



# Statistical Release

11 September 2012

## LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

### England: 2011-12 2nd Provisional Outturn

- Capital expenditure by local authorities in England has fallen to £20.0 billion in 2011-12, a year-on-year decrease of 13%, due mainly to a fall in new construction and conversion, and lower grants, loans and other financial assistance.
- Capital expenditure rose steadily from £19.8 billion in 2008-09 to £23.1 billion in 2010-11, but has fallen back in 2011-12 to about one per cent more than the figure three years earlier in 2008-09.
- Capital receipts, excluding Housing Revenue Account (HRA) self-financing determination and premium, rose to £2.0 billion in 2011-12, a year-on-year increase of nearly 34%. Market conditions are still proving slow, though have seen an increase in the number of properties sold when compared to 2010-11

This release provides 2nd provisional outturn estimates of local authority capital expenditure and receipts in the financial year April 2011 to March 2012. Figures for 2011-12 reflect the service category changes on the Capital Outturn Return (COR) form consistent with Service Reporting Code of Practice (SeRCOP).

The information is derived from Capital Outturn Returns (COR) submitted by all 444 local authorities in England that complete the return. Further validation may lead to revision when final outturn figures are published later in the year. An earlier 1<sup>st</sup> provisional estimate was published in a Statistical Release in June based on information from Capital Payments and Receipts Returns (CPR4) submitted by local authorities in England.

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

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## **Special Factors**

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

### **HRA self-financing determination**

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

Authorities were asked to complete the Capital Payments & Return (CPR4) forms in April 2012 taking full account of the transactions associated with the 'The HRA Self-financing Determinations'. Local authorities subject to these self-financing determinations were required to include the determination in relation to expenditure or receipts and also the financing if applicable. The capital expenditure figure and receipts information on the form were required to match the information published in the self-financing documentation. The HRA figures have been reflected in the Capital Outturn Return (COR) forms in July 2012

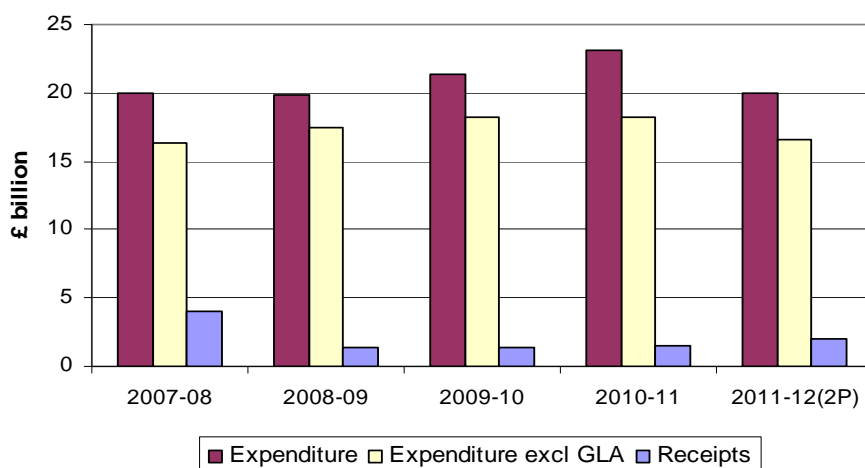
The transactions required to implement the self-financing determination took place on 28 March 2012 and are shown in Table 1 and Table 5 of the statistical release.

## Capital expenditure and receipts 2007-08 to 2011-12

1. **Chart A** and **Table 1** illustrate the change in capital expenditure and receipts from 2007-08 to 2011-12.

- Capital expenditure by local authorities in England has fallen to £20.0 billion in 2011-12, a year-on-year decrease of 13%, due mainly to a fall in new construction and conversion, and lower grants, loans and other financial assistance.
- Capital expenditure rose steadily from £19.8 billion in 2008-09 to £23.1 billion in 2010-11, but has fallen back in 2011-12 to about one per cent more than the figure three years earlier in 2008-09.
- Capital receipts, excluding HRA self-financing determination and premium, rose to £2.0 billion in 2011-12, a year-on-year increase of nearly 34%. Market conditions are still proving slow, though have seen an increase in the number of properties sold when compared to 2010-11.

