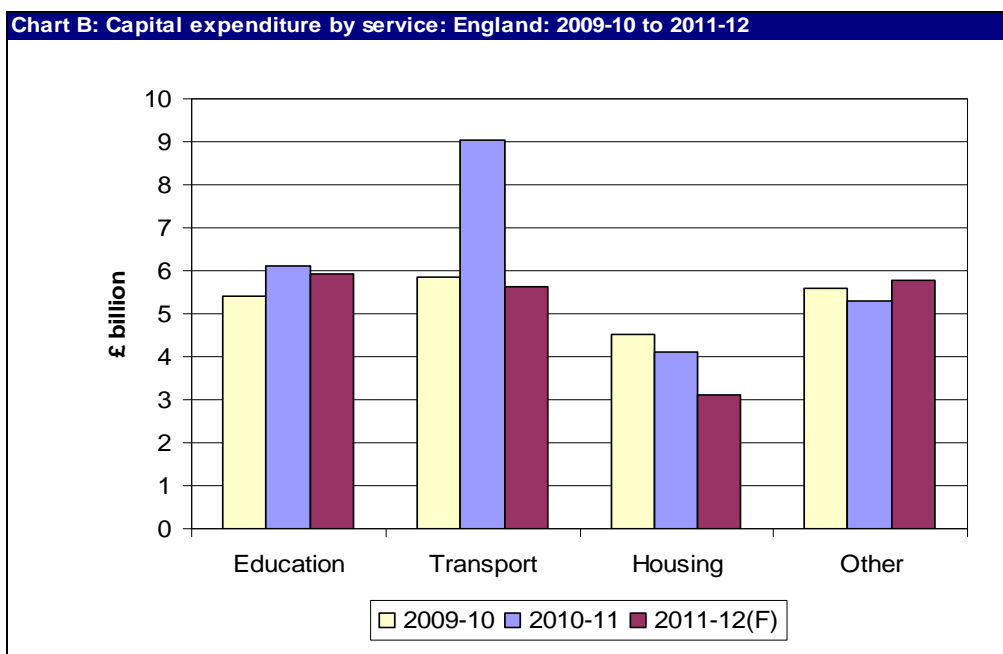
(d) At the provisional outturn stage some local authorities are not yet able to provide accurate figures on capitalisation. Therefore this could be an underestimate.

(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.

## Capital expenditure by service

2. **Chart B** and **Table 2 (revised)** below illustrate the change in the pattern of expenditure for the major services between 2006-07 and 2011-12.

- There is a decrease in the capital expenditure by all services in 2011-12 from 2010-11.



**Table 2 (revised): Local authority capital expenditure by service: England: 2006-07 to 2011-12**

	2006-07	2007-08	2008-09	2009-10	2010-11 (P)	£ million 2011-12 (F)
Education	3,442	3,711	4,542	5,392	6,105	5,937
Highways & transport	3,480	5,916 <sup>(a)</sup>	4,735	5,851	9,043 <sup>(e)</sup>	5,640
Housing	4,507	5,008	4,901	4,514	4,097	3,124
Other	4,879	5,323	5,622	5,605	5,283	5,753
<i>Of which:</i>						
<i>Social services</i>	364	411	300	288	311	358
<i>Recreation &amp; sport</i>	415	446	496	598	525 <sup>(b)</sup>	526 <sup>(c)</sup>
<i>Police</i>	527	550	794 <sup>(d)</sup>	704	614	591
<i>Other</i>	3,573	3,917	4,033	4,015	3,834 <sup>(b)</sup>	4,277
<b>Total capital expenditure</b>	<b>16,307</b>	<b>19,958</b>	<b>19,801</b>	<b>21,362</b>	<b>24,528</b>	<b>20,454</b>

(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 2010-11 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

(e) Bulk of transport expenditure due to GLA - £5.7 billion. Excluding GLA, transport total would have been £3.5 billion.

