



Ministry of Housing,
Communities &
Local Government

Local Authority Capital Expenditure and Receipts, England: 2017-18 Final Outturn



Local Government
Finance
Statistical Release

11 October 2018

- **Total capital expenditure** by local authorities in England was £25.3 billion (bn) in 2017-18, up from £23.3bn in 2016-17.
- Capital expenditure on all economic categories except **acquisition of share & loan capital** are at their highest levels since 2013-14 with **acquisition of land & existing buildings** showing the greatest increase.
- **Highways & transport** and **housing** remain the most important service areas for local authorities in England, making up 26% and 22%, respectively, of 2017-18 total capital expenditure.
- Spending on **trading services** has increased significantly over the last 4-years, rising from £323m in 2014-15 to £2.9bn in 2017-18. These figures represent a significant increase even accounting for reclassification changes affecting the category this year.
- **Capital receipts** were £3.3bn, down from £3.6bn in 2016-17.
- **Final outturn** was up £351 million (m) (1.4%) from **provisional outturn (revised)**. However, there was significant reclassification of commercial activity from **planning & development** and **central service to trading services**.
- The use of **prudential borrowing** and **capital receipts** to finance expenditure has increased sharply since 2013-14, with prudential borrowing replacing capital grants as the largest source of financing.

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Introduction

Capital spending is mainly for buying, constructing or improving physical assets, such as buildings, land, vehicles and other miscellaneous property, including street lights and road signs. It also includes grants and advances that authorities pay to other bodies for capital purposes. Because of the project-based nature of capital expenditure, there can be relatively larger variance in expenditure over time compared with revenue expenditure.

This release provides the final outturn for local authority capital expenditure and receipts in the financial year April 2017 to March 2018. These data are derived from Capital Outturn Returns (COR), collated by the Data, Analytics and Statistics Division of the Ministry of Housing, Communities & Local Government (MHCLG). COR forms capture local authority capital expenditure and receipts by economic category and service area, as well as a breakdown of how expenditure is financed, prudential system information, and accumulated capital receipts and major repairs reserve levels. Figures for 2017-18 are consistent with the Service Reporting Code of Practice (SeRCOP).

A provisional outturn was published in a Statistical Release in June based on information from Capital Payments and Receipts Returns (CPR4) submitted by local authorities in England. The 2017-18 provisional expenditure figures were revised in August in the 2018-19 CPR1 release, to include late returns from Hackney and Greater Manchester Waste Disposal Authority and a significant revision by Halton.

Response rate

This release is derived from COR submitted by 440 local authorities in England. These individual local authority data are also available on the departmental website. Copeland, Reading, South Cambridgeshire and Warwick failed to return a valid form so their contribution to the England-level figures have been estimated based on their 2017-18 Capital Estimates Return (CER).

Uses of the data

Data in this Statistical Release are essential for providing the Secretary of State for Housing, Communities and Local Government, other ministers, and HM Treasury with the most up to date and comprehensive information available on local authority capital spending for decision making. Data are also used by the Office for National Statistics in compiling Public Sector Finances and National Accounts, which are used to set fiscal and monetary policy.

Data collected are an important source for the department to create evidence based policy, make financial decisions and answer parliamentary questions. It is used by local authorities and their associations, regional bodies, other government departments, academics, research organisations, members of the business community and the general public.

The release allows for trends in funding for different local authority services and types to be identified over a period of years when compared with previous releases. Local authorities

can also compare their own spending with the aggregated figures presented here or with the equivalent data for individual local authorities.

Comments and feedback from end users for further improvement or about your experiences with this product will be welcomed. Details of where to direct feedback can be found in the enquiries section of this release.

Symbols

: = not available

0 = zero or negligible

- = not relevant

|| = discontinuity

(F) = Forecast

(R) = Revision

Rounding

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

Table 1: Local authority capital expenditure & other transactions and capital receipts: forecast and outturn by category, England, 2013-14 to 2017-18

All figures in £ million

Category	2013-14		2014-15		2015-16		2016-17		2017-18	
	Forecast	Outturn	Forecast	Outturn	Forecast	Outturn	Forecast	Outturn	Forecast	Outturn
Acquisition of land & existing buildings	616	1,191	825	1,022	867	1,177	918	2,813	2,075	4,024
New construction, conversion & renovation	13,780	11,650	15,022	12,983	14,999	13,526	16,512	13,212	16,200	13,862
Vehicles, plant, furniture & equipment	1,189	1,231	1,309	1,270	1,287	1,210	1,301	1,234	1,512	1,354
Intangible fixed assets	231	209	286	226	215	240	213	230	259	260
Total expenditure on fixed assets	15,817	14,281	17,441	15,500	17,368	16,153	18,945	17,488	20,047	19,500
Grants, loans and other financial assistance	4,105	3,770	5,128	4,403	5,018	4,492	3,789	4,251	3,557	5,008
Acquisition of share and loan capital	5	1,611	1	1,635	43	2,002	820 ^(a)	1,538	207	757
Total financial expenditure	4,110	5,381	5,129	6,038	5,061	6,494	4,609	5,789	3,764	5,765
Total capital expenditure	19,927	19,662	22,571	21,537	22,430	22,647	23,553	23,277	23,811	25,264
<i>of which GLA:</i>	<i>4,456</i>	<i>4,487</i>	<i>5,951</i>	<i>5,080</i>	<i>5,276</i>	<i>5,087</i>	<i>4,430</i>	<i>4,150</i>	<i>2,948</i>	<i>3,285</i>
Payment of LSVT levy	0	0	0	0	0	0	0	0	0	0
Expenditure by virtue of a Section 16(2)(b) Direction ^(b)	92	10	13	1	6	-1	17	32	40	142
Total capital expenditure & other transactions	20,018	19,671	22,584	21,539	22,436	22,646	23,571	23,309	23,851	25,407
Total capital receipts	2,019	2,671	2,763	2,996	3,136	3,576	3,262	3,580	3,235	3,304