**Chart A: Capital expenditure and receipts: England: 2007-08 to 2011-12**



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

	2007-08	2008-09	2009-10	2010-11	£ million 2011-12
<b>Expenditure:</b>					
Acquisition of land and existing buildings and works	1,184	1,511	1,301	1,043	721
New construction and conversion	12,393	13,390	14,551	14,777	13,300
Vehicles, plant equipment and machinery	1,321	1,488	1,597	1,520	1,426
Intangible assets	262	204	197	205	221
<b>Total expenditure on fixed assets</b>	<b>15,159</b>	<b>16,593</b>	<b>17,645</b>	<b>17,544</b>	<b>15,668</b>
Grants, loans and other financial assistance	4,788	3,172	3,574	5,148	4,166
Acquisition of share and loan capital	11	36	143	454	198
<b>Total capital expenditure</b>	<b>19,958</b>	<b>19,801</b>	<b>21,362</b>	<b>23,146</b>	<b>20,032</b>
<i>of which GLA:</i>	3,654	2,299	3,156	4,969	3,431
Expenditure by virtue of a section 16(2)(b) direction <sup>(a)</sup>	415	432	464	239	263
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	22	0	0	0	16
One-off HRA self-financing determination payment:					13,295
<b>Total expenditure and other transactions</b>	<b>20,395</b>	<b>20,233</b>	<b>21,826</b>	<b>23,385</b>	<b>33,606</b>
<b>Total expenditure excl HRA self-financing determination payment</b>					<b>20,311</b>
<b>Receipts</b>	<b>3,992</b>	<b>1,353</b>	<b>1,427</b>	<b>1,498</b>	<b>8,724</b>
<b>Receipts excl HRA self-financing determination &amp; premium</b>					<b>2,013</b>
One-off HRA self-financing determination & premium:					6,711

(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 £1.7bn in respect of Metronet

(c) GLA's grants and loans total £2.9 billion, including GLA's £1 billion contribution to Crossrail.

(d) Reflects a one-off loan within the TfL Group of £1.6bn to London Underground financed by an equivalent loan from Tube lines

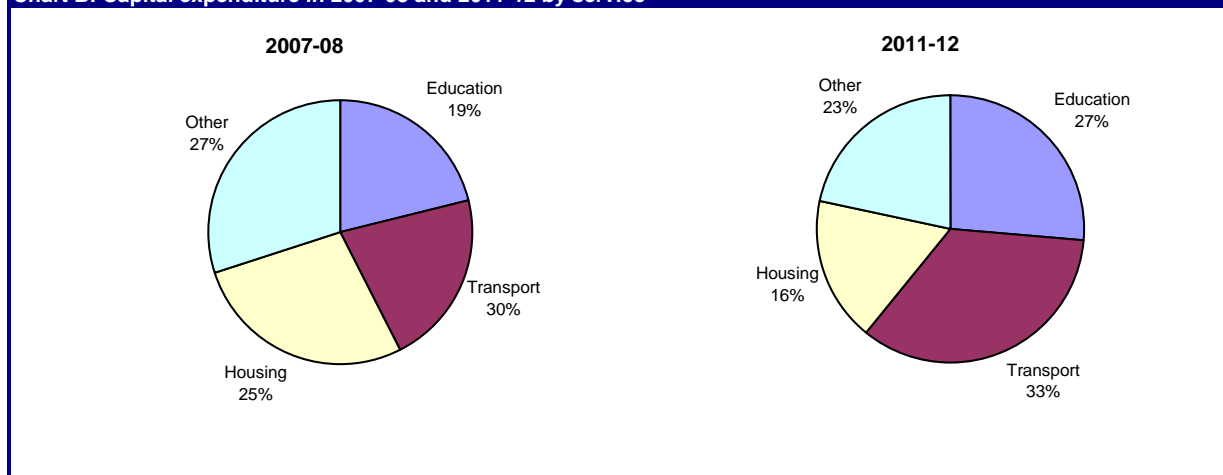
(e) Local authorities subject to the transactions associated with the HRA Self-financing Determinations are required to include the determination in relation to expenditure or receipts and also the financing if applicable. This is a one-off exercise for 2011-12 and figures are provided both inclusive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

## Capital expenditure by service

2. **Chart B** and **Table 2** below illustrate the change in the pattern of expenditure for the major services between 2007-08 and 2011-12.

