

# Statistical Release

**28 October 2010**  
(REVISED on 20 January 2011)

## LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

### England: 2009-10 Final Outturn

- The underlying trend in capital expenditure shows an increase of 8% from 2008-09 to 2009-10, to £21.4 billion.
- Capital expenditure has risen by 28% in the last four years, nearly 16% in real terms.
- Capital receipts remain well below the 2007-08 level, at £1.4 billion. This reflects a drop in the sale of assets by local authorities. The in-year capital receipts of £1.4 billion were more than offset by the use of £1.6 billion of capital receipts to finance expenditure.
- The Greater London Authority (GLA) accounts for £3.2 billion (nearly 15%) of total capital expenditure in 2009-10. £2.7 billion of this is the expenditure of Transport for London.

This release provides final outturn figures for local authority capital expenditure and receipts in the financial year April 2009 to March 2010. Figures for 2009-10 reflect the service category changes on the Capital Outturn Return (COR) form consistent with Best Value Accounting Code of Practice (BVACOP).

The release previously published on 28 October 2010 has been revised due to minor amendments made to Tables 1, 2, 3a and b, 5, 6, Annex A(1) and Annex A(2). The total capital expenditure has increased by 0.07%. Capital receipts remain the same.

**Responsible Statisticians:**

Steven Melbourne and Mike Young

Email: [capital.receipts@communities.gsi.gov.uk](mailto:capital.receipts@communities.gsi.gov.uk)

**Contact points:**

Press enquiries:

Telephone 0303 444 0444

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

Other enquiries:

Telephone 0303 4442121

Email [capital.receipts@communities.gsi.gov.uk](mailto:capital.receipts@communities.gsi.gov.uk)

Website: [www.communities.gov.uk](http://www.communities.gov.uk)

Web-link (capital statistics) :

[www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/](http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/)

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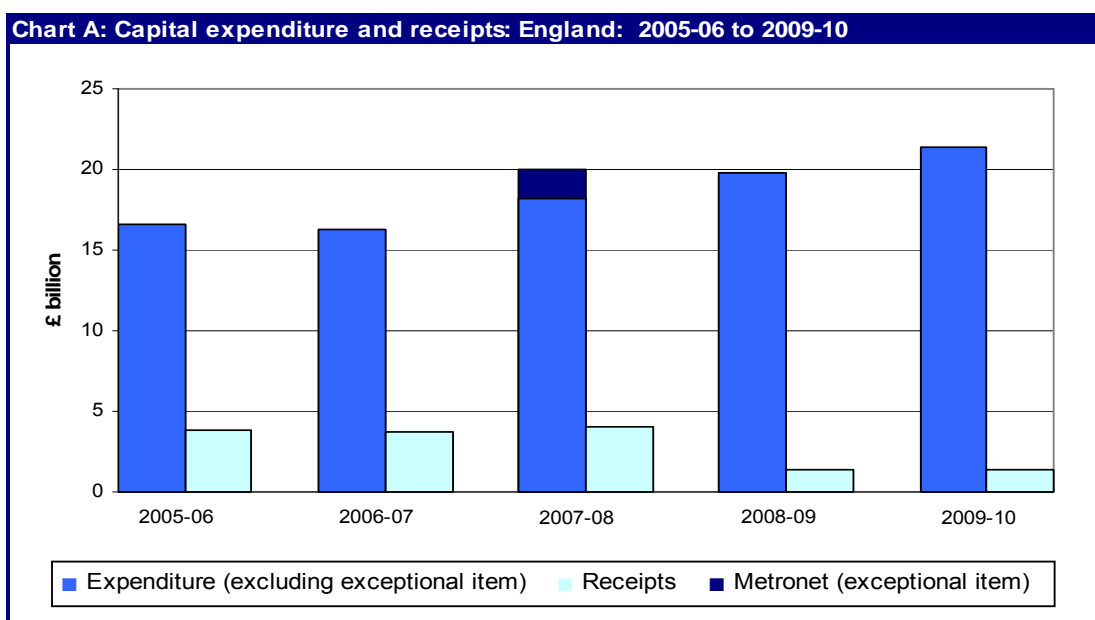
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## Capital expenditure and receipts 2005-06 to 2009-10

1. **Chart A** and **Table 1** illustrate the change in capital expenditure and receipts from 2005-06 to 2009-10.