(a) Changes in recording of forecast acquisition of share capital by the GLA drove a large increase in this area. Before 2016-17, it would be recorded in grants, loans and other financial assistance at beginning of the year to be transferred at year end. This year end estimate has now been included in the forecast.

(b) 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.

Source: COR 2016-17, CER 2018-19, and COR 2017-18

1. Capital expenditure and receipts by economic category, 2013-14 to 2017-18

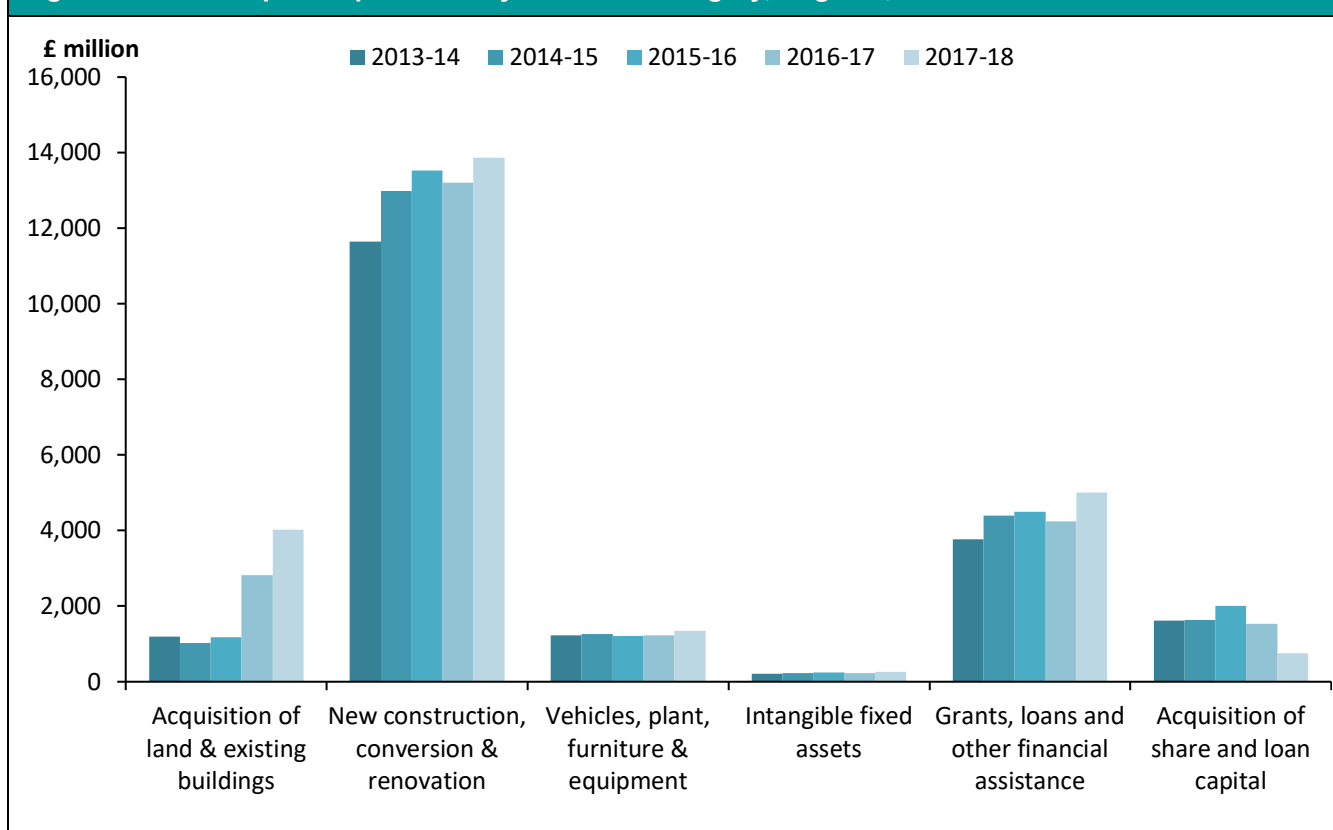
Local authorities report **capital expenditure**, incurred in buying, building or improving capital assets, and **capital receipts**, received from the sale of a capital asset.

Total capital expenditure is divided into **total expenditure on fixed assets**, which includes spending on tangible and intangible fixed assets, and **total financial expenditure**, which includes grants, loans, and acquisitions of share or loan capital made for capital purposes.

As **Table 1** illustrates **total capital expenditure** totalled **£25.3bn** in 2017-18, an increase of £2bn (8.5%) from 2016-17 and £5.3bn (27.1%) from 2013-14.

Total Capital Receipts were **£3.3bn** in 2017-18, £276m (7.7%) less than in 2016-17

Figure 1A: Total capital expenditure by economic category, England, 2013-14 to 2017-18



As **Figure 1A** demonstrates, capital expenditure on all economic categories except **acquisition of share & loan capital** are at the highest levels in the last five year.

