



Department for  
Communities and  
Local Government

# Local Authority Capital Expenditure and Receipts, England: 2014-15 Provisional Outturn & 2015-16

## Forecast

- Capital expenditure by local authorities in England has increased to £22.1 billion in 2014-15 from £19.6 billion in 2013-14, a year-on-year increase of 12.5%.
- Capital receipts have increased in 2014-15 to £2.9 billion from £2.7 billion in 2013-14, a year-on-year increase of 7.4%.
- Capital expenditure is forecast to increase to £25.9 billion in 2015-16, a year-on-year rise of 4.5%. Receipts are forecast to increase to £3.3 billion in 2015-16.
- Capital expenditure in 2014-15 is 18.4% lower than the forecast of £27.1 billion.



Local Government Finance  
*Statistical Release*

24 June 2015

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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, such as street lights and road signs. It also includes grants and advances which authorities pay to other bodies for capital purposes.

This release provides provisional outturn estimates of local authority capital expenditure and receipts in the financial year April 2014 to March 2015 and forecasts of local authority capital expenditure and receipts in the financial year April 2015 to March 2016. Figures for both 2014-15 and 2015-16 are consistent with Service Reporting Code of Practice (SeRCOP).

The information for 2014-15 is derived from Capital Payments and Receipts Returns (CPR4) submitted by local authorities in England and is based on returns from 442 of the 444 authorities in England that complete the return. Estimates have been made for the missing returns from Wandsworth and Telford & Wrekin. The information for 2015-16 is derived from valid Capital Estimates Returns (CER) submitted by 444 local authorities in England. The forecast figures have been reduced by 8% to take account of the historic pattern of over-forecasting of expenditure.

## Uses 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.

The data are also important sources for various evidence based policy and financial decisions and answering numerous parliamentary questions. In addition it is used by local authorities and their associations, regional bodies, other government departments, members of the business community and the general public.

### Symbols

...	= not available
0	= zero or negligible
-	= not relevant
	= discontinuity
P	= Provisional
F	= Forecast

### Rounding

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

# 1. Capital Expenditure and Receipts 2010-11 to 2015-16

Reporting of capital projects are divided into two areas; the expenditure on capital projects to buy, build or improve capital assets and the receipts from the sale of a capital asset. The size of the Greater London Authority (GLA) capital budget has a significant effect on the overall level of expenditure; this is due to the size of components such as Transport for London (TfL).

**Table 1** and **Chart A** illustrate the change in capital expenditure and receipts from 2010-11 to 2015-16. The 2014-15 cumulative quarterly data are published in a live table and can be viewed at <http://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>.

## Total Capital Expenditure and Receipts

- Capital expenditure by local authorities in England has increased to £22.1 billion in 2014-15 from £19.6 billion in 2013-14, a year-on-year increase of 12.5%.
- Capital receipts have increased in 2014-15 to £2.9 billion from £2.7 billion in 2013-14, a year-on-year increase of 7.4%.
- Capital expenditure is forecast to increase to £25.9 billion in 2015-16, a year-on-year rise of 4.5%. Receipts are forecast to increase to £3.3 billion in 2015-16. The expenditure forecast figures have been reduced by 8% to take account of the historic pattern of over-forecasting of expenditure.