- The underlying trend in capital expenditure shows an increase of 8% between 2008-09 and 2009-10, to £21.4 billion.
- Capital expenditure has risen by 28% in the last four years, nearly 16% in real terms.
- Capital receipts remain well below the 2007-08 level, at £1.4 billion. This reflects a drop in the sale of assets by local authorities. The in-year capital receipts of £1.4 billion were more than offset by the use of £1.6 billion of capital receipts to finance expenditure.
- The Greater London Authority (GLA) accounts for £3.2 billion (nearly 15%) of total capital expenditure in 2009-10. £2.7 billion of this is the expenditure of Transport for London.



**Table 1: Local authority capital expenditure and receipts: England: 2005-06 to 2009-10**

	2005-06	2006-07	2007-08	2008-09	£ million 2009-10
<b>Expenditure:</b>					
Acquisition of land and existing buildings and works	866	964	1,184	1,511	1,301
New construction and conversion	12,078	11,797	12,393	13,390	14,551
Vehicles, plant equipment and machinery	1,515	1,312	1,321	1,488	1,597
Intangible assets	313	292	262	204	197
<b>Total expenditure on fixed assets</b>	<b>14,773</b>	<b>14,366</b>	<b>15,159</b>	<b>16,593</b>	<b>17,645</b>
Grants, loans and other financial assistance	1,628	1,918	4,796 <sup>(b)</sup>	3,172	3,574
Acquisition of share and loan capital	241	23	11	36	143
<b>Total capital expenditure</b>	<b>16,641</b>	<b>16,307</b>	<b>19,958<sup>(b)</sup></b>	<b>19,801</b>	<b>21,362</b>
Expenditure by virtue of a section 16(2)(b) direction <sup>(a)</sup>	148	163	415	432	464
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	8	2	22	0	0
<b>Total expenditure and other transactions</b>	<b>16,797</b>	<b>16,472</b>	<b>20,395<sup>(b)</sup></b>	<b>20,233</b>	<b>21,826</b>
<b>Receipts</b>	<b>3,777</b>	<b>3,671</b>	<b>3,992</b>	<b>1,353</b>	<b>1,427</b>

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

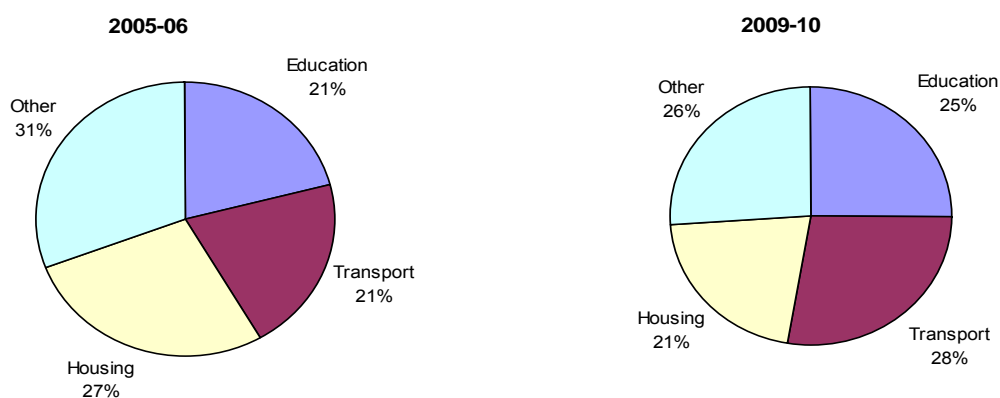
(b) Includes GLA (TfL) grant payment of £1.7bn in respect of Metronet

## Capital expenditure by service

2. **Chart B** and **Table 2** below illustrate the change in the pattern of expenditure for the major services between 2005-06 and 2009-10.

- The largest percentage increase in capital expenditure in 2009-10 was in transport (24%). Capital expenditure on housing and police fell by 8% and 11% respectively.
- Between 2005-06 and 2009-10 capital expenditure on transport has risen from 21% to 28% of the total, while capital expenditure on housing has fallen from 27% to 21% of the total.