- **Acquisition of land & existing buildings** rose by £1.2bn (43.1%), to **£4bn** from £2.8bn last year.
 - Expenditure on this category has risen sharply since 2015-16. Furthermore, over the last 2 years increases averaged £1.4bn per year, making it the greatest change in comparison to all other economic categories. Increased acquisition of commercial property remains one of the influencers behind this increase.

- **New construction, conversion & renovation** remains the biggest capital expenditure for local authorities. In 2017-18, spending on this category rose £651m (4.9%) to **£13.9bn**.
- Expenditure on **grants, loans and other financial assistance** rose by £757m (17.8%) since last year to **£5bn**.
- Conversely, **acquisition of share and loan capital** fell to a five-year low, decreasing £782m (50.82%) to **£757m**.
 - This decrease relates to the planned end of the Crossrail project and the consequent reduction in Transport for London's acquisition of share and loan capital in it.

Figure 1B: Total capital expenditure: unadjusted forecast, adjusted forecast, and final outturn, England, 2013-14 to 2017-18

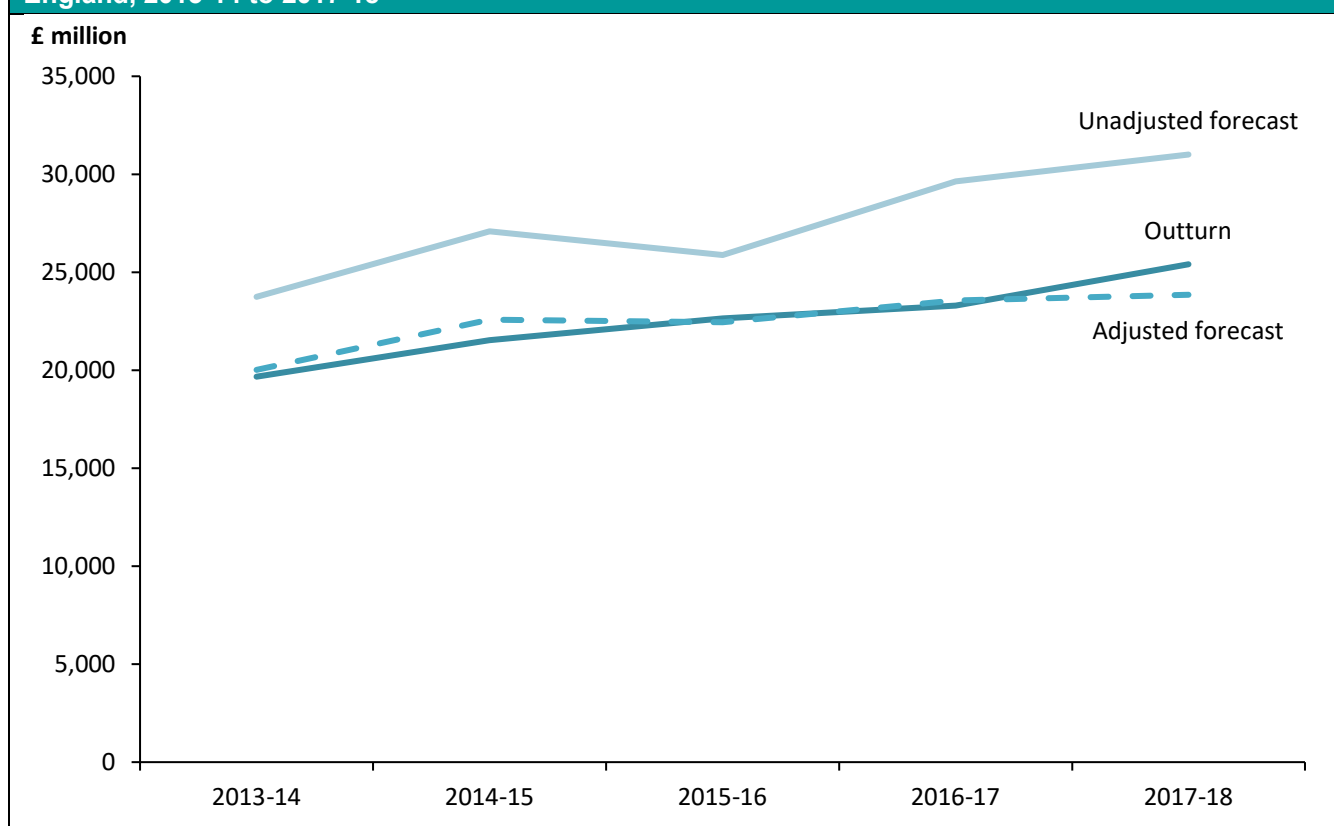


Figure 1B shows the difference between unadjusted forecasts, adjusted forecasts and outturn data for total capital expenditure and receipts since 2013-14. Local authorities have consistently over forecast expenditure and so forecast figures have been adjusted to bring them closer to outturn. Further differences between unadjusted forecast and outturn figures can be caused by slippage in timings of projects, changes in service priorities or in financial capabilities of an authority throughout the year.