- Between 2007-08 and 2011-12 capital expenditure on education has risen from 19% to 27% and on transport from 30% to 33% of the total, while capital expenditure on housing has fallen from 25% to 16% of the total
- The largest percentage decrease in capital expenditure in 2011-12 was in GLA transport (31%). Capital expenditure on housing and social services each fell by 19%.
- Capital expenditure in education has decreased in 2011-12 due to some education programmes transferring over to Academies.

**Chart B: Capital expenditure in 2007-08 and 2011-12 by service**



**Table 2: Local authority capital expenditure by service: England: 2007-08 to 2010-11**

	2007-08	2008-09	2009-10	2010-11	2011-12 (2P)	£ million
Education	3,711	4,542	5,392	6,107	5,495	<sup>(f)</sup>
Highways & transport	5,916	4,735	5,851	7,943	6,574	<sup>(e)</sup>
<i>of which GLA</i>	3,057	1,564	2,699	4,520	3,137	
Housing	5,008	4,901	4,514	4,063	3,274	
Other	5,324	5,622	5,605	5,034	4,689	
<i>Of which:</i>						
Social Services	411	300	288	312	253	
Recreation & sport	446	496	598	524	488	<sup>(b)</sup>
Police	549	794	704	602	538	
Other	3,918	4,033	4,015	3,596	3,410	
<b>Total expenditure</b>	<b>19,958</b>	<b>19,801</b>	<b>21,362</b>	<b>23,146</b>	<b>20,032</b>	

(a) Includes GLA (TfL) grant payment of £1.7bn 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. The 2011-12 expenditure total is as reported in Annex A (ii) and excludes any acquisitions of share and loan capital, usually negligible.

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

(d) Bulk of transport expenditure due to GLA - £4.5 billion. Excluding GLA, transport total would have been £3.4 billion.

(e) Similar to last year the bulk of transport expenditure is due to GLA - £3.1 billion.

(f) Less expenditure in 2011-12 due to some education programmes transferring over to Academies

3. **Tables 3 (a and b)** provide a service breakdown of estimated provisional expenditure and receipts for 2011-12.

**Table 3a : Local authority capital expenditure on fixed assets by economic category and service: England 2011-12: 2nd provisional outturn**

	£ million				
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets
Education	75	4,753	253	12	5,094
Highways & transport	56	3,179	137	50	3,422
Social services	5	173	30	8	215
Housing	139	2,430	190	4	2,763
Culture & related services	13	946	74	5	1,039
Environmental services	11	306	143	2	462
Planning & development services	111	432	9	2	555
Police	49	207	249	33	538
Fire & rescue	2	66	64	4	136
Central services	33	700	258	100	1,090
Trading services	226	107	20	1	354
<b>TOTAL</b>	<b>721</b>	<b>13,300</b>	<b>1,426</b>	<b>221</b>	<b>15,668</b>

**Table 3b : Local authority capital expenditure by economic category and service: England 2011-12: 2nd provisional outturn**

	£ million				
	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	Total capital expenditure
Education	5,094	367	34	0	5,495
Highways & transport	3,422	1,746	1,211	195 <sup>(a)</sup>	6,574
Social services	215	37	0	0	253
Housing	2,763	465	47	0	3,274
Culture & related services	1,039	58	5	0	1,102
Environmental services	462	25	1	0	488
Planning & development services	555	91	7	0	653
Police	538	0	0	0	538
Fire & rescue	136	0	0	0	136
Central services	1,090	22	45	2	1,160
Trading services	354	4	0	0	358
<b>TOTAL</b>	<b>15,668</b>	<b>2,817</b>	<b>1,350</b>	<b>198</b>	<b>20,032</b>

(a) Nottingham City Council's acquisition of Tram Company / buy out of Tram Line 1 obligations

4. **Table 4** gives a summary of capital receipts by economic category and service.