3. **Tables 3 (a & b) and 4 (revised and renumbered 5 a & b and 6)** provide a service breakdown of forecast expenditure and receipts for 2011-12. 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 3a (revised and renumbered) : Local authority capital expenditure on fixed assets by economic category and service: England 2011-12: forecast**

	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	£ million Total expenditure on fixed & intangible assets
Education	29	5,638	173	7	5,847
Highways & transport	58	2,959	90	3	3,110
Social services	4	254	47	15	319
Housing	82	2,521	33	2	2,638
Culture & related services	8	1,065	42	2	1,117
Environmental & regulatory services	52	399	151	3	606
Planning & development services	99	561	14	10	684
Police	12	277	270	32	591
Fire & rescue	4	97	75	5	181
Central services incl court services	50	1,189	268	69	1,577
Trading services	131	76	18	1	225
<b>TOTAL</b>	<b>529</b>	<b>15,035</b>	<b>1,181</b>	<b>149</b>	<b>16,895</b>

**Table 3b (revised and renumbered) : Local authority capital expenditure by economic category and service: England 2011-12: forecast**

	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	£ million Total capital expenditure
Education	5,847	84	7	0	5,937
Highways & transport	3,110	2,195	335	0	5,640
Social services	319	37	1	0	358
Housing	2,638	451	35	0	3,124
Culture & related services	1,117	40	2	0	1,159
Environmental & regulatory services	606	24	1	0	631
Planning & development services	684	87	234	0	1,005
Police	591	0	0	0	591
Fire & rescue	181	0	0	0	181
Central services incl court services	1,577	15	10	0	1,602
Trading services	225	1	0	0	226
<b>TOTAL</b>	<b>16,895</b>	<b>2,934</b>	<b>625</b>	<b>0</b>	<b>20,454</b>

**Table 4 (revised and renumbered table 6): Local authority capital receipts by economic category: England 2011-12: 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	239	0	0	0	239
Highways & transport	61	0	6	0	68
Social services	74	2	0	0	76
Housing	394	7	9	0	410
Culture & related services	68	0	1	0	69
Environmental & regulatory services	29	2	1	0	32
Planning & development services	188	0	1	0	189
Police	82	4	0	0	86
Fire & rescue	14	0	0	0	14
Central services incl court services	423	15	1	17	455
Trading services	95	0	1	0	96
<b>TOTAL</b>	<b>1,666</b>	<b>30</b>	<b>20</b>	<b>17</b>	<b>1,734</b>

### Financing of capital expenditure in 2011-12

4. **Table 5 (revised and renumbered table 7)** provides a breakdown of the financing of expenditure from 2006-07 to 2011-12. The figures for 2010-11 and 2011-12 have been adjusted for likely differences between provisional and final outturn spending.

- The change in the financing of capital expenditure has been in the Revenue Financing of Capital Expenditure charged to the General Fund Revenue Account (CERA). Since revision of CER the original amount of £1.6 billion has been reduced by 31% to £1.1 billion.
- There has been no change to the financing of capital expenditure through central government grants which increased from £8.4 billion in 2010-11 to £8.6 billion in 2011-12 partly due to Transport for London (TfL) now having a separate investment (capital) grant of about £864 million 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 2011-12 together account for 37% of the England total.
- In 2011-12 capital expenditure financed by borrowing is forecast to fall by nearly 34% from 2010-11, but is a fall of 22% from 2009-10.

**Table 5 (revised and renumbered table 7): Financing of local authority capital expenditure: England: 2006-07 to 2011-12**

	£ million					
	2006-07	2007-08	2008-09	2009-10	2010-11 (P)	2011-12 (F)
Central government grants	4,083	7,007 <sup>(a)</sup>	5,733	7,494	8,378	8,605
EU structural funds grants	185	157	156	43	39	75
Grants and contributions from private developers and from leaseholders etc	502	1,122 <sup>(b)</sup>	1,176 <sup>(c)</sup>	502	619	615
Grants and contributions from NDPBs <sup>(d)</sup>	492	635	540	602	702	384
National lottery grants	166	105	106	119	95	115
Use of capital receipts	2,628	2,665	2,040	1,603	1,374	1,967
Revenue financing of capital expenditure	2,763	2,591	3,241	3,532	4,254	2,558
<i>of which:</i>						
<i>Housing Revenue Account (CERA)</i>	240	208	228	247	279	270
<i>Major Repairs Reserve</i>	1,337	1,180	1,224	1,377	1,042	1,157
<i>General Fund (CERA)</i>	1,185	1,204	1,789	1,908	2,933	1,132
Capital expenditure financed by borrowing/credit	5,655	6,112	7,241	7,931	9,282	6,150
<i>of which:</i>						
SCE(R) Single Capital Pot	2,734	2,296	2,257	2,181	1,764	365 <sup>(f)</sup>
SCE(R) Separate Programme Element	630	630	760	748	366	164 <sup>(f)</sup>
Other borrowing & credit arrangements not supported by central government <sup>(e)</sup>	2,291	3,186	4,224	5,002	7,152	5,621
<b>Total</b>	<b>16,472</b>	<b>20,395</b>	<b>20,233</b>	<b>21,826</b>	<b>24,743</b>	<b>20,468</b>

