



Department for
Communities and
Local Government

Local Authority Capital Expenditure and Receipts, England: 2012-13 2nd Provisional Outturn

- Capital expenditure by local authorities in England fell from £20.0 billion in 2011-12 to £18.9 billion in 2012-13, a year-on-year decrease of 5.5%.
- Capital receipts have increased slightly in 2012-13 to £2.1 billion from £2.0 billion in 2011-12, a year-on-year increase of 5.5%. This is mainly due to increase in property disposals.
- The provisional outturn figure for capital expenditure in 2012-13 is the lowest since 2006-07 when it was £16.3 billion.
- In 2012-13 capital expenditure on planning and development services, and fire and rescue increased by 35% and 26% respectively, whilst housing increased by 14%. However, there has been a decrease in capital expenditure in the same year of about 18% each in education (which excludes expenditure related to academies) and social services, and of 8% in highways and transport, and of 7% in police. Culture and related services fell by 20%.
- The financing of capital expenditure through central government grants increased from £7.2 billion in 2011-12 to £8.5 billion in 2012-13, a year-on-year increase of 18%. This is mainly due to a change in the treatment of expenditure by the Greater London Authority for 2011-12 only.
- The ten local authorities that have reported the highest amounts of financing by borrowing in 2012-13 together account for 51% of the England total. Local authority borrowing in 2012-13 has reduced by almost 8% from around £5.1 billion in 2011-12 to £4.7 billion in 2012-13



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Introduction

This release provides 2nd provisional outturn of local authority capital expenditure and receipts in the financial year April 2012 to March 2013. Figures for 2012-13 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 provisional outturn was published in a Statistical Release in June based on information from Capital Payments and Receipts Returns (CPR4) submitted by local authorities in England.

The release has been compiled by the Local Government Finance - Data Collection Analysis and Accountancy Division of Department for Communities and Local Government. For uses please see “uses made of the data” section.

Changes to the capital data in 2012-13

There were no changes to local government capital expenditure and financing in 2012-13 which had a significant impact on the figures in this release.

1. Capital Expenditure and Receipts 2008-09 to 2012-13

Chart A and **Table 1** illustrate the change in capital expenditure and receipts from 2008-09 to 2012-13. The 2012-13 cumulative quarterly data are published in a live table and can be viewed at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>. It should be noted that year on year comparisons may not be valid due to local government changes in function and responsibility.

There has been a reform to the Housing Revenue Account (HRA) system of payments which is reflected in the significant increase in the 2011-12 figures shown in Tables 1 and 5 in this Statistical Release.

A fall in the level of in-year capital expenditure in 2012-13 is due to expenditure turning out to be lower than forecast evidencing the effect of slippage due to unforeseen delays in a number of capital projects.

Total Capital Expenditure and Receipts

- Capital expenditure by local authorities in England fell from £20.0 billion in 2011-12 to £18.9 billion in 2012-13, a year-on-year decrease of 5.5%, due mainly to a reduction in expenditure in both new construction and conversion, and on vehicles, plant equipment and machinery.
- Capital receipts have increased slightly in 2012-13 to £2.1 billion from £2.0 billion in 2011-12, a year-on-year increase of 5.5%. This is mainly due to an increase in property disposals.
- The provisional outturn figure for capital expenditure in 2012-13 is the lowest since 2006-07 when it was £16.3 billion. There is some evidence from authorities that 2012-13 capital expenditure is lower than originally forecast due to slippage on various schemes and development projects which are now expected to be delivered in 2013-14.