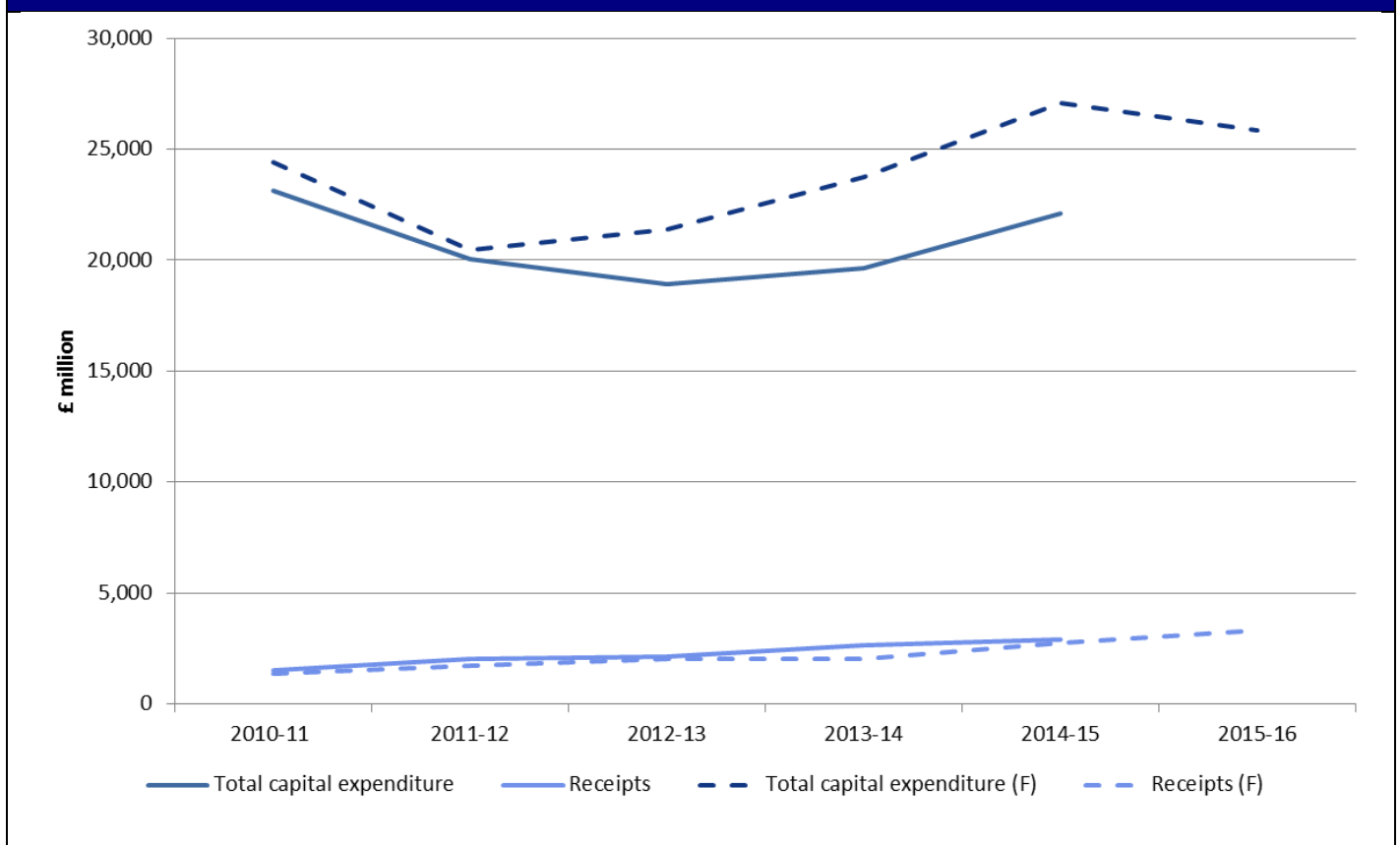
**Table 1: Local authority capital expenditure and receipts: England: 2010-11 to 2015-16 forecast and outturn**