Table 4: Local authority capital receipts by economic category: England 2011-12: 2nd provisional outturn					
			Repayments of grants, loans & financial assistance	Disposals of investments inc. share & loan capital	£ million Total capital receipts
	Sales of fixed assets	Sales of intangible assets			
Education	79	2	2	0	83
Highways & transport	22	0	1	1	24
Social services	62	0	0	0	62
Housing	820	13	25	1	859
Culture & related services	54	0	1	0	55
Environmental services	64	1	2	0	67
Planning & development services	129	0	3	0	132
Police	104	1	1	0	106
Fire & rescue	11	0	0	0	11
Central services	361	4	9	24	398
Trading services	216	0	0	0	216
<b>TOTAL</b>	<b>1,923</b>	<b>21</b>	<b>43</b>	<b>27</b>	<b>2,013</b>

5. **Table 5** provides a breakdown of the financing of expenditure from 2007-08 to 2011-12.

- The financing of capital expenditure through central government grants decreased from £8.06 billion in 2010-11 to £7.1 billion in 2011-12. This is mainly due to a change in the treatment of expenditure by GLA. Without this change in the treatment of expenditure the financing through central government grants in 2011-12 remains virtually flat.
- Between 2008-09 and 2011-12 the financing of capital expenditure through central government grants increased by 25%, 17% in real terms.
- The ten local authorities that have reported the highest amounts of borrowing in 2011-12 together account for nearly 25% of the England total. Local authority borrowing in 2011-12 has almost tripled from 2010-11, due primarily to the financing of the HRA self-financing determination payment.
- Borrowing excluding HRA self-financing determination payments stands at £5.5 billion in 2011-12, a decrease of 34% from 2010-11. Part of the decrease is due to the discontinuation of Supported Capital Expenditure (SCE) on 31 March 2011.

**Table 5: Financing of local authority capital expenditure: England: 2007-08 to 2011-12**

	£ million				
	2007-08	2008-09	2009-10	2010-11	2011-12 (2P)
Central government grants	7,007 <sup>(a)</sup>	5,733	7,494	8,063	7,170 <sup>(h)</sup>
EU structural funds grants	157	156	43	38	77
Grants and contributions from private developers and from leaseholders etc	1,122 <sup>(b)</sup>	1,176 <sup>(c)</sup>	502	634	747
Grants and contributions from NDPBs <sup>(d)</sup>	635	540	602	753	522
National lottery grants	105	106	119	104	121
Use of capital receipts	2,665	2,040	1,603	1,409	1,647
Revenue financing of capital expenditure <i>of which:</i>	2,592	3,241	3,532	3,984	4,504 <sup>(h)</sup>
<i>Housing Revenue Account (CERA)</i>	208	228	247	235	324
<i>Major Repairs Reserve</i>	1,180	1,224	1,377	1,069	1,160
<i>General Fund (CERA)</i>	1,204	1,789	1,908	2,680	3,020
Capital expenditure financed by borrowing/credit <i>of which:</i>	6,112	7,241	7,931	8,399	18,819
SCE(R) Single Capital Pot <sup>(e)</sup>	2,296	2,257	2,181	1,581	338
SCE(R) Separate Programme Element <sup>(e)</sup>	630	760	748	484	74
Other borrowing & credit arrangements not supported by central government <sup>(f)</sup>	3,186	4,224	5,002	6,335	18,406 <sup>(g)</sup>
<b>Total</b>	<b>20,395</b>	<b>20,233</b>	<b>21,826</b>	<b>23,385</b>	<b>33,606</b> <sup>(g)</sup>

(a) Includes grant of £1.7billion 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 Sport England, English Heritage and the Natural England.