**Chart B: Capital expenditure in 2005-06 and 2009-10 by service**



**Table 2: Local authority capital expenditure by service: England: 2005-06 to 2009-10**

	2005-06	2006-07	2007-08	2008-09	£ million 2009-10
Education	3,492	3,442	3,711	4,542	5,392
Highways & transport	3,461	3,480	5,916 <sup>(a)</sup>	4,735	5,851
Housing	4,534	4,507	5,008	4,901	4,514
Other	5,154	4,879	5,323	5,622	5,605
Of which:					
Social Services	387	364	411	300	288
Sport & recreation	424	415	446	496	598 <sup>(b)</sup>
Police	606	527	550	794 <sup>(c)</sup>	704
Other	3,737	3,573	3,917	4,033	4,015
<b>Total expenditure</b>	<b>16,641</b>	<b>16,307</b>	<b>19,958</b>	<b>19,801</b>	<b>21,362</b>

(a) Includes GLA (TfL) grant payment 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 2009-10 expenditure total is as reported in Annex A (2) 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

3. **Tables 3a and 3b** give a summary of capital expenditure by economic category and service.

**Table 3a : Local authority capital expenditure on fixed assets by economic category and service: England 2009-10: final outturn**

	£ million				
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant, machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets
Education	105	4,550	378	20	5,053
Highways & transport	61	3,587	122	5	3,775
Social services	17	178	38	7	240
Housing	330	3,362	35	16	3,743
Culture & related services	29	1,059	103	3	1,193
Environmental services	26	243	165	4	439
Planning & development services	321	394	13	3	730
Police	59	273	331	39	703
Fire & rescue	10	79	96	4	189
Court services	0	1	0	0	1
Central services	232	694	278	89	1,293
Trading services	111	130	39	6	287
<b>TOTAL</b>	<b>1,301</b>	<b>14,551</b>	<b>1,597</b>	<b>197</b>	<b>17,645</b>

**Table 3b : Local authority capital expenditure by economic category and service: England 2009-10: final outturn**

	£ million				
	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	Total capital expenditure
Education	5,053	311	26	2	5,392
Highways & transport	3,775	1,195	880	0	5,851
Social services	240	45	3	0	288
Housing	3,743	738	28	6	4,514
Culture & related services	1,193	44	8	0	1,245
Environmental services	439	28	6	98 <sup>(a)</sup>	571
Planning & development services	730	124	69	0	924
Police	703	0	1	0	704
Fire & rescue	189	0	0	0	189
Court services	1	1	0	0	1
Central services	1,293	40	19	36	1,388
Trading services	287	5	3	1	295
<b>TOTAL</b>	<b>17,645</b>	<b>2,531</b>	<b>1,043</b>	<b>143</b>	<b>21,362</b>

(a) Shares were acquired by North London Waste Authority from its joint venture partner.

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

**Table 4: Local authority capital receipts by economic category: England 2009-10: final outturn**

	£ million				
	Sales of fixed assets	Sales of intangible assets	Repayments of grants, loans & financial assistance	Disposals of investments inc. share & loan capital	Total capital receipts
Education	166	0	1	0	167
Highways & transport	105	0	1	20	126
Social services	37	0	0	0	37
Housing	464	3	19	0	486
Culture & related services	22	0	1	0	23
Environmental services	29	0	2	3	34
Planning & development services	129	0	5	0	134
Police	61	1	2	0	63
Fire & rescue	6	0	1	0	7
Court services	0	0	0	0	0
Central services	226	1	6	15	248
Trading services	102	0	0	0	102
<b>TOTAL</b>	<b>1,346</b>	<b>4</b>	<b>39</b>	<b>38</b>	<b>1,427</b>

5. **Table 5** gives the financing breakdown of total expenditure for 2009-10 set alongside the breakdown for earlier years.

- The self-financed borrowing figure of £5 billion includes the GLA and its constituent bodies which together are responsible for the largest individual authority share at £1.6 billion.