Table 2: Local authority total capital expenditure: final outturn by service, England, 2013-14 to 2017-18

All figures in £ million

Service	2013-14	2014-15	2015-16	2016-17	2017-18
Education ^(a)	3,741	3,480	3,196	3,072	2,858
Highways & Transport	6,615	7,438	8,306	7,816	6,612
<i>of which GLA</i>	3,502	3,802	4,309	3,571	1,996
Social Care	343	264	261	312	292
Public Health ^(b)	10	7	10	19	10
Housing	3,964	4,807	4,604	4,698	5,629
<i>of which London Boroughs</i>	1,139	1,420	1,697	1,764	2,111
<i>of which GLA ^(c)</i>	414	676	259	166	727
Culture & Related Services	829	957	1,068	1,004	1,087
Environmental & Regulatory Services	581	680	726	619	1,191
Planning & Development Services	1,131	1,467	1,686	1,667	1,598
Police	481	546	611	628	913
Fire & Rescue Services	178	192	172	183	158
Central Services ^(d)	1,325	1,375	1,489	2,226	2,030
Trading ^(e)	463	323	518	1,194	2,887
Total Capital Expenditure	19,661	21,537	22,647	23,277	25,264

(a) Expenditure on education services from 2015-16 onwards is not comparable to previous years due to a number of schools changing their status to become academies, which are centrally funded rather than funded by local authorities.

(b) Public health grant has been provided since 2013-14 to give local authorities the funding needed to discharge their new public health responsibilities.

(c) The drop in GLA expenditure on Housing after 2014-15 was caused by the planned end of their Affordable Homes Programme, the GLA's main funding stream for affordable housing from 2011 to 2015.

(d) Central services include court costs, local tax collection, and other core council services costs (such as IT). Up to 2017-18, some local authorities reported commercial activity within this category. New categories and guidance were issued in Spring 2018 encouraging such expenditure to be recorded under Trading Services.

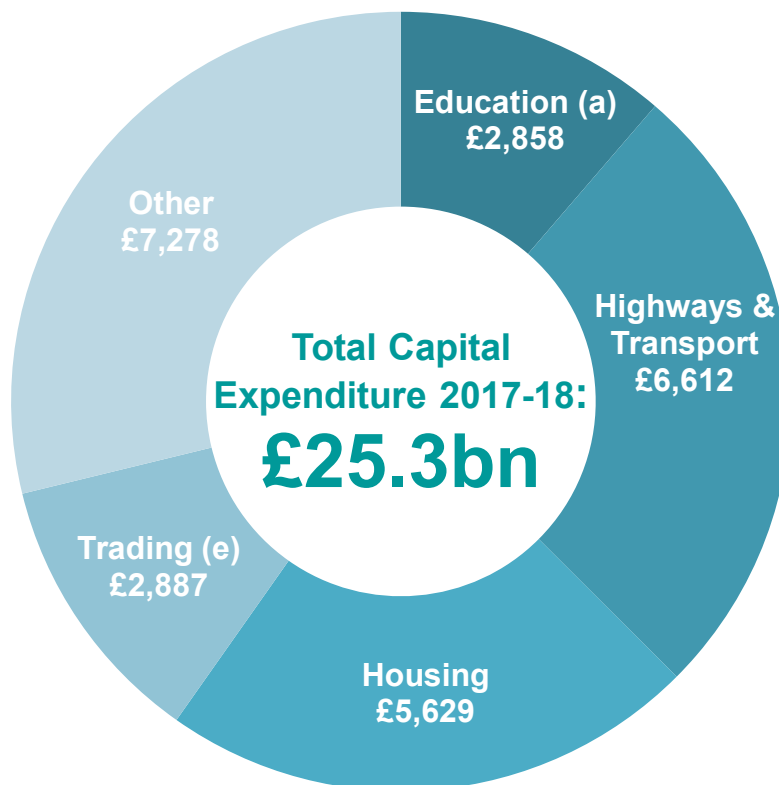
(e) Trading services include the maintenance of direct labour and service organisations, such as civic halls, retail markets and industrial estates, and commercial activity.

Source: COR 2016-17 and COR 2017-18

2. Capital expenditure by service, 2013-14 to 2017-18

Local authorities report capital expenditure and receipts across 12 services areas, as shown in **Table 2**. This year's COR includes additional service areas, providing further detailed analysis of total capital expenditure.

Figure 2A: Local authority total capital expenditure by service, England, 2013-14 to 2017-18



* Other category includes: Social care, Public Health, Culture & Related services, Environmental, Planning & Development, Police, Fire & Rescue and Central services.

Figure 2A shows that **highways & transport services, housing services, education services** and **trading services** attract the majority of local authority capital expenditure:

- Expenditure on **highways & transport services** has fallen from a peak of £8.3bn in 2015-16 to **£6.6bn** in 2017-18.
- Expenditure on **housing services** has risen to **£5.6bn** after holding at around £4.7bn between 2014-15 and 2016-17.
- Expenditure on **education services** has fallen steadily from £3.7bn in 2013-14 to **£2.9bn** in 2017-18. Schools becoming academies is the main driver of this trend.
- Expenditure on **environment and regulatory services** increased by £572m to £1.9bn in 2017-18. This increase was caused by Greater Manchester Waste Disposal Authority's PFI buy-out.