(e) 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.

(f) 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.

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

(h) There is a discontinuity from 2010-11 owing to a change in the treatment of expenditure by GLA. Previously this was recorded as 'Central government grant' but for 2011-12 it has been recorded as CERA to align with figures received on the Revenue Outturn



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

<b>Annex A (1): Capital expenditure on fixed assets: all services: England 2011-12: 2nd provisional outturn</b>						
	<b>£ thousand</b>					
	<b>Acquisition of land &amp; existing buildings</b>	<b>New construction conversion &amp; renovation</b>	<b>Vehicles</b>	<b>Plant machinery &amp; equipment</b>	<b>Intangible assets</b>	<b>Total expenditure on fixed &amp; intangible assets</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
						<b>(1+2+3+4+5)</b>
Pre-primary & Primary Education	50,857	1,854,482	464	92,520	2,096	2,000,419
Secondary Education	21,960	2,382,190	11,146	121,204	5,920	2,542,420
Special Education	1,293	274,289	414	8,216	488	284,700
Non-school funding	908	242,468	785	18,088	3,947	266,196
<b>Education</b>	<b>75,018</b>	<b>4,753,429</b>	<b>12,809</b>	<b>240,028</b>	<b>12,451</b>	<b>5,093,735</b>
Roads, Street Lights & Safety	9,605	2,404,253	11,408	14,414	3,225	2,442,905
Parking of Vehicles	15,708	34,523	417	7,332	187	58,167
Public Passenger Transport-Bus	3,334	141,833	8,126	3,727	405	157,425
Public Passenger Transport-Rail & Other	15,147	519,209	77,551	6,532	46,244	664,683
Airports	0	4,429	100	0	0	4,529
Local Authority Ports and Piers	1,529	10,497	2,098	1,137	0	15,261
Tolled Road bridges, tunnels, ferries, public transport companies	10,592	64,406	502	3,327	0	78,827
<b>Highways &amp; transport</b>	<b>55,915</b>	<b>3,179,150</b>	<b>100,202</b>	<b>36,469</b>	<b>50,061</b>	<b>3,421,797</b>
<b>Social services</b>	<b>4,808</b>	<b>172,571</b>	<b>3,138</b>	<b>26,391</b>	<b>8,242</b>	<b>215,150</b>
<b>Housing</b>	<b>139,290</b>	<b>2,429,870</b>	<b>140,544</b>	<b>49,010</b>	<b>4,214</b>	<b>2,762,927</b>
Culture and heritage	881	214,087	450	7,832	600	223,850
Recreation and sport	8,083	419,705	2,273	35,727	3,339	469,127
Open spaces	3,461	157,269	6,451	8,629	692	176,502
Tourism	41	9,938	2	1,738	4	11,723
Library Services	821	145,421	421	10,842	360	157,865
<b>Total Culture and related services</b>	<b>13,287</b>	<b>946,420</b>	<b>9,597</b>	<b>64,768</b>	<b>4,995</b>	<b>1,039,067</b>
Cemeteries, cremation and mortuary	269	37,904	453	8,417	19	47,062
Coast protection	794	29,561	30	0	0	30,385
Community safety	2	4,737	166	2,097	129	7,131
Community safety (CCTV)	0	4,401	132	5,528	80	10,141
Flood defence and land drainage	305	20,663	0	182	705	21,855
Agriculture and fisheries	2,649	14,130	0	19	46	16,844
Regulatory services (environmental health)	3,982	11,203	766	1,835	90	17,876
Regulatory services (trading standards)	0	695	28	288	0	1,011
Street cleaning (not chargeable to highways)	11	1,575	5,765	2,919	0	10,270
Waste collection	24	26,495	48,009	20,885	276	95,689
Waste disposal	1,352	108,567	4,245	2,933	315	117,412
Trade waste	0	1,838	216	53	0	2,107
Recycling	649	36,032	5,522	16,652	0	58,855
Waste minimisation	1,143	870	0	1,062	0	3,075
Climate change costs	0	7,740	3,488	11,193	0	22,421
<b>Total environmental and regulatory services</b>	<b>11,180</b>	<b>306,411</b>	<b>68,820</b>	<b>74,063</b>	<b>1,660</b>	<b>462,134</b>
<b>Planning and development services</b>	<b>110,913</b>	<b>432,122</b>	<b>534</b>	<b>8,952</b>	<b>2,296</b>	<b>554,817</b>
<b>Police</b>	<b>49,017</b>	<b>207,155</b>	<b>76,365</b>	<b>172,730</b>	<b>32,509</b>	<b>537,776</b>
<b>Fire and rescue services</b>	<b>2,197</b>	<b>66,324</b>	<b>42,831</b>	<b>21,294</b>	<b>3,744</b>	<b>136,390</b>
<b>Central services</b>	<b>32,911</b>	<b>699,655</b>	<b>34,256</b>	<b>223,534</b>	<b>99,895</b>	<b>1,090,251</b>
Industrial and commercial trading	211,860	76,945	803	2,113	662	292,383
Other trading	14,510	29,942	11,700	5,450	167	61,769
<b>Total Trading</b>	<b>226,370</b>	<b>106,887</b>	<b>12,503</b>	<b>7,563</b>	<b>829</b>	<b>354,152</b>
<b>Total all services</b>	<b>720,906</b>	<b>13,299,993</b>	<b>501,599</b>	<b>924,801</b>	<b>220,896</b>	<b>15,668,195</b>