**Table 5: Financing of local authority capital expenditure: England: 2005-06 to 2009-10**

	£ million				
	2005-06	2006-07	2007-08	2008-09	2009-10
Central government grants	3,909	4,083	7,007 <sup>(a)</sup>	5,733	7,494
EU structural funds grants	169	185	157	156	43
Grants and contributions from private developers and from leaseholders etc	477	502	1,122 <sup>(b)</sup>	1,176 <sup>(c)</sup>	502
Grants and contributions from NDPBs <sup>(d)</sup>	520	492	635	540	602
National lottery grants	212	166	105	106	119
Use of capital receipts	2,812	2,628	2,665	2,040	1,603
Revenue financing of capital expenditure	2,569	2,763	2,591	3,241	3,532
<i>of which:</i>					
<i>Housing Revenue Account (CERA)</i>	238	240	208	228	247
<i>Major Repairs Reserve</i>	1,327	1,337	1,180	1,224	1,377
<i>General Fund (CERA)</i>	1,004	1,185	1,204	1,789	1,908
Capital expenditure financed by borrowing/credit	6,130	5,655	6,112	7,240	7,918
<i>of which:</i>					
SCE(R) Single Capital Pot	2,932	2,734	2,296	2,257	2,181
SCE(R) Separate Programme Element	947	630	630	759	748
Other borrowing & credit arrangements not supported by central government <sup>(e)</sup>	2,251	2,291	3,186	4,224	5,002
<b>Total</b>	<b>16,797</b>	<b>16,472</b>	<b>20,395</b>	<b>20,233</b>	<b>21,826</b>

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

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

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

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

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

## **Information on prudential system: 2009-10**

6. **Table 6** shows final outturn information about the prudential system in 2009-10.

The Prudential Code for Capital Finance in Local Authorities was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities in taking their decisions. Its key objectives are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. As part of this framework the Prudential Code sets out the indicators that must be used.

These indicators include forecasts of, and actual figures for:

- capital expenditure



- capital financing requirement – a measure that reflects an authority's underlying need to borrow
- external debt – gross borrowing and other long-term liabilities
- operational boundary for external debt – the maximum level of external debt projected based on the authority's most likely, i.e. prudent, but not worst case scenario
- authorised limit for external debt – the intended absolute limit that has to be set by the full Council

- At the end of 2004-05, the first year of the Prudential System, local authority external debt stood at £40.5 billion. At the end of 2009-10, local authority external debt stood at £59.8 billion, an increase of nearly 48%.
- At the end of 2004-05, the England total for operational boundaries was £48.5 billion, and that for authorised limits was £55.9 billion. At the end of 2009-10, the England totals for operational boundaries and authorised limits stood at £73.4 billion and £82.9 billion respectively, increases of 51% and 48% respectively.
- At the end of 2004-05, local authority external debt was below the operational boundaries and authorised limits by margins of 16% and nearly 28% respectively. At the end of 2009-10, local authority external debt was below the operational boundaries and authorised limits by margins of nearly 19% and nearly 28% respectively.

Table 6 - Local authority capital expenditure : prudential information : England 2009-10 : final outturn			
	£ million		
	as at 1 April 2009	in 2009-10	as at 31 March 2010
<b>Capital Financing Requirement as at 1 April 2009</b>	<b>62,772</b>		
Capital expenditure to be resourced by means of credit (+)		9,604	
Minimum Revenue Provision (-)		1,643	
Additional contribution from revenue (-)		271	
Contribution from Major Repairs Reserve (-)		144	
Use of receipts (-) <sup>(a)</sup>		29	
<b>Change in Capital Financing Requirement</b>		<b>7,518</b>	
<b>Capital Financing Requirement as at 31 March 2010</b>			<b>70,290</b>
Gross borrowing	54,444		55,713
Other long-term liabilities	3,095		4,084
<b>Total external debt</b>	<b>57,540</b>		<b>59,797</b>
Operational boundary for external debt	69,890		73,457
Authorised limit for external debt	78,894		82,910
Investments	25,619		21,296

(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). Unlike the corresponding line in Annex D, excludes receipts used under Regulation 23(c) to repay premiums charged in relation to amounts borrowed.