(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 will continue to be financed in reliance of supported borrowing from earlier years.

## **Local authorities' own reported information on prudential system: 2011-12**

5. **Table 6 (revised and renumbered table 9)** provides local authorities' forecast information about the prudential system in 2011-12.
6. 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.
7. 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 has decreased from the original forecast of £74.3 billion to £73.8 billion at the end of 2011-12, a minor change of 0.6%.
- At the end of 2011-12 the England total for operational boundary and authorised limit are now forecast at £86.0 billion, and £100.5 billion respectively, a change of 0.6%.
- At the end of 2011-12, the stock of local authority investments is forecast at £19.0 billion, a fall of nearly 15% from 2010-11.
- At the end of 2011-12, local authority net debt (total external debt less investments) is forecast to stand at £54.9 billion, an increase of 24% from 2010-11. The increases are due to investments being used to finance expenditure rather than used to repay liabilities.

**Table 6 (revised and renumbered table 9)- Local authority capital expenditure : prudential information : England 2011-12 : forecast**

	£ million		
	as at 1 April 2011	in 2011-12	as at 31 March 2012
<b>Capital Financing Requirement as at 1 April 2011</b>	<b>73,925</b>		
Capital expenditure to be resourced by means of credit (+)		7,444	
Minimum Revenue Provision, Additional contribution from revenue, Contribution from Major Repairs Reserve, Use of receipts (-) <sup>(a)</sup>		2,186	
<b>Change in Capital Financing Requirement</b>		<u>5,258</u>	
<b>Capital Financing Requirement as at 31 March 2012</b>			<b>79,183</b>
Gross borrowing	61,477		67,693
Other long-term liabilities	5,848		6,153
<b>Total external debt</b>	<u>67,325</u>		<u>73,846</u>
Operational boundary for external debt		86,109	
Authorised limit for external debt		100,546	
Investments	20,564		18,936

(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.