## Annex A (2): Capital expenditure: all services: England 2011-12: 2nd provisional outturn

	£ thousand			
	Total expenditure 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	2,000,419	107,616	22	2,108,057
Secondary Education	2,542,420	242,497	22,252	2,807,169
Special Education	284,700	1,725	770	287,195
Non-school funding	266,196	15,616	10,564	292,376
<b>Education</b>	<b>5,093,735</b>	<b>367,454</b>	<b>33,608</b>	<b>5,494,797</b>
Roads, Street Lights & Safety	2,442,905	10,360	1,476	2,454,741
Parking of Vehicles	58,167	248	1	58,416
Public Passenger Transport-Bus	157,425	56,426	19	213,870
Public Passenger Transport-Rail & Other	664,683	1,679,000	1,208,975	3,552,658
Airports	4,529	0	646	5,175
Local Authority Ports and Piers	15,261	0	0	15,261
Tolled Road bridges, tunnels, ferries, public transport companies	78,827	0	0	78,827
<b>Highways &amp; transport</b>	<b>3,421,797</b>	<b>1,746,034</b>	<b>1,211,117</b>	<b>6,378,948</b>
<b>Social services</b>	<b>215,150</b>	<b>37,489</b>	<b>475</b>	<b>253,114</b>
<b>Housing</b>	<b>2,762,927</b>	<b>464,620</b>	<b>46,744</b>	<b>3,274,291</b>
Culture and heritage	223,850	18,760	2,799	245,409
Recreation and sport	469,127	17,692	1,565	488,384
Open spaces	176,502	21,489	435	198,426
Tourism	11,723	32	0	11,755
Library Services	157,865	422	0	158,287
<b>Total Culture and related services</b>	<b>1,039,067</b>	<b>58,395</b>	<b>4,799</b>	<b>1,102,261</b>
Cemeteries, cremation and mortuary	47,062	1,344	0	48,406
Coast protection	30,385	350	44	30,779
Community safety	7,131	1,036	0	8,167
Community safety (CCTV)	10,141	178	0	10,319
Flood defence and land drainage	21,855	1,266	0	23,121
Agriculture and fisheries	16,844	2,219	12	19,075
Regulatory services (environmental health)	17,876	1,256	188	19,320
Regulatory services (trading standards)	1,011	0	0	1,011
Street cleaning (not chargeable to highways)	10,270	0	6	10,276
Waste collection	95,689	1,743	41	97,473
Waste disposal	117,412	4,098	181	121,691
Trade waste	2,107	0	0	2,107
Recycling	58,855	5,029	35	63,919
Waste minimisation	3,075	0	0	3,075
Climate change costs	22,421	6,853	236	29,510
<b>Total environmental services</b>	<b>462,134</b>	<b>25,372</b>	<b>743</b>	<b>488,249</b>
<b>Planning and development services</b>	<b>554,817</b>	<b>91,149</b>	<b>6,634</b>	<b>652,600</b>
<b>Police</b>	<b>537,776</b>	<b>12</b>	<b>0</b>	<b>537,788</b>
<b>Fire and rescue services</b>	<b>136,390</b>	<b>89</b>	<b>0</b>	<b>136,479</b>
<b>Central services</b>	<b>1,090,251</b>	<b>22,193</b>	<b>45,374</b>	<b>1,157,818</b>
Industrial and commercial trading	292,383	3,894	0	296,277
Other trading	61,769	93	98	61,960
<b>Total Trading</b>	<b>354,152</b>	<b>3,987</b>	<b>98</b>	<b>358,237</b>
<b>Total all services</b>	<b>15,668,195</b>	<b>2,816,794</b>	<b>1,349,592</b>	<b>19,834,581</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: 2nd provisional outturn