7. **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 2009-10: final outturn</b>						<b>£ thousand</b>
	<b>Acquisition of land &amp; existing buildings (1)</b>	<b>New construction conversion &amp; renovation (2)</b>	<b>Vehicles (3)</b>	<b>Plant machinery &amp; equipment (4)</b>	<b>Intangible assets (5)</b>	<b>Total expenditure on fixed &amp; intangible assets (6) (1+2+3+4+5)</b>
Pre-primary & Primary Education	24,243	1,693,241	2,834	135,494	7,056	1,862,868
Secondary Education	64,028	2,322,677	2,472	160,441	5,479	2,555,097
Special Education	8,070	237,647	1,317	12,374	713	260,121
Non-school funding	8,646	296,623	1,528	61,847	6,470	375,114
<b>Education</b>	<b>104,987</b>	<b>4,550,188</b>	<b>8,151</b>	<b>370,156</b>	<b>19,718</b>	<b>5,053,200</b>
Roads, Street Lights & Safety	34,215	2,505,669	7,255	17,221	4,087	2,568,447
Parking of Vehicles	8,163	78,425	121	6,287	222	93,218
Public Passenger Transport-Bus	2,376	133,168	4,198	10,813	64	150,619
Public Passenger Transport-Rail & Other	8,306	812,110	35,607	34,913	934	891,870
Tolled Road bridges, tunnels, ferries, public transport companies	8,047	38,810	508	979	0	48,344
Local Authority Ports and Piers	0	17,774	15	3,784	0	21,573
Airports	0	1,095	0	0	0	1,095
<b>Highways &amp; transport</b>	<b>61,107</b>	<b>3,587,051</b>	<b>47,704</b>	<b>73,997</b>	<b>5,307</b>	<b>3,775,166</b>
<b>Social services</b>	<b>16,816</b>	<b>178,251</b>	<b>3,367</b>	<b>34,529</b>	<b>7,137</b>	<b>240,100</b>
<b>Housing</b>	<b>329,785</b>	<b>3,362,013</b>	<b>1,376</b>	<b>33,280</b>	<b>16,238</b>	<b>3,742,692</b>
Culture and heritage	4,251	216,661	249	6,835	201	228,197
Recreation and sport	12,755	514,726	1,574	41,782	423	571,260
Open spaces	4,243	180,919	4,817	25,284	530	215,793
Tourism	2,052	8,125	20	1,215	0	11,412
Library Services	5,502	138,736	2,744	18,002	1,575	166,559
<b>Total Culture and related services</b>	<b>28,803</b>	<b>1,059,167</b>	<b>9,404</b>	<b>93,118</b>	<b>2,729</b>	<b>1,193,221</b>
Cemeteries, cremation and mortuary	168	30,903	94	2,744	44	33,953
Environmental health	201	28,155	8,479	9,882	720	47,437
Community safety	266	23,750	547	16,158	1,348	42,069
Flood defence and land drainage	65	13,945	188	256	22	14,476
Coast protection	191	38,385	55	1,350	588	40,569
Agriculture and fisheries	2,701	10,159	0	53	5	12,918
Trading standards	0	368	0	188	0	556
Street cleaning not chargeable to highways	0	1,627	3,097	643	110	5,477
Waste collection	1,051	12,328	47,958	44,986	507	106,830
Waste disposal	21,510	83,210	4,418	24,278	1,090	134,506
<b>Total environmental services</b>	<b>26,153</b>	<b>242,830</b>	<b>64,836</b>	<b>100,538</b>	<b>4,434</b>	<b>438,791</b>
<b>Planning and development services</b>	<b>320,761</b>	<b>393,586</b>	<b>926</b>	<b>11,981</b>	<b>2,628</b>	<b>729,882</b>
<b>Police</b>	<b>59,196</b>	<b>273,083</b>	<b>108,964</b>	<b>222,157</b>	<b>39,146</b>	<b>702,546</b>
<b>Fire and rescue services</b>	<b>9,956</b>	<b>79,037</b>	<b>57,796</b>	<b>37,723</b>	<b>4,142</b>	<b>188,654</b>
<b>Court services</b>	<b>9</b>	<b>766</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>777</b>
<b>Central services</b>	<b>231,634</b>	<b>694,318</b>	<b>37,056</b>	<b>240,754</b>	<b>89,387</b>	<b>1,293,149</b>
Industrial and commercial trading	109,416	73,286	1,322	5,971	4,552	194,547
Other trading	2,012	56,980	26,473	5,227	1,236	91,928
<b>Total Trading</b>	<b>111,428</b>	<b>130,266</b>	<b>27,823</b>	<b>11,198</b>	<b>5,788</b>	<b>286,503</b>
<b>Total all services</b>	<b>1,300,635</b>	<b>14,550,556</b>	<b>367,403</b>	<b>1,229,433</b>	<b>196,654</b>	<b>17,644,681</b>