Chart A: Capital expenditure and receipts: England: 2008-09 to 2012-13

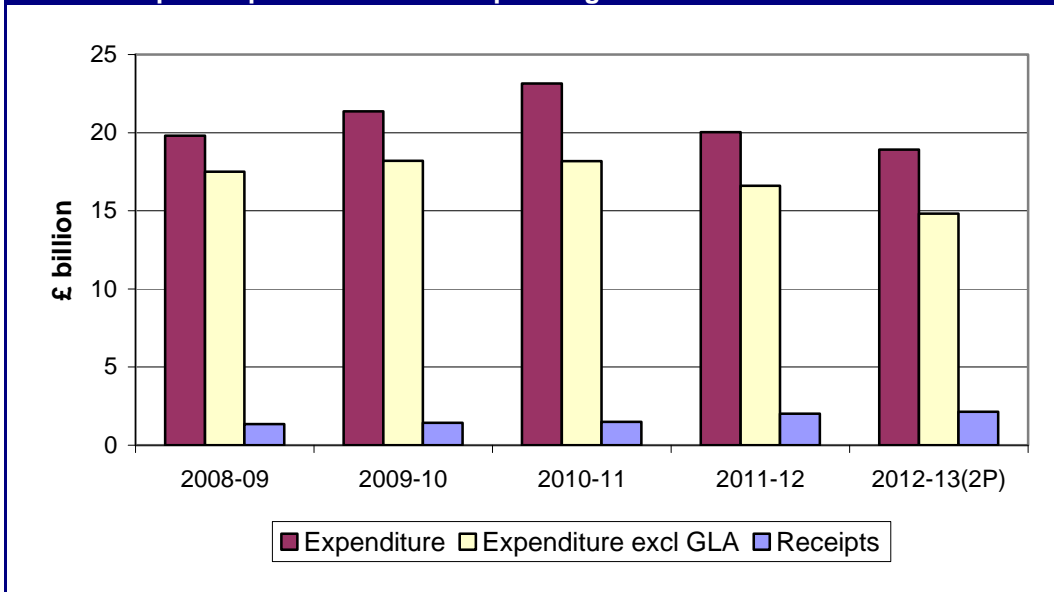


Table 1: Local authority capital expenditure and receipts: England: 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ million 2012-13 (2P)
Expenditure:					
Acquisition of land and existing buildings and works	1,511	1,301	1,043	721	823
New construction and conversion	13,390	14,551	14,777	13,300	11,494
Vehicles, plant equipment and machinery	1,488	1,597	1,520	1,426	1,210
Intangible assets	204	197	205	221	178
Total expenditure on fixed assets	16,593	17,645	17,544	15,668	13,705
Grants, loans and other financial assistance	3,172	3,574	5,148	4,166 ^(b)	4,002 ^(e)
Acquisition of share and loan capital	36	143	454	198	1,225 ^(f)
Total capital expenditure	19,801	21,362	23,146	20,032	18,931
<i>of which GLA:</i>	<i>2,299</i>	<i>3,156</i>	<i>4,969^(c)</i>	<i>3,431</i>	<i>4,120</i>
Expenditure by virtue of a section 16(2)(b) direction ^(a)	432	464	239	263	111
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	0	0	0	16	0
One-off HRA self-financing determination payment:				13,295 ^(d)	
Total expenditure and other transactions	20,233	21,826	23,385	33,606	19,042
Total expenditure excl HRA self-financing determination payment				20,311	
Receipts	1,353	1,427	1,498	8,724	2,125
Receipts excl HRA self-financing determination & premium				2,014	
One-off HRA self-financing determination & premium:				6,711 ^(d)	

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

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

(d) 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.

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

(f) The reason for a significant increase in acquisition of share or loan capital is the higher levels of spend now being witnessed on the Crossrail project, as construction is fully underway