	2010-11		2011-12		2012-13		2013-14		2014-15		£ million 2015-16
	Forecast	Outturn	Forecast	Outturn	Forecast	Outturn	Forecast	Outturn	Forecast	Outturn (P)	Forecast
<b>Expenditure:</b>											
Acquisition of land and existing buildings and works	841	1,043	529	721	651	823	734	1,191	990	1,125	1,000
New construction and conversion	17,672	14,777	15,035	13,300	14,811	11,494	16,421	11,650	18,028	12,964	17,295
Vehicles, plant equipment and machinery	1,533	1,520	1,181	1,426	1,199	1,210	1,417	1,231	1,571	1,342	1,484
Intangible assets	248	205	149	221	310	178	275	209	343	225	248
<b>Total expenditure on fixed assets</b>	<b>20,293</b>	<b>17,544</b>	<b>16,895</b>	<b>15,668</b>	<b>16,971</b>	<b>13,705</b>	<b>18,848</b>	<b>14,281</b>	<b>20,932</b>	<b>15,656</b>	<b>20,027</b>
Grants, loans and other financial assistance	4,109	5,148	3,559	4,166	4,393	4,002	4,892	3,770	6,155	4,818	5,786
Acquisition of share and loan capital	9	454	0	198	0	1,225	6	1,611	1	1,636	50
<b>Total capital expenditure</b>	<b>24,411</b>	<b>23,146</b>	<b>20,454</b>	<b>20,032</b>	<b>21,364</b>	<b>18,931</b>	<b>23,745</b>	<b>19,662</b>	<b>27,086</b>	<b>22,110</b>	<b>25,863</b>
<i>of which GLA:</i>	<i>4,357</i>	<i>4,969</i>	<i>3,254</i>	<i>3,431</i>	<i>4,021</i>	<i>4,120</i>	<i>4,456</i>	<i>4,487</i>	<i>5,951</i>	<i>5,514</i>	<i>5,276</i>
Expenditure by virtue of a section 16(2)(b) direction <sup>(a)</sup>	29	239	14	263	17	111	109	10	16	31	7
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	0	0	0	16	0	0	0	0	0	0	0
One-off HRA self-financing determination payment:				13,295 <sup>(b)</sup>							
<b>Total expenditure and other transactions</b>	<b>24,440</b>	<b>23,385</b>	<b>20,468</b>	<b>33,606</b>	<b>21,381</b>	<b>19,042</b>	<b>23,854</b>	<b>19,671</b>	<b>27,103</b>	<b>22,142</b>	<b>25,870</b>
<b>Total expenditure excl HRA self-financing determination payment</b>				<b>20,311</b>							
<b>Receipts</b>	<b>1,364</b>	<b>1,498</b>	<b>1,734</b>	<b>8,724</b>	<b>2,012</b>	<b>2,125</b>	<b>2,019</b>	<b>2,671</b>	<b>2,767</b>	<b>2,902</b>	<b>3,293</b>
<b>Receipts excl HRA self-financing determination &amp; premium</b>				<b>2,014</b>							
One-off HRA self-financing determination & premium:				6,711 <sup>(b)</sup>							

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

**Chart A: Capital Expenditure and Receipts, England, 2010-11 to 2015-16**



**Chart A** shows the difference between the forecast and outturn data over time for the forecasted capital expenditure and outturn levels of receipts from sales of capital assets. The difference between the forecast and outturn level of capital expenditure has been increasing over the last five years. In 2010-11 the difference between forecast and outturn expenditure was 5.2%, this has increased to 18.4% in 2014-15. This difference in forecast and outturn can be due to slippage in timings of projects, changes in service priorities or in financial capabilities of the authority.

By contrast the difference between forecast and outturn for expected level of capital receipts has reduced over the five years, from 9.8% in 2010-11 to 4.9% difference in 2014-15.

## 2. Capital Expenditure by Service Type

**Chart B** and **Table 2** below illustrate the change in the pattern of expenditure for the major services between 2010-11 and 2015-16. The level of capital spending can have large variation year-on-year due to large projects, such as Crossrail.