**Annex A (2): Capital expenditure: all services: England 2009-10: final outturn**
**£ thousand**

	<b>Total expenditure on fixed &amp; intangible assets</b>	<b>Expenditure on grants</b>	<b>Expenditure on loans &amp; other financial assistance</b>	<b>Total Expenditure<sup>(a)</sup></b>
	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	<b>(9)</b>
	<b>(1+2+3+4+5)</b>			<b>(6+7+8)</b>
Pre-primary & Primary Education	1,862,868	86,334	1,065	1,950,267
Secondary Education	2,555,097	159,319	1,201	2,715,617
Special Education	260,121	2,698	1	262,820
Non-school funding	375,114	62,383	23,510	461,007
<b>Education</b>	<b>5,053,200</b>	<b>310,734</b>	<b>25,777</b>	<b>5,389,711</b>
Roads, Street Lights & Safety	2,568,447	12,220	487	2,581,154
Parking of Vehicles	93,218	982	207	94,407
Public Passenger Transport-Bus	150,619	12,670	11,381	174,670
Public Passenger Transport-Rail & Other	891,870	1,161,975	868,149	2,921,994
Tolled Road bridges, tunnels, ferries, public transport companies	48,344	13	200	48,557
Local Authority Ports and Piers	21,573	1,734	0	23,307
Airports	1,095	5,583	0	6,678
<b>Highways &amp; transport</b>	<b>3,775,166</b>	<b>1,195,177</b>	<b>880,424</b>	<b>5,850,767</b>
<b>Social Services</b>	<b>240,100</b>	<b>44,649</b>	<b>2,880</b>	<b>287,629</b>
<b>Housing</b>	<b>3,742,692</b>	<b>737,605</b>	<b>28,155</b>	<b>4,508,452</b>
Culture and heritage	228,197	13,467	2,891	244,555
Recreation and sport	571,260	22,601	3,924	597,785
Open spaces	215,793	6,727	682	223,202
Tourism	11,412	1,288	9	12,709
Library Services	166,559	91	0	166,650
<b>Total culture and related services</b>	<b>1,193,221</b>	<b>44,174</b>	<b>7,506</b>	<b>1,244,901</b>
Cemeteries, cremation and mortuary	33,953	714	600	35,267
Environmental health	47,437	6,908	690	55,035
Community safety	42,069	5,106	142	47,317
Flood defence and land drainage	14,476	635	0	15,111
Coast protection	40,569	0	0	40,569
Agriculture and fisheries	12,918	0	0	12,918
Trading standards	556	265	0	821
Street cleaning not chargeable to highways	5,477	0	0	5,477
Waste collection	106,830	5,928	2,405	115,163
Waste disposal	134,506	8,777	1,919	145,202
<b>Total environmental services</b>	<b>438,791</b>	<b>28,333</b>	<b>5,756</b>	<b>472,880</b>
<b>Planning and development services</b>	<b>729,882</b>	<b>124,612</b>	<b>69,090</b>	<b>923,584</b>
<b>Police</b>	<b>702,546</b>	<b>120</b>	<b>1,309</b>	<b>703,975</b>
<b>Fire and rescue services</b>	<b>188,654</b>	<b>478</b>	<b>0</b>	<b>189,132</b>
<b>Court services</b>	<b>777</b>	<b>552</b>	<b>27</b>	<b>1,356</b>
<b>Central services</b>	<b>1,293,149</b>	<b>39,766</b>	<b>18,778</b>	<b>1,351,693</b>
Industrial and commercial trading	194,547	2,655	1,174	198,376
Other trading	91,928	2,280	1,944	96,152
<b>Total Trading</b>	<b>286,503</b>	<b>4,935</b>	<b>3,118</b>	<b>294,556</b>
<b>Total all services</b>	<b>17,644,681</b>	<b>2,531,135</b>	<b>1,042,820</b>	<b>21,218,636</b>