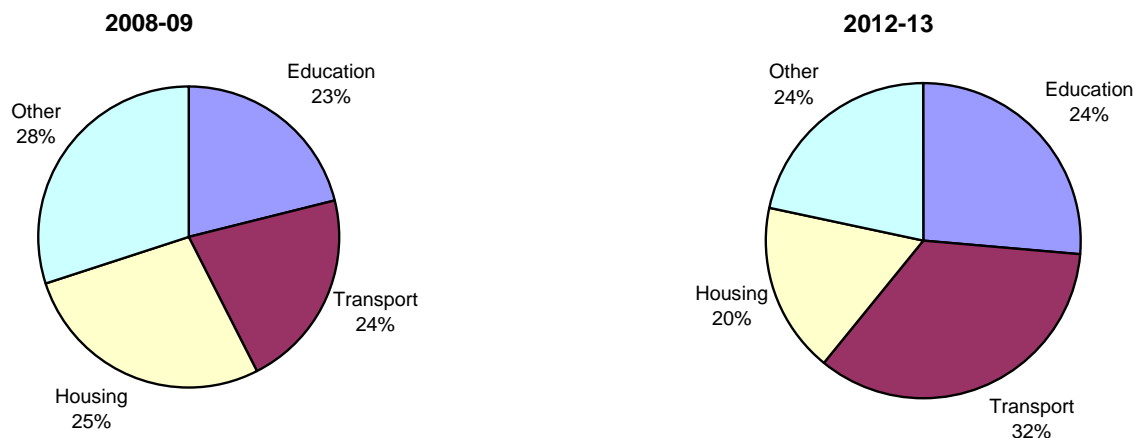
2. Capital Expenditure by Service

Chart B and **Table 2** below illustrate the change in the pattern of expenditure for the major services between 2008-09 and 2012-13.

Pattern of Expenditure

- In 2012-13 capital expenditure on planning and development services, and fire and rescue increased by 35% and 26% respectively, whilst housing increased by 14%.
- However, there has been a decrease in capital expenditure in the same year of about 18% each in education (which excludes expenditure related to academies) and social services, and of 8% in highways and transport, and of 7% in police.
- Expenditure on central services increased from £1.2 billion in 2011-12 to £1.3 billion in 2012-13, a rise of 9%, whilst environmental services increased by 8% in the same period.
- Culture and related services fell by 20%, whilst trading services fell by 44%.

Chart B: Capital expenditure in 2008-09 and 2012-13 by service



Other includes social services, culture & related services, environmental services, planning & development, police, fire & rescue, central services and trading services

Table 2: Local authority capital expenditure by service: England: 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ million 2012-13 (2P)	2012-13 change
Education	4,542	5,392	6,107	5,495	4,528	-18%
Highways & transport	4,735	5,851	7,943	6,574	6,046	-8%
<i>of which GLA</i>	<i>1,564</i>	<i>2,699</i>	<i>4,520</i>	<i>3,137</i>	<i>3,016</i>	<i>-4%</i>
Social services	300	288	312	253	207	-18%
Housing	4,901 ^(a)	4,514	4,063	3,274	3,731	14%
Culture & related services	1,056	1,245	1,147	1,102	877	-20%
Environmental services	604	571	531	488	526	8%
Planning & development services	1,081	924	833	653	879	35%
Police	794 ^(b)	704	602	538	500	-7%
Fire & rescue	167	189	195	136	172	26%
Central services	1,269	1,389	1,110	1,160	1,264	9%
Trading services	351	295	304	358	201	-44%
Total capital expenditure	19,801	21,362	23,146	20,032	18,931	-5.5%

(a) Includes Salford's £483 million payment to an RSL for transfer of housing stock

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

Tables 3 (a and b) provide a service breakdown of provisional expenditure and receipts for 2012-13.

Table 3a : Local authority capital expenditure on fixed assets by economic category and service: England 2012-13: 2nd provisional outturn

	£ million				
	Acquisition of land & existing buildings	New con- struction, conversion & renovation	Vehicles, plant machinery & equip- ment	Intangible assets	Total expendi- ture on fixed & intangible assets
Education	66	3,795	201	10	4,072
Highways & transport	79	2,651	98	17	2,844
Social services	7	129	29	12	177
Housing	157	2,448	38	6	2,649
Culture & related services	18	744	66	1	829
Environmental services	17	288	172	2	479
Planning & development services	145	481	18	3	646
Police	23	190	260	26	500
Fire & rescue	10	72	84	6	171
Central services	273	573	221	93	1,160
Trading services	28	122	24	3	177
TOTAL	823	11,494	1,210	178	13,705