- Expenditure on **trading services** has risen sharply from a low of £323m in 2014-15 to **£2.9bn** in 2017-18.
 - A large part of this increase is as a result of a rise in expenditure on acquisition of land & existing buildings. This has increased six-fold, from £280m in 2013-14 to £1.8bn in 2017-18.
 - Part of the 2016-17 to 2017-18 increase can be attributed to reclassification. Local authorities previously recorded commercial activity under planning and development and central services, as well as trading services. The scope of these categories was refined for 2017-18 and additional trading service subcategories were introduced to capture the spread of commercial activity in greater detail.

Table 2B: Expenditure on trading services by level of authority spend, 2013-14 to 2017-18					
Expenditure on trading services					£million
Level of spend	2013-14	2014-15	2015-16	2016-17	2017-18
£0m	0	0	0	0	0
£0m to £50m	297	323	518	622	1,357
£50m to £100m	0	0	0	191	434
£100m to £150m	0	0	0	222	337
£150m to £200m	166	0	0	158	194
£200m to £300m	0	0	0	0	490
Total	464	323	518	1,194	2,812
Number of authorities					
Level of spend	2013-14	2014-15	2015-16	2016-17	2017-18
£0m	303	310	294	284	248
£0m to £50m	140	134	149	154	180
£50m to £100m	0	0	0	2	6
£100m to £150m	0	0	0	2	3
£150m to £200m	1	0	0	1	1
£200m to £300m	0	0	0	0	2
Total	444	444	443	443	440

Table 2B shows that the rise in expenditure on trading services has been caused by both an increase in the number of authorities spending on this service area and the amount that they have been spending. As noted below, several authorities have spent unprecedented amounts (+£200m), however the number of authorities spending smaller amounts (£0m >= £50m) has also increased, while the amount these authorities contribute to the England-level total has risen significantly.

- Since 2013-14, for authority spend of between £0 - £50m on trading services, the total value of spend has increased from £297m to £1.4bn in 2017-18, more than four-fold. Whilst the value of spending for authorities spending over £50m has increased from £166m to £1.5bn.

- Until 2016-17, authorities rarely spent more than £50m on trading services. Whilst, this year a record 12 authorities spent more than £50m (totalling spend of £1.5bn), including two authorities which spent over £200m each, Spelthorne (£270m) and Warrington (£220m), closely followed by Eastleigh with a spend of £194m.

Table 3: Local authority total capital expenditure and total capital receipts: provisional and final outturns by service, England, 2017 - 18

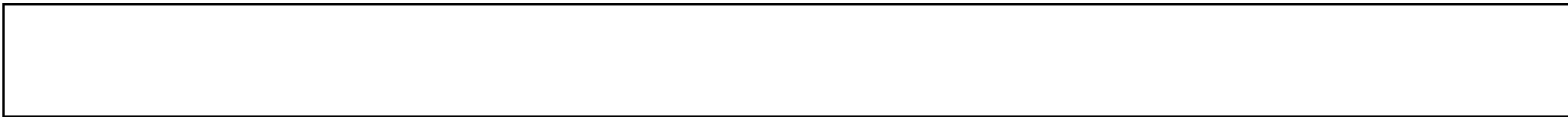
All figures in £ million

Service	Provisional	Outturn	Change	% Change
Education	2,816	2,858	42	1.5%
Highways & Transport	6,556	6,612	56	0.9%
<i>of which GLA</i>	2,014	1,996	-18	-0.9%
Social Care	289	292	3	0.9%
Public Health	10	10	-1	-5.0%
Housing	5,510	5,629	118	2.2%
<i>of which London Boroughs</i>	2,088	2,111	24	1.1%
<i>of which GLA</i>	604	727	123	20.3%
Culture & Related Services	1,055	1,087	32	3.1%
Environmental & Regulatory Services	1,181	1,191	10	0.9%
Planning & Development Services	1,919	1,598	-321	-16.7%
Police	916	913	-3	-0.3%
Fire & Rescue Services	147	158	11	7.4%
Central Services ^(a)	2,907	2,030	-878	-30.2%
Trading ^(b)	1,606	2,887	1,281	79.8%
Total Capital Expenditure	24,914	25,264	351	1.4%
Total Capital Receipts	3,186	3,304	117	3.7%

(a) Central services include court costs, local tax collection, and other core council services costs (such as IT).

(b) Trading services include the maintenance of direct labour and service organisations, such as civic halls, retail markets and industrial estates.

Source: CPR4 2017-18 (R) and COR 2017-18



3. Differences between 2017-18 provisional and final outturn

Table 3 details the change in the pattern of expenditure on the service categories between provisional and final outturn 2017-18.

Capital Payments Returns (CPR) are collected on a quarterly basis. For the first three quarters (CPR1-3), local authorities only provide all services total figures for capital expenditure and receipts. For the fourth quarter (CPR4), they provide a service level breakdown, financing, and prudential data. Data from this collection is therefore used as provisional outturn.

The level of capital spending can vary between CPR4 and COR because local authority accounts are not yet finalised when CPR4 is collected.

The provisional expenditure figures derived from CPR4 2017-18 were revised in CPR1 2018-19, to include late returns from Hackney and Greater Manchester Waste Disposal Authority (GMCA) and a significant revision from Halton.

Final total **capital expenditure** was **£25.3bn**, £351m (1.4%) more than the £24.9bn reported in the revised provisional release.

- GMCA and the GLA were responsible for £174m (49.6%) of the total £351m difference.
 - GMCA increased their Transport grants by £100m after finalising their accounts.
 - GLA made an additional £74m of housing loans after their year-end processes.