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

## Annex A (3): Capital receipts: all services: England 2009-10: final outturn

£ thousand

	Sales & disposal of tangible fixed assets (10)	Sales of intangible assets (11)	Repayments of grants loans & financial assistance (12)	Total receipts(a) (10+11+12)
Pre-primary & Primary Education	19,825	0	0	19,825
Secondary Education	138,536	0	513	139,049
Special Education	4,228	0	0	4,228
Non-school funding	3,607	0	32	3,639
<b>Education</b>	<b>166,196</b>	<b>0</b>	<b>545</b>	<b>166,741</b>
Roads, Street Lights & Safety	19,152	0	5	19,157
Parking of Vehicles	27,734	0	49	27,783
Public Passenger Transport-Bus	294	0	728	1,022
Public Passenger Transport-Rail & Other	57,367	0	0	57,367
Tolled Road bridges, tunnels, ferries, public transport companies	10	0	0	10
Local Authority Ports and Piers	89	0	0	89
Airports	0	0	394	394
<b>Highways &amp; transport</b>	<b>104,646</b>	<b>0</b>	<b>1,176</b>	<b>105,822</b>
<b>Social Services</b>	<b>37,005</b>	<b>0</b>	<b>227</b>	<b>37,232</b>
<b>Housing</b>	<b>464,417</b>	<b>2,589</b>	<b>19,194</b>	<b>486,200</b>
Culture and heritage	3,049	0	232	3,281
Recreation and sport	5,909	10	714	6,633
Open spaces	6,947	0	11	6,958
Tourism	916	0	37	953
Library services	5,647	0	8	5,655
<b>Total Culture and related services</b>	<b>22,468</b>	<b>10</b>	<b>1,002</b>	<b>23,480</b>
Cemeteries, cremation and mortuary	827	0	0	827
Environmental health	556	0	59	615
Community safety	3	0	5	8
Flood defence and land drainage	0	0	0	0
Coast protection	0	0	0	0
Agriculture and fisheries	23,262	0	0	23,262
Trading standards	0	0	0	0
Street cleaning not chargeable to highways	9	0	0	9
Waste collection	3,410	0	55	3,465
Waste disposal	826	0	2,149	2,975
<b>Total environmental services</b>	<b>28,893</b>	<b>0</b>	<b>2,268</b>	<b>31,161</b>
<b>Planning and development services</b>	<b>128,744</b>	<b>13</b>	<b>5,333</b>	<b>134,090</b>
<b>Police</b>	<b>60,536</b>	<b>643</b>	<b>2,276</b>	<b>63,455</b>
<b>Fire and rescue services</b>	<b>5,588</b>	<b>0</b>	<b>864</b>	<b>6,452</b>
<b>Court services</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>Central services</b>	<b>225,666</b>	<b>902</b>	<b>5,641</b>	<b>232,209</b>
Industrial and commercial trading	99,511	175	144	99,830
Other trading	1,764	0	58	1,822
<b>Total Trading</b>	<b>101,939</b>	<b>175</b>	<b>202</b>	<b>102,316</b>
<b>Total all services</b>	<b>1,346,098</b>	<b>4,332</b>	<b>38,730</b>	<b>1,389,160</b>

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

8. **Annex B** shows further details of gross expenditure on “new construction, conversion and renovation” of roads (including structural maintenance), street lighting and road safety.

**Annex B: New construction, conversion & renovation: roads (including structural maintenance), street lighting & road safety: England 2009-10: Final Outturn**

	£ thousand
New construction/improvement of roads	846,984
Structural maintenance - principal roads	370,999
Structural maintenance - other LA roads	720,978
Expenditure on Bridges	205,356
Road Safety	278,801
Street Lighting	82,551
<b>Total New construction, conversion &amp; renovation: roads (including structural maintenance), street lighting &amp; road safety</b>	<b>2,505,669</b>

9. **Annex C** shows further detail of local authority capital expenditure on social services and details of local authority expenditure and health authority contributions relating to schemes that were jointly financed with health authorities.

**Annex C: Social services : England 2009-10 : final outturn**

	£ thousand		
	<u>Jointly Financed Schemes</u>		
	Total LA financed Capital Expenditure (1)	Total Capital <sup>(a)</sup> Expenditure in the year (2)	of which: Total contributions received in the year from health authorities (3) (b)
Children and their families: residential care	19,015	53	0
Children and their families: day care	32,883	1,144	0
Elderly: residential care	62,700	2,611	815
Elderly: day care	17,732	1,030	924
Physically disabled: residential care	8,199	472	459
Physically disabled: day care	9,323	178	0
Learning disabled: residential care	23,179	6,704	2,735
Learning disabled: day care	26,492	1,271	223
Mentally ill: residential care	6,940	900	72
Mentally ill: day care	9,786	566	0
HIV/AIDS and alcohol/drugs misuse	3,590	219	0
Other	67,790	6,863	948
<b>Total Social services</b>	<b>287,629</b>	<b>22,011</b>	<b>6,176</b>

(a) Local authority share of jointly financed expenditure included in cols. 1 and 2

(b) Total spend on social services can be calculated by adding columns 1 and 3

10. **Annex D** gives a breakdown of the total opening and closing stock of capital receipts held by local authorities in England and in-year changes in 2009-10.