8. **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) revised: Capital expenditure on fixed assets: all services: England 2011-12: 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
	(1)	(2)	(3)	(4)	(5)	(6) (1+2+3+4+5)
Pre-primary & Primary Education	7,874	2,203,509	182	45,237	2,358	2,259,160
Secondary Education	19,984	2,653,000	1,897	90,813	3,847	2,769,541
Special Education	6	284,237	49	4,743	19	289,054
Other school related education functions and services to young people	1,338	497,662	420	29,448	570	529,438
<b>Education</b>	<b>29,203</b>	<b>5,638,408</b>	<b>2,547</b>	<b>170,241</b>	<b>6,794</b>	<b>5,847,193</b>
Roads (incl. struct. Maint.), Street Lighting & Road Safety	44,087	1,994,690	15,114	6,383	528	2,060,802
Parking of Vehicles (including car parks)	979	48,662	246	6,565	397	56,849
Public Integrated Transport (GFRA) - bus	4,002	112,486	13,863	1,327	841	132,519
Public Integrated Transport (GFRA) - other	9,146	730,424	2,160	29,928	1,713	773,370
Airports	0	93	0	0	0	93
Local Authority Ports and Piers	0	14,923	2,352	2,433	0	19,709
Tolled road bridges, tunnels & ferries, PTC	0	57,396	64	9,125	0	66,585
<b>Highways &amp; transport</b>	<b>58,214</b>	<b>2,958,673</b>	<b>33,800</b>	<b>55,760</b>	<b>3,479</b>	<b>3,109,927</b>
<b>Social services</b>	<b>3,693</b>	<b>253,525</b>	<b>5,078</b>	<b>42,178</b>	<b>14,954</b>	<b>319,429</b>
<b>Housing</b>	<b>81,711</b>	<b>2,520,781</b>	<b>806</b>	<b>32,571</b>	<b>1,784</b>	<b>2,637,652</b>
Culture and heritage	2,452	239,563	482	4,488	323	247,308
Recreation and sport	551	492,769	604	16,488	408	510,820
Open Spaces	227	167,727	2,784	6,266	397	177,401
Tourism	209	30,082	16	2,095	32	32,434
Library Services	4,602	135,242	547	7,826	771	148,988
<b>Culture &amp; related services</b>	<b>8,041</b>	<b>1,065,384</b>	<b>4,433</b>	<b>37,163</b>	<b>1,930</b>	<b>1,116,951</b>
Cemeteries, Cremation and Mortuary	1,363	47,764	728	13,777	68	63,700
Coast Protection	0	28,154	0	418	834	29,405
Community Safety	17	12,145	137	3,340	853	16,492
Community Safety (CCTV)	0	960	0	4,413	206	5,579
Flood Defence and Land Drainage	4	23,175	147	907	21	24,254
Agriculture and Fisheries Services	188	8,101	0	491	0	8,780
Regulatory Services (Environmental Health)	368	23,128	207	1,890	706	26,298
Regulatory Services (Trading Standards)	0	168	0	178	126	472
Street Cleaning (not chargeable to highways)	0	741	5,804	1,101	19	7,665
Waste Collection	0	17,936	47,337	13,256	188	78,717
Waste Disposal	47,956	155,582	4,721	13,647	127	222,033
Trade Waste	0	670	773	250	0	1,693
Recycling	1,907	22,260	3,018	14,353	26	41,564
Waste Minimisation	497	4,842	13	40	0	5,392
Climate Change Costs	0	53,047	0	20,462	92	73,601
<b>Environmental &amp; regulatory services</b>	<b>52,300</b>	<b>398,672</b>	<b>62,884</b>	<b>88,523</b>	<b>3,265</b>	<b>605,644</b>
<b>Planning &amp; development services</b>	<b>99,213</b>	<b>560,585</b>	<b>95</b>	<b>13,718</b>	<b>10,023</b>	<b>683,635</b>
<b>Police</b>	<b>11,504</b>	<b>276,959</b>	<b>64,818</b>	<b>205,566</b>	<b>32,295</b>	<b>591,140</b>
<b>Fire &amp; rescue</b>	<b>4,458</b>	<b>97,278</b>	<b>50,735</b>	<b>23,914</b>	<b>5,104</b>	<b>181,489</b>
<b>Central Services incl court services</b>	<b>50,374</b>	<b>1,189,382</b>	<b>50,568</b>	<b>217,552</b>	<b>69,313</b>	<b>1,577,189</b>
Industrial and Commercial Trading	108,643	51,574	244	1,948	227	162,636
Other Trading	22,047	24,052	14,450	1,363	322	62,234
<b>Trading services</b>	<b>130,690</b>	<b>75,627</b>	<b>14,693</b>	<b>3,311</b>	<b>549</b>	<b>224,870</b>
<b>Total all services</b>	<b>529,399</b>	<b>15,035,274</b>	<b>290,457</b>	<b>890,498</b>	<b>149,491</b>	<b>16,895,119</b>