### Pattern of Expenditure

- Services with the largest increases: Highways and transport showed the largest increase in capital expenditure of £1,649 million in 2014-15, to £8,264 million. This is followed by housing that saw an increase of £849 million in capital expenditure, to £4,847 million overall.
- Services with the largest percentage increases: In 2014-15 capital expenditure on environmental services increased by 32.2% from £581 million to £767 million, whilst highways and transport services increased by about 25% from £6,615 million to £8,264 million. Other large increases were 22.3% in housing (£3,964 million to £4,847 million), and 21.2% in planning and development services (£1,131 million to £1,371 million).
- Services with the largest percentage decreases: However, there has been a decrease in capital expenditure in the same year for some service areas. Trading services has seen a decrease in capital expenditure of 52.2% (or £244 million) from £463 million to £220 million in 2014-15. Capital expenditure on social care decreased by 27.2%, from £343 million to £250 million and education has decreased by 10.6%, from £3,741 million to £3,345 million. The reduction in education expenditure may be driven by the transition of schools to academies.
- Capital expenditure is forecast to increase in 2015-16 in most services. Social care capital expenditure is expected to increase by around 80%, from £250 million to £451 million. Housing has the largest change in spending of £1,101 million, from £4,847 million to £5,949 million, or 22.7% increase. Other large increases in capital expenditure are planned in fire and rescue (increase of 78.4%) and planning and development services (increasing by 51.3%).

**Table 2: Local authority capital expenditure by service: England: 2009-10 to 2014-15**

	2010-11	2011-12	2012-13	2013-14	2014-15 (P)	£ million 2015-16 (F)
Education <sup>(a)</sup>	6,107	5,495	4,528	3,741	3,345	3,881
Highways & transport	7,943	6,574	6,046	6,615	8,264	8,119
<i>of which GLA</i>	4,520	3,137	3,016	3,502	4,416	4,313
Social care	312	253	207	343	250	451
Public health <sup>(b)</sup>	...	...	...	10	27	9
Housing	4,063	3,274	3,731	3,964	4,847	5,949
<i>of which GLA</i>	0	0	652	414	685	557
Culture & related services	1,147	1,102	877	829	878	1,297
Environmental services	531	488	526	581	767	851
Planning & development services	833	653	879	1,131	1,371	2,074
Police	602	538	500	481	554	753
Fire & rescue	195	136	172	178	174	311
Central services <sup>(c)</sup>	1,110	1,160	1,264	1,325	1,414	1,771
Trading services <sup>(d)</sup>	304	358	201	463	220	399
<b>Total capital expenditure</b>	<b>23,146</b>	<b>20,032</b>	<b>18,931</b>	<b>19,661</b>	<b>22,110</b>	<b>25,863</b>

(a) Expenditure on education services in 2015-16 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