**Table 3b : Local authority capital expenditure by economic category and service:
England 2012-13: 2nd provisional outturn**

	£ million				
	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	Total capital expenditure
Education	4,072	424	25	8	4,528
Highways & transport	2,844	1,329	662	1,211 ^(a)	6,046
Social services	177	29	0	0	207
Housing	2,649	1,036	46	0	3,731
Culture & related services	829	45	2	0	877
Environmental services	479	19	28	0	526
Planning & development services	646	212	17	4	879
Police	500	0	0	0	500
Fire & rescue	171	1	0	0	172
Central services	1,160	32	71	1	1,264
Trading services	177	5	18	1	201
TOTAL	13,705	3,133	869	1,225	18,931

(a) Significant increase in acquisition of share and loan capital is due to the higher levels of spend now being witnessed on the Crossrail project, as construction is fully underway

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

Table 4: Local authority capital receipts by economic category: England 2012-13: 2nd provisional 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	265	0	9	0	274 ^(a)
Highways & transport	34	2	2	1	39
Social services	76	0	1	0	78
Housing	730	4	27	0	761
Culture & related services	60	0	2	0	62
Environmental services	51	0	2	2	56
Planning & development services	123	0	12	0	135
Police	116	0	1	0	117
Fire & rescue	10	0	0	0	10
Central services	378	2	8	3	391
Trading services	189	0	12	0	201
TOTAL	2,033	9	76	7	2,125

(a) A significant increase in 2012-13 from 2011-12 is mainly due to a one off receipt for £120M for an old education site - North Westminster College

3. Financing of Capital Expenditure in 2012-13

Table 5 provides a breakdown of the financing of expenditure from 2008-09 to 2012-13.

- The financing of capital expenditure through central government grants increased from £7.2 billion in 2011-12 to £8.5 billion in 2012-13, a year-on-year increase of 18%. This is mainly due to a change in the treatment of expenditure by the GLA for 2011-12 only. Without this change in the treatment of expenditure the financing through central government grants remains virtually flat.
- Between 2008-09 and 2012-13 the financing of capital expenditure through central government grants increased by 48%, 35% in real terms.
- The ten local authorities that have reported the highest amounts of financing by borrowing in 2012-13 together account for 51% of the England total. Local authority borrowing in 2012-13 has reduced by almost 8% from around £5.1 billion in 2011-12 (exclusive of financing of the HRA self-financing determination payment) to £4.7 billion in 2012-13.
- The revenue financing of capital expenditure has fallen from some £4.5 billion in 2011-12 to £3.2 billion in 2012-13, a year-on-year decrease of 30%, although this figure is reduced once the change in treatment of expenditure by the GLA in the earlier year is excluded.
- The use of capital receipts to finance local authority capital expenditure has reduced by 21% between 2011-12 and 2012-13. This was partly due to some authorities transferring their housing stock in 2011-12 and funding their associated levies from capital receipts.

Table 5: Financing of local authority capital expenditure: England: 2008-09 to 2012-13

	£ million				
	2008-09	2009-10	2010-11	2011-12	2012-13 (2P)
Central government grants	5,733	7,494	8,063	7,170 ^(f)	8,481
EU structural funds grants	156	43	38	77	55
Grants and contributions from private developers and from leaseholders etc	1,176 ^(a)	502	634	747	693
Grants and contributions from NDPBs ^(b)	540	602	753	522	442
National lottery grants	106	119	104	121	67
Use of capital receipts	2,040	1,603	1,409	1,647	1,295
Revenue financing of capital expenditure of which:	3,241	3,532	3,984	4,504 ^(f)	3,167
<i>Housing Revenue Account (CERA)</i>	228	247	235	324	466
<i>Major Repairs Reserve</i>	1,224	1,377	1,069	1,160	1,259
<i>General Fund (CERA)</i>	1,789	1,908	2,680	3,020	1,442
Capital expenditure financed by borrowing/credit of which:	7,241	7,931	8,399	18,819	4,841
SCE(R) Single Capital Pot ^(c)	2,257	2,181	1,581	338	88
SCE(R) Separate Programme Element ^(c)	760	748	484	74	30
Other borrowing & credit arrangements not supported by central government ^(d)	4,224	5,002	6,335	18,406 ^(e)	4,723
Total	20,233	21,826	23,385	33,606 ^(e)	19,042

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

(b) 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.