<b>Annex D: Capital receipts in 2009-10</b>	
	<b>£ million</b>
Accumulated capital receipts as at 1 April 2009	3,078
In-year capital receipts 2009-10	1,427
Receipts used to meet expenditure for capital purposes	1,603
Receipts used as provision to repay debt or meet liabilities <sup>(a)</sup>	65
Pooling of housing capital receipts	117
Interest on late pooling payments	0
Accumulated capital receipts as at 31 March 2010	2,721

(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). Unlike the corresponding line in Table 6, includes receipts used under Regulation 23(c) to repay premiums charged in relation to amounts borrowed.

11. **Annex E** gives a breakdown of the total stock of fixed assets held by local authorities in England at 31 March 2010.

<b>Annex E: Value of fixed assets: (a) 31 March 2010</b>	
	<b>£ million</b>
<b>Operational assets:</b>	
(i) Council Dwellings	88,747
(ii) Other Land and Buildings - Education	62,332
(iii) Other Land and Buildings - Other	42,356
(iv) Vehicles, Plant and Equipment	4,530
(v) Infrastructure Assets	28,597
(vi) Community Assets	1,877
<b>Total operational assets</b>	<b>228,439</b>
Non operational:	
(i) Investment Properties	11,212
(ii) Other	9,741
<b>Total non-operational assets</b>	<b>20,954</b>
<b>Total value of tangible assets</b>	<b>249,393</b>
Intangible assets	457
<b>Total value of fixed assets</b>	<b>249,850</b>

(a) Infrastructure assets and community assets are included in the balance sheet at historical cost, net of depreciation. Other assets are included in the balance sheet at the lower of the net current replacement cost or net realisable value.

12. **Annex F** gives a breakdown by type, of current expenditure that local authorities were allowed to finance from capital resources – capitalise – under section 16(2)(b) of the Local Government Act 2003.

- Capitalised current expenditure has increased from £432 million in 2008-09 to £464 million in 2009-10. One of the reasons for the increase is the capitalisation in respect of the impairment charge relating to the potential losses of investments in Icelandic banks.

**Annex F: Capitalised current expenditure by type: England 2009-10: final outturn**

	£ thousand
Redundancy Costs	25,396
Pension Scheme Contributions	19,746
Equal Pay Directions	337,215
Other <sup>(a)</sup>	82,110
<b>Total</b>	<b>464,467</b>

(a) Amounts covered by directions for exceptional, contaminated land and commutation, which are not recorded separately.

## **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. 20 2010*. This is accessible at [www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics](http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics). The most relevant terms for this release are explained below.

**Best Value Accounting Code of Practice (BVACOP)** – A number of substantial changes have been made to the form in its service breakdown and the guidance notes have been updated to bring them into line with the Best Value Accounting Code of Practice (BVACOP).

**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).

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

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

**The Prudential Code** – a professional code of practice prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA), for the prudential system introduced on 1 April 2004. Local authorities are required by legislation to have regard to the code.

**Supported Capital Expenditure** – the term for most forms of central government support for local authority capital expenditure from 1 April 2004. Supported Capital Expenditure (Revenue) – SCE(R) – is the amount of expenditure towards which revenue support grant will be paid to a local authority on the cost of its borrowing. The revenue grant support is provided to help authorities with the costs of financing loans.



## **Data quality**

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

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

The information for 2009-10 in this release is derived from Capital Outturn Returns (COR) submitted to Communities and Local Government by English local authorities and is derived from valid returns from all 443 authorities that complete the return.

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.

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. 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 4044 or email [press.office@communities.gsi.gov.uk](mailto:press.office@communities.gsi.gov.uk). For other enquiries please telephone John Wallis on 0303 4442121 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, [www.statistics.gov.uk/releasecalendar/currentreleases.asp](http://www.statistics.gov.uk/releasecalendar/currentreleases.asp)
4. Further information is also available on the department's website [www.communities.gov.uk/localgovernment/localgovernmentfinance/](http://www.communities.gov.uk/localgovernment/localgovernmentfinance/).
5. For a fuller picture of recent trends in local government finance readers are directed to *Local Government Financial Statistics England No. 20 2010* 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/)
6. 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
-	= negative
	= discontinuity

### **Rounding**

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