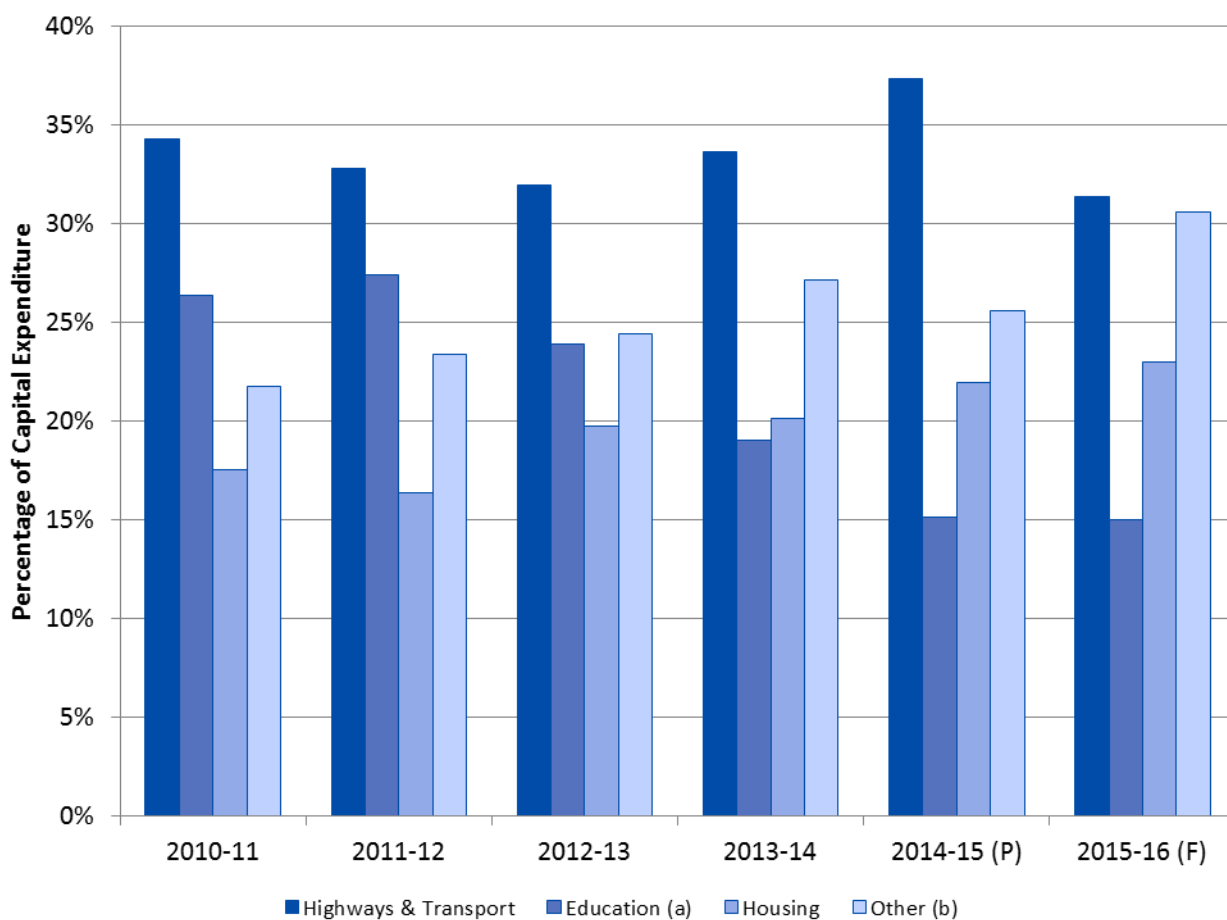
(b) Public health grant is being provided since 2013-14 to give local authorities the funding needed to discharge their new public health responsibilities.

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

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

**Chart B** shows the changing level of expenditure in different services by local authorities. It highlights the reducing proportion of expenditure in education, as more schools change into academies and are funded centrally rather than through the local authority. Over this time there has also been an increase in capital expenditure in most other areas, particularly highways and transport and housing.

**Chart B: Capital Expenditure by Service Type as a Proportion of Total Capital Expenditure, England, 2010-11 to 2015-16**



(a) Since 2011-12 a number of schools have been transforming into academies, which are centrally funded rather than by local authorities.  
 (b) Other includes social care, public health (included since 2013-14) culture and related services, environmental services, planning and development services, police, fire and rescue, central services, and trading services.

**Tables 3 and 4** provides a service breakdown of expenditure and receipts for 2014-15 and 2015-16 respectively. The majority of expenditure is typically on new construction, conversion and renovation.



**Table 3: Local authority capital expenditure by economic category and service: England 2014-15: provisional outturn**

								£ million	
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets	Financial Capital Expenditure <sup>(a)</sup>	Total capital expenditure	Total capital receipts	
Education	56	2,944	146	3	3,149	196	3,345	93	
Highways & transport	159	3,570	141	34	3,903	4,361	8,264	48	
Social services	7	133	36	7	183	67	250	52	
Public Health	5	5	10	0	20	7	27	2	
Housing	354	3,313	78	4	3,749	1,098	4,847	1,391	
Culture & related services	48	719	53	2	822	56	878	23	
Environmental services	17	557	158	3	734	33	767	38	
Planning & development services	257	640	52	29	979	392	1,371	153	
Police	14	196	305	39	554	0	554	241	
Fire & rescue	4	87	77	6	174	0	174	25	
Central services	145	693	273	98	1,209	205	1,414	671	
Trading services	61	105	13	0	179	40	220	165	
<b>TOTAL</b>	<b>1,125</b>	<b>12,964</b>	<b>1,342</b>	<b>225</b>	<b>15,656</b>	<b>6,454</b>	<b>22,110</b>	<b>2,902</b>	