(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.

(f) 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

4. Detailed Capital Expenditure and Receipts

Annex A (1) (2) and (3) provide full details on capital expenditure and receipts as collected on the Capital Outturn forms. These tables do not include acquisitions and disposals of share and loan capital, since these are not collected at this level of detail.

Annex A (1): Capital expenditure on fixed assets: all services: England 2012-13: 2nd provisional outturn

						£ thousand
	Acquisition of land & existing buildings (1)	New construction conversion & renovation (2)	Vehicles (3)	Plant machinery & equipment (4)	Intangible assets (5)	Total expenditure on fixed & intangible assets (6) (1+2+3+4+5)
Pre-primary & Primary Education	27,717	1,664,076	3,540	65,111	2,511	1,762,955
Secondary Education	34,164	1,753,830	9,141	104,843	4,667	1,906,645
Special Education	1,018	230,514	657	8,999	174	241,362
Non-school funding	3,152	146,751	848	7,482	2,382	160,615
Education	66,051	3,795,171	14,186	186,436	9,734	4,071,578
Roads, Street Lights & Safety	34,951	2,197,387	10,761	14,217	11,485	2,268,801
Parking of Vehicles	16,011	41,214	146	4,985	556	62,912
Public Passenger Transport-Bus	6,487	248,169	4,390	9,946	358	269,350
Public Passenger Transport-Rail & Other	9,684	136,667	19,768	31,649	4,211	201,979
Airports	0	1,325	13	0	0	1,338
Local Authority Ports and Piers	0	14,802	102	692	10	15,606
Tolled Road bridges, tunnels, ferries, public transport companies	11,706	11,603	837	175	0	24,321
Highways & transport	78,839	2,651,167	36,017	61,664	16,620	2,844,307
Social services	6,927	129,397	3,611	25,709	11,774	177,418
Housing	157,117	2,448,139	2,198	35,628	5,835	2,648,917
Culture and heritage	2,701	168,092	-248	10,711	352	181,608
Recreation and sport	9,394	319,691	1,705	27,795	186	358,771
Open spaces	3,329	115,572	5,301	8,584	92	132,878
Tourism	31	6,238	0	958	5	7,232
Library Services	2,559	134,235	353	10,872	608	148,627
Total Culture and related services	18,014	743,828	7,111	58,920	1,243	829,116
Cemeteries, cremation and mortuary	2,758	34,490	176	13,828	0	51,252
Coast protection	0	17,514	59	138	1,181	18,892
Community safety	0	2,846	111	1,654	0	4,611
Community safety (CCTV)	0	2,568	11	7,559	0	10,138
Flood defence and land drainage	215	16,407	0	175	344	17,141
Agriculture and fisheries	794	6,487	44	0	0	7,325
Regulatory services (environmental health)	0	11,981	3,060	3,060	206	18,307
Regulatory services (trading standards)	0	171	57	20	33	281
Street cleaning (not chargeable to highways)	0	201	9,322	2,690	33	12,246
Waste collection	1,829	13,818	66,899	22,856	547	105,949
Waste disposal	11,202	75,501	3,629	2,077	28	92,437
Trade waste	0	452	952	132	0	1,536
Recycling	318	90,663	12,311	8,836	11	112,139
Waste minimisation	0	558	0	700	0	1,258
Climate change costs	0	13,943	2	11,424	1	25,370
Total environmental and regulatory services	17,116	287,600	96,633	75,149	2,384	478,882
Planning and development services	145,264	480,636	2,779	14,868	2,625	646,172
Police	22,826	190,447	104,420	156,017	26,197	499,907
Fire and rescue services	9,774	72,168	53,679	30,109	5,550	171,280
Central services	273,044	573,230	34,097	186,436	92,713	1,159,520
Industrial and commercial trading	27,070	103,546	559	2,830	2,787	136,792
Other trading	611	18,847	19,110	1,484	568	40,620
Total Trading	27,681	122,393	19,669	4,314	3,355	177,412
Total all services	822,653	11,494,176	374,400	835,250	178,030	13,704,509