	£ thousand			
	Sales & disposal of tangible fixed assets (10)	Sales of intangible assets (11)	Repayments of grants loans & financial assistance (12)	Total receipts <sup>(a)</sup> (10+11+12)
Pre-primary & Primary Education	25,429	0	128	25,557
Secondary Education	34,374	0	1,614	35,988
Special Education	4,829	0	0	4,829
Non-school funding	14,216	2,000	32	16,248
<b>Education</b>	<b>78,848</b>	<b>2,000</b>	<b>1,774</b>	<b>82,622</b>
Roads, Street Lights & Safety	11,919	0	4	11,923
Parking of Vehicles	3,157	0	15	3,172
Public Passenger Transport-Bus	0	0	0	0
Public Passenger Transport-Rail & Other	6,884	0	266	7,150
Airports	0	0	394	394
Local Authority Ports and Piers	7	0	428	435
Tolled Road bridges, tunnels, ferries, public transport companies	6	20	0	26
<b>Highways &amp; transport</b>	<b>21,973</b>	<b>20</b>	<b>1,107</b>	<b>23,100</b>
<b>Social services</b>	<b>61,656</b>	<b>0</b>	<b>217</b>	<b>61,873</b>
<b>Housing</b>	<b>820,119</b>	<b>12,563</b>	<b>24,716</b>	<b>857,398</b>
Culture and heritage	5,498	0	264	5,762
Recreation and sport	28,642	0	778	29,420
Open spaces	16,922	0	18	16,940
Tourism	160	490	0	650
Library Services	2,574	0	0	2,574
<b>Total Culture and related services</b>	<b>53,796</b>	<b>490</b>	<b>1,060</b>	<b>55,346</b>
Cemeteries, cremation and mortuary	5,005	0	0	5,005
Coast protection	48	0	0	48
Community safety	173	0	0	173
Community safety (CCTV)	0	0	0	0
Flood defence and land drainage	0	0	96	96
Agriculture and fisheries services	45,681	784	0	46,465
Regulatory services (environmental health)	936	0	67	1,003
Regulatory services (trading standards)	2	0	0	2
Street cleaning not chargeable to highways	148	0	0	148
Waste collection	2,804	0	225	3,029
Waste disposal	3,085	0	923	4,008
Trade waste	32	0	0	32
Recycling	203	0	301	504
Waste minimisation	0	0	0	0
Climate change costs	6,274	175	0	6,449
<b>Total environmental and regulatory services</b>	<b>64,391</b>	<b>959</b>	<b>1,612</b>	<b>66,962</b>
<b>Planning and development services</b>	<b>129,065</b>	<b>13</b>	<b>3,195</b>	<b>132,273</b>
<b>Police</b>	<b>104,341</b>	<b>744</b>	<b>834</b>	<b>105,919</b>
<b>Fire and rescue services</b>	<b>11,175</b>	<b>0</b>	<b>0</b>	<b>11,175</b>
<b>Central services</b>	<b>361,395</b>	<b>3,938</b>	<b>8,629</b>	<b>373,962</b>
Industrial and commercial trading	192,602	0	48	192,650
Other trading	23,174	0	52	23,226
<b>Total Trading</b>	<b>215,776</b>	<b>0</b>	<b>100</b>	<b>215,876</b>
<b>Total all services</b>	<b>1,922,535</b>	<b>20,727</b>	<b>43,244</b>	<b>1,986,506</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. 22 2012*. This is accessible at <http://www.communities.gov.uk/corporate/researchandstatistics/statistics/subject/localgovernmentfinance>. The most relevant terms for this release are explained below.