(a) Includes Grants, Loans and other financial assistance, and Acquisition of share and loan capital

**Table 4: Local authority capital expenditure by economic category and service: England 2015-16: forecast**

								£ million	
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets	Financial Capital Expenditure <sup>(a)</sup>	Total capital expenditure	Total capital receipts	
Education	35	3,667	76	4	3,782	98	3,881	319	
Highways & transport	47	4,294	116	28	4,485	3,634	8,119	47	
Social services	4	334	48	24	409	42	451	115	
Public Health	0	7	0	0	8	1	9	0	
Housing	457	4,211	43	4	4,715	1,234	5,949	866	
Culture & related services	16	1,179	48	2	1,245	53	1,297	75	
Environmental services	18	593	196	9	817	35	851	31	
Planning & development services	216	1,262	74	19	1,570	504	2,074	142	
Police	15	336	369	33	753	0	753	348	
Fire & rescue	8	192	107	4	311	0	311	122	
Central services	88	1,044	389	120	1,641	130	1,771	833	
Trading services	98	176	19	0	293	105	399	400	
<b>TOTAL</b>	<b>1,002</b>	<b>17,295</b>	<b>1,484</b>	<b>248</b>	<b>20,027</b>	<b>5,836</b>	<b>25,863</b>	<b>3,299</b>	

(a) Includes Grants, Loans and other financial assistance, and Acquisition of share and loan capital

### 3. Financing of Capital Expenditure in 2014-15 and 2015-16

Authorities finance their capital spending in a number of ways, including use of their own revenue funds, capital receipts, prudential borrowing, and grants and contributions from elsewhere.

A breakdown of the main elements of local authority capital funding is given below:

- **Capital grants** are provided by the relevant Government Departments through separate funding streams. The majority of these grants are unringfenced, giving authorities much more flexibility as to how they can spend the money – so long as it is used for capital purposes.
- **Prudential borrowing** is a key part of locally financed capital expenditure (see below).
- **Capital receipts**, which come from the sale of 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.

**Table 5** provides a breakdown of the financing of expenditure from 2010-11 to 2015-16. Figures for 2010-11 to 2014-15 are outturn figures reported by local authorities. The figures for 2015-16 have been adjusted for likely differences between final outturn and forecast spending.

- The financing of capital expenditure through central government grants has increased to £8.8 billion in 2014-15, and are forecast to increase again to £9.0 billion in 2015-16.
- Capital expenditure financed by other borrowing and credit arrangements not supported by central government is forecast to increase by 59.7% from £4.7 billion in 2014-15 to an expected £7.5 billion in 2015-16. The level of funding not supported by central government is important as it shows the amount of financing local authorities are planning to raise independently. The Greater London Authority accounted for 22.8% of this funding in 2014-15.