**Annex A (2): Capital expenditure: all services: England 2011-12:  
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 <sup>(a)</sup> (9) (6+7+8)
Pre-primary & Primary Education	2,259,160	15,248	180	2,274,589
Secondary Education	2,769,541	45,279	6,440	2,821,260
Special Education	289,054	691	0	289,745
Other school related education functions and services to young people	529,438	22,353	0	551,791
<b>Education</b>	<b>5,847,193</b>	<b>83,571</b>	<b>6,620</b>	<b>5,937,385</b>
Roads (incl. struct. Maint.), Street Lighting & Road Safety	2,060,802	4,201	0	2,065,003
Parking of Vehicles (including car parks)	56,849	134	0	56,983
Public Integrated Transport (GFRA) - bus	132,519	60,779	0	193,298
Public Integrated Transport (GFRA) - other	773,370	2,129,836	334,032	3,237,238
Airports	93	0	1,104	1,197
Local Authority Ports and Piers	19,709	0	0	19,709
Tolled road bridges, tunnels & ferries, PTC	66,585	0	0	66,585
<b>Highways &amp; transport</b>	<b>3,109,927</b>	<b>2,194,950</b>	<b>335,136</b>	<b>5,640,012</b>
<b>Social services</b>	<b>319,429</b>	<b>37,450</b>	<b>1,459</b>	<b>358,337</b>
<b>Housing</b>	<b>2,637,652</b>	<b>451,428</b>	<b>35,414</b>	<b>3,124,494</b>
Culture and heritage	247,308	9,275	1,639	258,222
Recreation and sport	510,820	15,126	214	526,160
Open Spaces	177,401	15,117	86	192,603
Tourism	32,434	113	0	32,547
Library Services	148,988	49	0	149,037
<b>Culture &amp; related services</b>	<b>1,116,951</b>	<b>39,680</b>	<b>1,938</b>	<b>1,158,569</b>
Cemeteries, Cremation and Mortuary	63,700	1,449	0	65,149
Coast Protection	29,405	138	0	29,543
Community Safety	16,492	899	0	17,391
Community Safety (CCTV)	5,579	17	0	5,595
Flood Defence and Land Drainage	24,254	3,883	0	28,137
Agricultural and Fisheries Services	8,780	4	0	8,783
Regulatory Services (Environmental Health)	26,298	7,481	0	33,779
Regulatory Services (Trading Standards)	472	11	0	483
Street Cleaning (not chargeable to highways)	7,665	41	0	7,707
Waste Collection	78,717	51	152	78,919
Waste Disposal	222,033	1,691	368	224,092
Trade Waste	1,693	0	0	1,693
Recycling	41,564	30	262	41,856
Waste Minimisation	5,392	0	0	5,392
Climate Change Costs	73,601	8,269	460	82,330
<b>Environmental &amp; regulatory services</b>	<b>605,644</b>	<b>23,963</b>	<b>1,242</b>	<b>630,850</b>
<b>Planning &amp; development services</b>	<b>683,635</b>	<b>88,560</b>	<b>234,016</b>	<b>1,006,210</b>
<b>Police</b>	<b>591,140</b>	<b>14</b>	<b>0</b>	<b>591,154</b>
<b>Fire &amp; rescue</b>	<b>181,489</b>	<b>0</b>	<b>0</b>	<b>181,489</b>
<b>Central Services incl court services</b>	<b>1,577,189</b>	<b>14,921</b>	<b>9,535</b>	<b>1,601,645</b>
Industrial and Commercial Trading	162,636	845	0	163,480
Other Trading	62,234	37	0	62,271
<b>Trading services</b>	<b>224,870</b>	<b>881</b>	<b>0</b>	<b>225,751</b>
<b>Total all services</b>	<b>16,895,119</b>	<b>2,935,417</b>	<b>625,360</b>	<b>20,455,896</b>