Trading services was the category with the largest increase from provisional to final outturn.

- Final total capital expenditure on this service block was £2.9bn in 2017-18, £1.3bn (79.8%) more than the £1.6bn reported in the provisional release. The difference is due to the reclassification of commercial activity from planning and development services and central services to trading services. Consequently, the figures for planning and development services fell from £1.9bn to £1.6bn, a reduction of £321m (16.7%), while the figures for central services decreased from £2.9bn to £2.0bn, a reduction of £878m (30.2%).
- Notable examples of reclassifications of spending from planning and development to trading come from Bournemouth (£58m) and Ipswich (£55m), while examples of spending moving from central services to trading services came from Newham (£91m), Spelthorne (£261m) and Surrey (£85m).

Final Total **Capital Receipts** were **£3.3bn**, £117m (3.7%) more than the £3.1bn reported in the provisional release.

Table 4: Financing of local authority capital expenditure: final outturn by source, England, 2013-14 to 2017-18

All figures in £ million

Source	2013-14	2014-15	2015-16	2016-17	2017-18
Total capital grants	8,782	9,996	11,037	10,577	8,117
Grants from central government departments	7,483	8,520	9,302	8,347	6,072
Grants from European structural & investment funds	57	132	114	13	27
Grants from private developers & leaseholders, etc.	750	727	1,069	1,112	1,198
Grants from non-departmental public bodies ^(a)	443	564	505	471	267
Grants from the National Lottery	49	53	47	59	72
Grants from Local Enterprise Partnerships ^(b)	:	:	:	574	480
Total capital receipts	1,516	1,879	2,196	2,327	2,767
Total revenue resources	4,920	5,241	4,654	3,997	4,136
Housing Revenue Account (CERA)	578	686	775	759	629
Major Repairs Reserve	1,491	1,526	1,815	1,642	1,624
General Fund (CERA)	2,851	3,029	2,065	1,595	1,883
Total prudential borrowing ^(c)	4,454	4,422	4,759	6,792	10,060
SCE(R) Single Capital Pot ^(d)	70	:	:	:	:
SCE(R) Separate Programme Element ^(d)	8	:	:	:	:
Loans & other financial assistance from Local Enterprise partnerships	:	:	:	:	3
Other borrowing & credit arrangements not supported by central government	4,376	4,422	4,759	6,792	10,057
Total resources used to finance capital expenditure	19,671	21,539	22,646	23,693	25,080

(a) 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.

(b) New category introduced for 2016-17. Grants and contributions from Local Enterprise Partnerships were previously reported under the Central government grants category.

(c) 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.

(d) Supported capital expenditure (SCE) financed by borrowing that is attracting central government support was discontinued as of 31 March 2011. The 2013-14 figures represent the residue of schemes from earlier years.

Source: COR 2016-17 and COR 2017-18

4. Financing of capital expenditure, 2013-14 to 2017-18

Authorities finance their capital spending in a number of ways. A breakdown of the main elements of local authority capital funding is given below:

- **Capital grants** are provided by government departments and other organisations. The majority of governmental grants are not ring-fenced, giving authorities' flexibility to choose how to spend this money, provided it is used for capital purposes.
- **Prudential borrowing** is borrowing freely undertaken by the local authority within the affordability limits stated by their auditors, as specified in the Local Government Act 2003.
- **Capital receipts** are from the sale of capital assets.
- **Revenue resources** can be used by local authorities to support capital spend. There is no restriction on revenue funds being used in this way, although accounting convention prevents capital resources being used to cover revenue spend.

Figure 4A: Total resources used to finance capital expenditure, England, 2013-14 to 2017-18