**Table 5: Financing of local authority capital expenditure: England: 2010-11 to 2015-16**

	2010-11	2011-12	2012-13	2013-14	2014-15 (P)	2015-16 (F)
Central government grants	8,063	7,170	8,481	7,483	8,788	9,017
EU structural funds grants	38	77	55	57	133	96
Grants and contributions from private developers and from leaseholders etc	634	747	693	750	832	1,072
Grants and contributions from NDPBs <sup>(a)</sup>	753	522	442	443	287	469
National lottery grants	104	121	67	49	49	86
Use of capital receipts	1,409	1,647	1,294	1,516	1,888	2,839
Revenue financing of capital expenditure <i>of which:</i>	3,984	4,504	3,167	4,920	5,496	4,832
<i>Housing Revenue Account (CERA)</i>	235	324	466	578	792	1,290
<i>Major Repairs Reserve</i>	1,069	1,160	1,259	1,491	1,478	1,548
<i>General Fund (CERA)</i>	2,680	3,020	1,442 <sup>(b)</sup>	2,851	3,225	1,994
Capital expenditure financed by borrowing/credit <i>of which:</i>	8,399	18,819	4,842	4,454	4,668	7,458
SCE(R) Single Capital Pot <sup>(c)</sup>	1,581	338	88	70	0	1
SCE(R) Separate Programme Element <sup>(c)</sup>	484	74	30	8	0	0
Other borrowing & credit arrangements not supported by central government <sup>(d)</sup>	6,335	18,406 <sup>(e)</sup>	4,724	4,376	4,668	7,457
<b>Total</b>	<b>23,385</b>	<b>33,606 <sup>(e)</sup></b>	<b>19,042</b>	<b>19,671</b>	<b>22,142</b>	<b>25,870</b>

(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) This reflects reallocation of expenditure by TfL as part of year end process of reconciling funding to its subsidiaries

(c) 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.

(d) 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.

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

## 4. Local Authorities own reported information on Prudential System: 2014-15 and 2015-16

Under the Local Government Act 2003, all local authorities are free to borrow for any capital expenditure without Government consent, provided that they and their auditors are satisfied that they can afford to meet the borrowing costs. They are also free to borrow from any lender, so long as they borrow in sterling.

The system is supported by the Prudential Code, which is published by CIPFA (Chartered Institute of Public Finance and Accounting). This gives local authorities practical guidance for deciding whether borrowing is affordable.

The Prudential system has proved to be very successful; devolving borrowing decisions to the local level and giving local authorities more freedom in deciding how to fund local capital priorities.

**Tables 6 and 7** provide local authorities' own provisional outturn information about the prudential system in 2014-15 and their forecast information about the prudential system in 2015-16.

- Local authority external debt was provisionally reported to stand at £71.5 billion at the end of 2014-15, a decrease of 13% from 2013-14, and forecast to stand at £90.9 billion at the end of 2015-16, an increase of 27% from 2014-15.
- At the end of 2014-15 and 2015-16 the England totals for operational boundaries and authorised limits were provisionally reported at and forecast at £102.0 billion and £115.5 billion, and £107.6 billion and £119.9 billion respectively. This amounts to a year-on-year increase of 16% for the operational boundary between 2013-14 and 2014-15 and an increase of 5% between 2014-15 and 2015-16. The authorised limit increased by 1% between 2013-14 and 2014-15, and is forecast to rise further by 4% between 2014-15 and 2015-16.

**Table 6 - Local authority capital finance : prudential information : England 2014-15 : provisional outturn**

	£ million		
	as at 1 April 2014	in 2014-15	as at 31 March 2015
<b>Capital Financing Requirement as at 1 April 2014</b>	<b>95,913</b>		
Capital expenditure to be resourced by means of credit (+)		5,314	
Minimum Revenue Provision, Additional contribution from revenue, Contribution from Major Repairs Reserve, Use of receipts (-) <sup>(a)</sup>		2,602	
<b>Change in Capital Financing Requirement</b>		<b>2,713</b>	
<b>Capital Financing Requirement as at 31 March 2015</b>			<b>98,626</b>
Gross borrowing	71,520		70,493
Other long-term liabilities	10,696		11,007
<b>Total external debt</b>	<b>82,216</b>		<b>81,500</b>
Operational boundary for external debt	87,875		102,007
Authorised limit for external debt	114,869		115,502
Investments	30,965		31,860

(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.