Annex A (2): Capital expenditure: all services: England 2012-13: 2nd provisional out-turn
£ 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^(a) (9) (6+7+8)
Pre-primary & Primary Education	1,762,955	110,671	399	1,874,025
Secondary Education	1,906,645	293,952	18,628	2,219,225
Special Education	241,362	5,193	0	246,555
Non-school funding	160,615	14,178	5,700	180,493
Education	4,071,578	423,994	24,727	4,520,299
Roads, Street Lights & Safety	2,268,801	35,254	830	2,304,885
Parking of Vehicles	62,912	2,901	0	65,813
Public Passenger Transport-Bus	269,350	19,184	0	288,534
Public Passenger Transport-Rail & Other	201,979	1,271,379	648,470	2,121,828
Airports	1,338	0	11,919	13,257
Local Authority Ports and Piers	15,606	0	800	16,406
Tolled Road bridges, tunnels, ferries, public transport companies	24,321	0	0	24,321
Highways & transport	2,844,307	1,328,718	662,019	4,835,044
Social services	177,418	29,009	218	206,645
Housing	2,648,917	1,036,311	45,554	3,730,782
Culture and heritage	181,608	19,687	1,392	202,687
Recreation and sport	358,771	17,393	853	377,017
Open spaces	132,878	5,544	181	138,603
Tourism	7,232	1,390	0	8,622
Library Services	148,627	1,348	0	149,975
Total Culture and related services	829,116	45,362	2,426	876,904
Cemeteries, cremation and mortuary	51,252	90	882	52,224
Coast protection	18,892	457	0	19,349
Community safety	4,611	423	0	5,034
Community safety (CCTV)	10,138	215	0	10,353
Flood defence and land drainage	17,141	6,573	1,313	25,027
Agriculture and fisheries	7,325	19	0	7,344
Regulatory services (environmental health)	18,307	617	0	18,924
Regulatory services (trading standards)	281	0	0	281
Street cleaning (not chargeable to highways)	12,246	0	0	12,246
Waste collection	105,949	1,665	0	107,614
Waste disposal	92,437	157	25,000	117,594
Trade waste	1,536	29	0	1,565
Recycling	112,139	2,648	121	114,908
Waste minimisation	1,258	11	0	1,269
Climate change costs	25,370	5,892	835	32,097
Total environmental services	478,882	18,796	28,151	525,829
Planning and development services	646,172	212,374	16,932	875,478
Police	499,907	21	0	499,928
Fire and rescue services	171,280	1,094	0	172,374
Central services	1,159,520	32,251	70,637	1,262,408
Industrial and commercial trading	136,792	4,198	18,022	159,012
Other trading	40,620	793	10	41,423
Total Trading	177,412	4,991	18,032	200,435
Total all services	13,704,509	3,132,921	868,696	17,706,126

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

Annex A (3): Capital receipts: all services: England 2012-13: 2nd provisional outturn
£ thousand