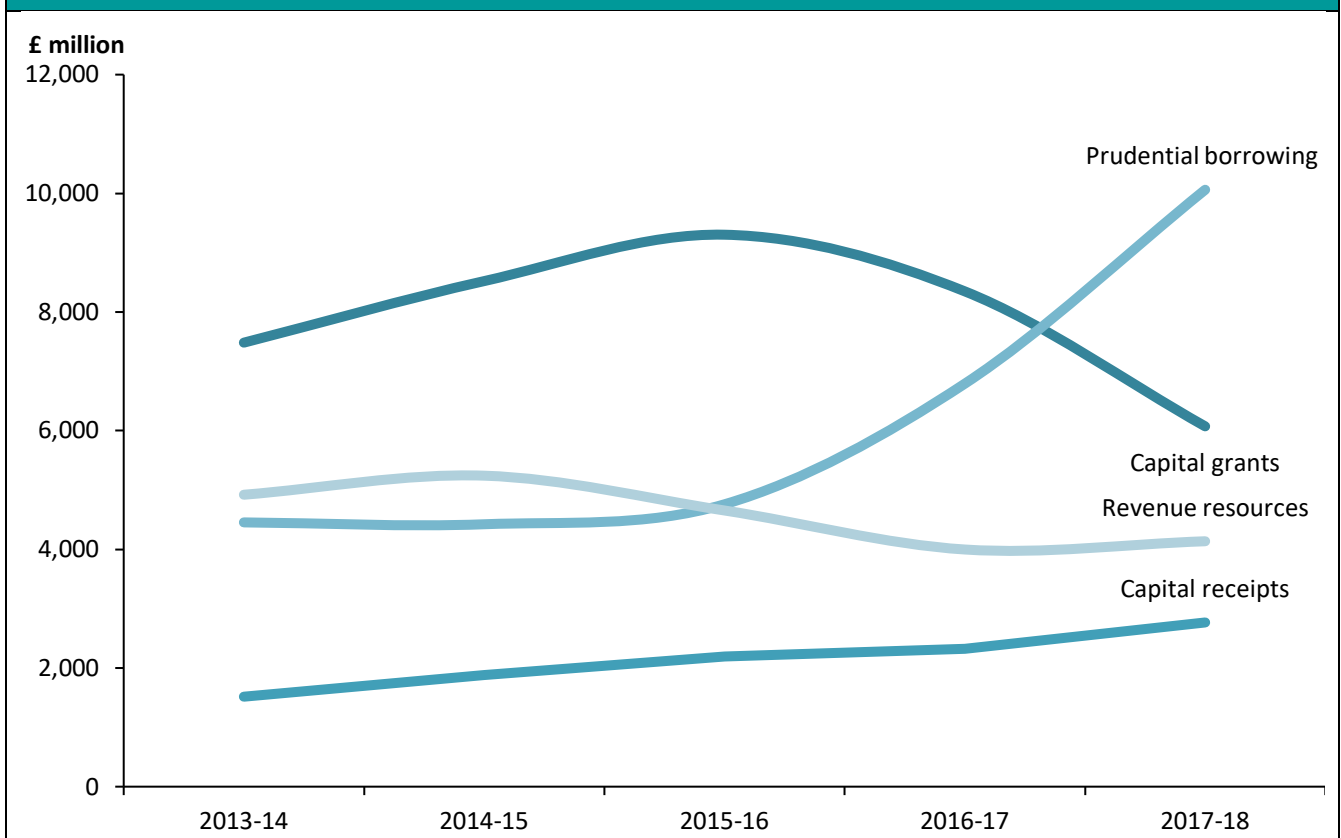


Figure 4A illustrates the five-year trend for these types of financing.

- Despite needing to finance more capital expenditure than previously, local authorities used less **Capital grants** than at any point in the last five years. Following increases from 2013-14, there was a large decline from 2015-16, falling by £955m (10.3%) in 2016-17, followed by a further £2.5bn (23.3%) decrease in 2017-18
- Conversely, use of **capital receipts** and **prudential borrowing** as resources to finance capital expenditure have increased significantly since 2013-14.
 - Prudential borrowing, after initially falling £32m (0.7%) in 2014-15, has increased at an accelerating rate, rising by £337m (7.6%) in 2015-16, £2bn (42.7%) in 2016-17 and finally £3.3bn (48.1%) in 2017-18.
 - Capital receipts have increased steadily year-on-year from £1.5bn in 2013-14 to £2.8bn in 2017-18.
- Use of **revenue resources** was up on last year by £139m (3.5%), but still below the levels seen between 2013-14 and 2015-16.

Local authorities do not provide data on how service areas are funded (except for HRA), so it is not possible to directly link changes in the profile of expenditure to changes in the profile of financing.

5. Accompanying tables

Accompanying tables are available to download alongside this release.

Historic tables previously incorporated in this release and requested by users are:

Table 5 – Local authority total capital expenditure and total capital receipts: final outturn by service and category, England, 2017-18

Table 6 – Local authority prudential system information: final outturn by category, England, 2017-18

Table 7 – Local authority prudential system information: net debt as at 31 March by class of authority, England, 2013-14 to 2017-18

Table 8 – Local authority prudential system information: self-financed borrowing by class of authority, England, 2013-14 to 2017-18

All data in this release are available at local authority level for:

COR A1: Total capital expenditure and receipts, England, 2017-18

COR A2: Further details of capital expenditure on Social Care, Grants & Loans, Roads, Street Lighting & Road Safety, and Section 16(2)(b) Direction, England, 2017-18

COR B: Financing of capital expenditure, England, 2017-18

COR C: Prudential system information, England, 2017-18

COR D: Accumulated capital receipts and Major repairs reserve, England, 2017-18

The supplementary table, Housing Revenue Account: capital expenditure, receipts, financing, and prudential system information, England, 2017-18, will be published later in the year.

All tables and workbooks, as well as related statistical releases, can be accessed at

<https://www.gov.uk/government/collections/local-authority-capital-expenditure-receipts-and-financing>

6. Terminology/Glossary

A list of terms relating to local government finance is given in the glossary at Annex G of *Local Government Finance Statistics England, 24* (2014). This is accessible at <https://www.gov.uk/government/collections/local-government-finance-statistics-england>. The most relevant terms for this release are explained below.

Capital expenditure – expenditure on the acquisition or maintenance of, fixed assets such as land, building, vehicles, machinery etc. that adds to and does not merely maintain the value of existing fixed assets.

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

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.

Capital grant – A sum given by a government department to an organisation for capital investment.

Capital Infrastructure Levy (CIL) – a levy available to registered local authorities allowing them to choose to charge on new developments in their area to pay for new infrastructure developments

Combined authority – A combined authority (CA) is a legal body set up using national legislation that enables a group of two or more councils to collaborate and take collective decisions across council boundaries.

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 that 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) – An authority responsible for five other functional bodies, including, the Mayor's Office for Policing (MOPAC), London Fire and Emergency Planning Authority, Transport for London (TfL) and London Legacy Development Corporation (LLDC) and (CORE). Capital expenditure and receipts are reported by the GLA and the five functional bodies as a group and individually. These are reported at the GLA group level in this release.