**Table 7 - Local authority capital expenditure : prudential information : England 2015-16 : forecast**

	£ million		
	as at 1 April 2015	in 2015-16	as at 31 March 2016
<b>Capital Financing Requirement as at 1 April 2015</b>	<b>100,018</b>		
Capital expenditure to be resourced by means of credit (+)		8,839	
Minimum Revenue Provision, Additional contribution from revenue, Contribution from Major Repairs Reserve, Use of receipts (-) <sup>(a)</sup>		2,698	
<b>Change in Capital Financing Requirement</b>		<b>6,140</b>	
<b>Capital Financing Requirement as at 31 March 2016</b>			<b>106,158</b>
Gross borrowing	74,834		79,264
Other long-term liabilities	11,342		11,618
<b>Total external debt</b>	<b>86,176</b>		<b>90,882</b>
Operational boundary for external debt		107,573	
Authorised limit for external debt		119,935	
Investments	31,761		25,785

(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.

## 5. Accompanying tables

Accompanying tables are available to download alongside this release. These are:

<b>Table 1</b>	LA Drop-down of forecast capital expenditure by service breakdown CER 15-16
<b>Table 2</b>	LA Drop-down of capital expenditure to be resourced by financing CER 15-16
<b>Table 3</b>	LA Drop-down for Roads etc, summary of cap expenditure & receipts CER 15-16
<b>Table 4</b>	LA Drop-down of forecast prudential system information CER 15-16
<b>Table 5</b>	LA drop-down capital expenditure & receipts CPR4 2014-15 by service breakdown
<b>Table 6</b>	LA drop-down capital expenditure receipts & financing CPR4 2014-15

These tables can be accessed at

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

Related DCLG statistical releases are available at the above address.

## 6. Definitions

**Capital Asset** – (also known as a fixed asset) is an asset that is held for the long-term and cannot easily be turned into cash. These can be tangible assets, such as building or vehicles, or intangible, such as software licenses.

**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

**CIPFA** - Chartered Institute of Public Finance and Accounting (CIPFA) is the accountancy body supporting public sector finance. It produces the Service Reporting Code of Practice (SeRCOP) a code of practice for all UK local authority services to ensure consistent financial reporting for local authority budgets, performance indicators and statements of accounts.

**Capital Financing Requirement** – the difference between the value of Total Fixed Assets in the balance sheet and the Revaluation and Capital Financing Accounts. This represents the propensity of the authority to borrow for capital purposes and is the basis for the *minimum revenue provision* charge to the *revenue account*.

**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 (LLDC). 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.

## 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 demands.

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.

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. For a summary of SERCOP please see the following web link including information on legislative requirements: <http://www.cipfastats.net/sercop/>

The forecast figures have been adjusted by 0.92, to take account of the overestimation of expenditure. Adjustments have been made to avoid double counting the GLA grants to other London authorities

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 type of authority.

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

## Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <http://www.gov.uk/government/publications/statistical-notice-dclg-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

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.



The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

## Notes

Timings of future releases are regularly placed on the Department's website,

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics#forthcoming-publications> and on the National Statistics website,

<http://www.statistics.gov.uk/hub/economy/government-receipts-and-expenditure/local-government-finance>

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

CLIP Finance (CLIP-F) is a consultative group which considers the collection, presentation and analysis of data on local government finance. 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.

<https://knowledgehub.local.gov.uk/group/khub>

## 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](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.

## 8. Enquiries

**Media enquiries:** 0303 444 1201

Email: [press.office@communities.gsi.gov.uk](mailto:press.office@communities.gsi.gov.uk)

**Public enquiries:**

For other enquiries please telephone Runa Chatterjee 0303 44 42115 or email [capital.receipts@communities.gsi.gov.uk](mailto:capital.receipts@communities.gsi.gov.uk).

Information on Official Statistics is available via the UK Statistics Authority website: [www.statistics.gov.uk/hub/browse-by-theme/index.html](http://www.statistics.gov.uk/hub/browse-by-theme/index.html)

Information about statistics at DCLG is available via the Department's website: [www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics](http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics)

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