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

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

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

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

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

**Greater London Authority (GLA)** – this includes GLA and its constituent bodies, the Mayor's Office for Policing, London Fire and Emergency Planning Authority, Transport for London (TfL) and London Legacy Development Corporation (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.

## Data quality

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

Designation can be broadly interpreted to mean that the statistics:

meet identified user needs;

are well explained and readily accessible;

are produced according to sound methods, and

are managed impartially and objectively in the public interest.

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

The information for 2011-12 in this release is derived from Capital Outturn Returns (COR) submitted to the Department for Communities and Local Government by all 444 local authorities in England that complete the return. Further validation may lead to revision when final outturn figures are published later in the year.

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 what type of classification group they fit in (e.g. Single Purpose Authorities, Shire Districts, Shire Counties, Unitary Authorities, Metropolitan Districts, London Boroughs etc.)

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

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

- 1) **In form validation:** This refers to warnings that are built into the excel forms that are sent to authorities. Forms have been pre-programmed with sense checks to highlight figures outside a set range,. If an authority inputs figures that are likely to be incorrect, the form flags up to the officer inputting the data that this value could be incorrect. In some fields the figure can still be accepted if a reason is given whereas some cells will definitely be rejected as it is deemed impossible. In the majority of cases this means that the forms are returned completed and without any validation queries.
- 2) **CLASS (Computerised Local Authority Statistics System) validation:** Once the figures have been received by DCLG, they get inputted onto the CLASS database, which has built in checks that return errors and warnings for unexpected figures. CLASS can then be asked to output a list of warnings and errors which a team member can look

through and contact an authority about if necessary.

- 3) **Manual (or analytical) validation:** These are extra checks done manually by the teams to double check the figures they receive. During this process the teams also liaise with relevant policy sections and the Group Accountant to clarify and rectify any anomalies. Furthermore the data received from LAs are compared with other data sources (both internal and external).
- 4) **Post validation:** Figures get checked and double-checked on the statistical releases. Particular attention is paid to making sure the values have been entered correctly and the figures on the graphs and tables correlate with each other.

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

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

### **Uses made of the data**

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

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

## **Background Notes**

1. For press enquiries about this Statistical Release please contact the Local Government press desk on 0303 444 1201 or email [press.office@communities.gsi.gov.uk](mailto:press.office@communities.gsi.gov.uk). For other enquiries please telephone Peter Crosland 0303 44 42336 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 web site, <http://www.statistics.gov.uk/hub/release-calendar/index.html>
4. Please see the web link below for access to the papers tabled to the 'Central and Local Information Partnership – Finance' (CLIP-F) group,  
<http://www.clip.local.gov.uk/lqv/core/page.do?pagelId=31626>

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

5. Further information is also available on the department's website  
[www.communities.gov.uk/localgovernment/localgovernmentfinance/](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. 22 2012* 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
2P	= 2nd Provisional
F	= Forecast
R	= Revised

### **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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September 2012

ISBN: 978-1-4098-3641-4