Intangible assets – Assets that have no physical form but are considered valuable resources of the business, e.g. patents, trademarks, goodwill, brand names, licences, franchises, etc.

Tangible assets – Assets that have physical form, such as plant and equipment.

Local Authority – A Statutory body created by Acts of Parliament, responsible for delivering services (in line with national objectives) to meet the diverse requirements of different neighbourhoods and communities.

London Borough – 32 of the 33 Greater London Authorities are known as London boroughs, each of which has the same responsibilities as the common Local Authority.

Metropolitan District – Metropolitan districts are responsible for all services in their area, although certain conurbation wide services such as fire and civil defence, police, waste disposal and passenger transport are provided through joint authorities (the districts acting jointly).

There are 36 metropolitan district councils which together cover 6 large urban areas: the counties of Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands, and West Yorkshire.

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 follow this code.

Section 106 grants - financial contributions from developers to pay for additional infrastructure required to support a new development.

<http://www.legislation.gov.uk/ukpga/1990/8/section/106>

Unitary authority – Authorities that are responsible for providing all local (government) services within their areas.

7. Technical Notes

Data quality

This Statistical Release contains National Statistics and as such has been produced to the high professional standards set out in the National Statistics Code of Practice. National Statistics products undergo regular quality assurance reviews to ensure that they meet customer needs.

Figures are subjected to rigorous pre-defined validation tests both while they are being completed by local authorities and after they have been submitted to MHCLG. The COR forms from which these data are derived can be found here:

<https://www.gov.uk/government/collections/local-government-finance-miscellaneous-forms>

Service Reporting Code of Practice (SeRCOP) is a set of general guidance notes provided to local authorities with instructions on how to create accounts on their various elements of public service expenditure. For a summary of SERCOP please see the following web link including information on legislative requirements: <http://www.cipfastats.net/sercop/>

Adjustments

The national level statistics used in this release are adjusted by the Ministry of Housing, Communities and Local Government in the ways outlined below.

Forecasting adjustments

Forecast expenditure figures have been adjusted to take account of the overestimation of capital expenditure. This is calculated at the England level only. Weighted averages using data from past years are used to determine how much local authorities over estimate their capital forecast. Further details on this methodology can be found in the provisional version of this release: <https://www.gov.uk/government/statistics/local-authority-capital-expenditure-and-receipts-in-england-2017-to-2018-provisional-outturn-and-2018-to-2019-forecast>

Double-counting adjustments

Since 2017-18 outturn and 2018-19 estimates (budget), all transfers between local authorities should be identified in MHCLG's capital collections. This has previously been the case for some combined authorities as well as among the functional bodies within the Greater London Authority. These are all netted off to avoid double counting in the England (adjusted) figures.

Grossing

Only data for authorities that have completed a valid form are 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 a grossing methodology to compute the national figures. Estimates are not available at the local authority level. The grossing method calculates an estimate of England level expenditure by adding estimates of spend for missing authorities to the received England total. These are calculated using the following:

- i. COR data currently held from validated authorities
- ii. The proportion of category spend the valid authorities (as identified above) represented in the CER
- iii. dividing the total category spend of valid COR returns by the proportion of spend this would have represented in the CER to derive estimates of category totals
- iv. Grossed totals are published in the local authority dropdown tables accompanying this release. These are indicated as England (grossed) totals. The England (grossed excluding double) figures are used to produce all tables and figures within this release and the tables that accompany it.

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Ministry of Housing, Communities & Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-mhclg-revisions-policy>).

There are two types of revisions that the policy covers:

Non-Scheduled Revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled Revisions

At time of publication there are no scheduled revisions for this series.

User engagement

MHCLG are interested in understanding more about how our local government finance statistics and data are used and the decisions they inform. This is important for us to provide a high quality service that meets users' needs.

We would be grateful if you could spend a couple of minutes completing this [survey](#) or contact us at LGFstats@communities.gov.uk.

Background Notes

This Statistical Release can be found at the following web address:

<https://www.gov.uk/government/collections/local-authority-capital-expenditure-receipts-and-financing>

Timings of future releases are regularly placed on the Department's website and on the National Statistics website. Planned publication dates can be found here:

<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics>

For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Finance Statistics England* No. 28 2018, which is available in hard copy from the Ministry of Housing, Communities & Local Government Publications, Cambertown House at

product@communities.gov.uk (Tel. 0300 123 1124) and electronically from the Ministry of Housing, Communities & Local Government website:

<https://www.gov.uk/government/collections/local-government-finance-statistics-england>

The CIPFA *Finance and General Statistics* publication also contains detailed information on local government finance.

CLIP Finance (CLIP-F) is a consultative group that considers the collection, presentation and analysis of data on local government finance. To ensure users are made aware of important 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 (login required).

<https://khub.net/web/CLIP>

Devolved administration statistics

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.

8. Enquiries

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Information on Official Statistics is available via the UK Statistics Authority website:

<https://www.statisticsauthority.gov.uk/national-statistician/types-of-official-statistics/>

Information about statistics at MHCLG is available via the Department's website:

<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics>



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This document/publication is also available on our website at <https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics>

If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

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For all our latest news and updates follow us on Twitter: <https://twitter.com/MHCLG>

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