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

## Annex A (3): Capital receipts: all services: England 2011-12: forecast

				£ thousand
	Sales & disposal of tangible fixed assets	Sales of intangible assets	Repayments of grants loans & other financial assistance	Total in-year receipts <sup>(a)</sup>
	(10)	(11)	(12)	(10+11+12)
Pre-primary & Primary Education	73,104	0	0	73,104
Secondary Education	117,606	463	231	118,300
Special Education	12,644	0	0	12,644
Other school related education functions and services to young people	34,120	0	30	34,150
<b>Education</b>	<b>237,474</b>	<b>463</b>	<b>261</b>	<b>238,198</b>
Roads (incl. struct. Maint.), Street Lighting & Road Safety	12,307	463	5,904	18,674
Parking of Vehicles (including car parks)	46,312	0	129	46,441
Public Integrated Transport (GFRA) - bus	0	0	0	0
Public Integrated Transport (GFRA) - other	463	0	0	463
Airports	0	0	222	222
Local Authority Ports and Piers	1,388	0	0	1,388
Tolled road bridges, tunnels & ferries, PTC	0	0	0	0
<b>Highways &amp; transport</b>	<b>60,469</b>	<b>463</b>	<b>6,255</b>	<b>67,186</b>
<b>Social services</b>	<b>73,483</b>	<b>1,850</b>	<b>0</b>	<b>75,333</b>
<b>Housing</b>	<b>392,229</b>	<b>6,780</b>	<b>8,882</b>	<b>407,891</b>
Culture and heritage	7,455	12	13	7,480
Recreation and sport	25,122	5	833	25,960
Open Spaces	27,422	0	0	27,422
Tourism	352	0	34	386
Library Services	7,015	0	0	7,015
<b>Culture &amp; related services</b>	<b>67,365</b>	<b>17</b>	<b>881</b>	<b>68,262</b>
Cemeteries, Cremation and Mortuary	625	194	9	829
Coast Protection	0	0	0	0
Community Safety	80	0	0	80
Community Safety (CCTV)	0	0	0	0
Flood Defence and Land Drainage	0	0	0	0
Agriculture and Fisheries Services	21,689	0	0	21,689
Regulatory Services (Environmental Health)	458	0	0	458
Regulatory Services (Trading Standards)	0	0	0	0
Street Cleaning (not chargeable to highways)	2,054	0	0	2,054
Waste Collection	2,232	0	464	2,696
Waste Disposal	1,808	0	129	1,937
Trade Waste	0	0	0	0
Recycling	0	1,850	0	1,850
Waste Minimisation	0	0	0	0
Climate Change Costs	0	0	0	0
<b>Environmental &amp; regulatory services</b>	<b>28,947</b>	<b>2,044</b>	<b>602</b>	<b>31,593</b>
<b>Planning &amp; development services</b>	<b>186,799</b>	<b>0</b>	<b>1,162</b>	<b>187,961</b>
<b>Police</b>	<b>81,216</b>	<b>3,700</b>	<b>0</b>	<b>84,916</b>
<b>Fire &amp; rescue</b>	<b>14,357</b>	<b>0</b>	<b>0</b>	<b>14,357</b>
<b>Central Services incl court services</b>	<b>420,782</b>	<b>14,785</b>	<b>831</b>	<b>436,397</b>
Industrial and Commercial Trading	83,224	93	629	83,946
Other Trading	11,082	0	0	11,082
<b>Trading services</b>	<b>94,306</b>	<b>93</b>	<b>629</b>	<b>95,027</b>
<b>Total all services</b>	<b>1,657,426</b>	<b>30,194</b>	<b>19,502</b>	<b>1,707,122</b>

(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. 21 2011*. 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, which does 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) Group** – this includes GLA and its constituent bodies, Metropolitan Police Authority, London Fire and Emergency Planning Authority, Transport for London (TfL) and London Development Agency (LDA). 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 Chartered Institute of Public Finance and Accountancy (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.

**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 LA could have responsibility over. The SeRCOP is used by all LA's 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

## **Data quality**

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer demands.

The adjustments made to local authorities' own estimates in order to calculate the main estimates include an assessment of the difference between Capital Payments and Receipts (CPR4) estimates and Capital Estimates Returns (CER) estimates respectively and final outturn information for recent years where outturn data are available. The adjustments made for CER were 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 is derived from CER submitted by 443 local authorities in England. Estimates have been made for an invalid return.

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. Hypothetically, 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 is 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.

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 Communities and Local Government, HM Treasury, the Office for National Statistics (ONS) and government departments with the most up to date information available on local authority capital spending plans and how they are to be financed. The ONS use the information for National Accounts and public sector finances.

In addition, the returns are important sources for evidence-based policy decisions, answering Parliamentary Questions and other requests for information by Ministers, local authorities and their associations and the general public.

### **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](mailto:press.office@communities.gsi.gov.uk). For other enquiries please telephone John Wallis on 0303 444 2121 or email [capital.receipts@communities.gsi.gov.uk](mailto: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/](http://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/](http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/usefulinformation/) and on the ONS National Statistics website, [www.statistics.gov.uk/releasecalendar/currentreleases.asp](http://www.statistics.gov.uk/releasecalendar/currentreleases.asp)
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/lgv/core/page.do?pageId=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/](http://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. 21 2011* which is available in hard copy from [product@communities.gsi.gov.uk](mailto:product@communities.gsi.gov.uk) (Tel. 0300 123 1124) and electronically in PDF format via the Department's web site:

[www.communities.gov.uk/localgovernment/localgovernmentfinance/](http://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](http://wales.gov.uk/topics/statistics/theme/loc-gov/?lang=en) and [www.scotland.gov.uk/topics/statistics/browse/local-government-finance](http://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.

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