	Sales & disposal of tangible fixed assets (10)	Sales of intangible assets (11)	Repayments of grants loans & fi- nancial assis- tance (12)	Total receipts(a) (10+11+12)
Pre-primary & Primary Education	42,656	0	0	42,656
Secondary Education	161,531	0	532	162,063
Special Education	17,518	0	0	17,518
Non-school funding	43,196	0	8,662	51,858
Education	264,901	0	9,194	274,095
Roads, Street Lights & Safety	11,191	0	11	11,202
Parking of Vehicles	8,570	0	90	8,660
Public Passenger Transport-Bus	101	0	894	995
Public Passenger Transport-Rail & Other	14,197	2,311	0	16,508
Airports	9	0	822	831
Local Authority Ports and Piers	0	0	2	2
Tolled Road bridges, tunnels, ferries, public transport companies	218	0	1	219
Highways & transport	34,286	2,311	1,820	38,417
Social services	76,075	0	1,287	77,362
Housing	729,945	3,877	27,305	761,127
Culture and heritage	4,424	0	419	4,843
Recreation and sport	28,634	267	1,485	30,386
Open spaces	22,643	0	46	22,689
Tourism	325	0	0	325
Library Services	3,755	0	106	3,861
Total Culture and related services	59,781	267	2,056	62,104
Cemeteries, cremation and mortuary	2,024	0	0	2,024
Coast protection	0	0	0	0
Community safety	0	0	0	0
Community safety (CCTV)	0	0	0	0
Flood defence and land drainage	89	0	0	89
Agriculture and fisheries services	35,553	0	0	35,553
Regulatory services (environmental health)	815	0	16	831
Regulatory services (trading standards)	0	0	0	0
Street cleaning not chargeable to high- ways	5,980	0	0	5,980
Waste collection	2,963	0	370	3,333
Waste disposal	3,465	0	973	4,438
Trade waste	4	0	469	473
Recycling	175	0	0	175
Waste minimisation	249	0	0	249
Climate change costs	0	0	319	319
Total environmental and regulatory services	51,317	0	2,147	53,464
Planning and development services	123,179	15	11,872	135,066
Police	116,318	0	788	117,106
Fire and rescue services	9,890	86	0	9,976
Central services	378,152	2,161	7,713	388,026
Industrial and commercial trading	181,464	0	93	181,557
Other trading	8,004	0	11,631	19,635
Total Trading	189,468	0	11,724	201,192
Total all services	2,033,312	8,717	75,906	2,117,935

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

5. Terminology used in the release

A list of terms relating to local government finance is given in the glossary at Annex G of *Local Government Finance Statistics England* No. 23 2013. This is accessible at <https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013> 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 credits 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 the 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.

6. Technical Notes

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 2012-13 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

For a summary of SERCOP please see the following web link including information on legislative requirements:

<http://www.cipfastats.net/sercop/>

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.

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.

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.

Comments and feedback from end users for further improvement or about your experiences with this product will be welcomed. Please send all views to: capital.receipts@communities.gsi.gov.uk

Symbols and conventions

...	= not available
0	= zero or negligible
-	= not relevant
	= discontinuity
2P	= 2nd Provisional

Rounding

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

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 <https://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.

Background notes

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

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics#statistical-series>

The data for the capital expenditure and receipts shown in first Provisional Outturn can be found in the Live Table update at the following web address:

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>

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/releasecalendar/currentreleases.asp>

For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Finance Statistics England* No. 23 2013, which is available in hard copy from Communities and Local Government Publications, Cambertown House at product@communities.gsi.gov.uk (Tel. 0300 123 1124) and electronically from the Communities and Local Government website:

<https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013>

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

Please see the web link below for access to the papers tabled to the 'Central and Local Information Partnership – Finance' (CLIP-F) group,

<http://www.clip.local.gov.uk/lgv/core/page.do?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.

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>

Devolved administration statistics

The statistics in this Release are for England only. Statistics for Wales and Scotland can be found at wales.gov.uk/topics/statistics/theme/loc-gov/?lang=en and www.scotland.gov.uk/topics/statistics/browse/local-government-finance respectively.

7. Enquiries

Media enquiries:

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Email: press.office@communities.gsi.gov.uk

Public enquiries:

For other enquiries please telephone Peter Crosland 0303 44 42336 or email 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

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

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This document/publication is also available on our website at www.gov.uk/dclg

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