



Department for
Communities and
Local Government



Statistical Release

30 October 2012

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

England: 2011-12 Final 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 £20.0 billion.
- 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%.

This release provides final outturn figures for 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 final outturn information derived from Capital Outturn Returns (COR) submitted by all 444 local authorities in England, which complete the return, contains unchanged aggregate figures from the Second Provisional Outturn Statistical Release published on 11 September 2012. It also includes new Tables 6-8 and additional Annexes B-F. Individual local authority data are also now available on the departmental website.

This release has been compiled by the Local Government Finance – Data Collection Analysis and Accountancy division of the Department for Communities and Local Government. The figures are used for Public Sector Finances and the National Accounts. For additional uses please see “uses made of the data” section.

Responsible Statisticians:

Steven Melbourne & Mike Young

Email: capital.receipts@communities.gsi.gov.uk

Contact points:

Press enquiries:

Telephone 0303 444 1201

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

Other enquiries:

Telephone 0303 444 2115

Email capital.receipts@communities.gsi.gov.uk

Website: www.communities.gov.uk

Web-link (capital statistics) :

www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/

Contents:**Capital expenditure and receipts 2007-08 to 2011-12**

		Page
Chart A	Expenditure and receipts: England: 2007-08 to 2011-12	5
Table 1	Local authority capital expenditure and receipts: England : 2007-08 to 2011-12	5

Capital expenditure by service

Chart B	Capital expenditure by service: England: 2007-08 and 2011-12	6
Table 2	Local authority capital expenditure by service: England: 2007-08 to 2011-12	6
Table 3a	Local authority capital expenditure on fixed assets by economic category and service: England 2011-12: final outturn	7
Table 3b	Local authority capital expenditure by economic category and service: England 2011-12: final outturn	7
Table 4	Local authority capital receipts by economic category: England 2011-12: final outturn	8
Table 5	Financing of local authority capital expenditure: England: 2007-08 to 2011-12	9
Table 6	Local authority capital expenditure: prudential information: England 2011-12: final outturn	10
Table 7	Local authority net debt at 31 March: England: 2007-08 to 2011-12: final outturn	11
Table 8	Prudential system: self-financed borrowing by class of authority: 2007-08 to 2011-12: final outturn	12

Annexes

Annex A (1)	Capital expenditure on fixed assets: all services: England 2011-12: final outturn	13
Annex A (2)	Capital expenditure: all services: England 2011-12: final outturn	14

Annex A (3)	Capital receipts: all services: England 2011-12: final outturn	15
Annex B	New construction, conversion & renovation: Roads (including structural maintenance), street lighting & road safety: England 2011-12: final outturn	16
Annex C	Social services: England 2011-12: final outturn	16
Annex D	Capital receipts in 2011-12	17
Annex E (1)	Value of fixed assets: 31 March 2012	17
Annex E (2)	Local authority assets as at 31 March: England: 2007-08 to 2011-12	18
Annex F	Capitalised current expenditure by type: England 2011-12: final outturn	18
	Terminology used in this release	19
	Data Quality	20
	Uses made of the data	21
	Background notes	22
	Symbols and conventions	22

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 Capital forms 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 release associated with 2011-12.

The transactions required to implement the self-financing determination took place on 28 March 2012.

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 £20.0 billion.
- 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%.

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

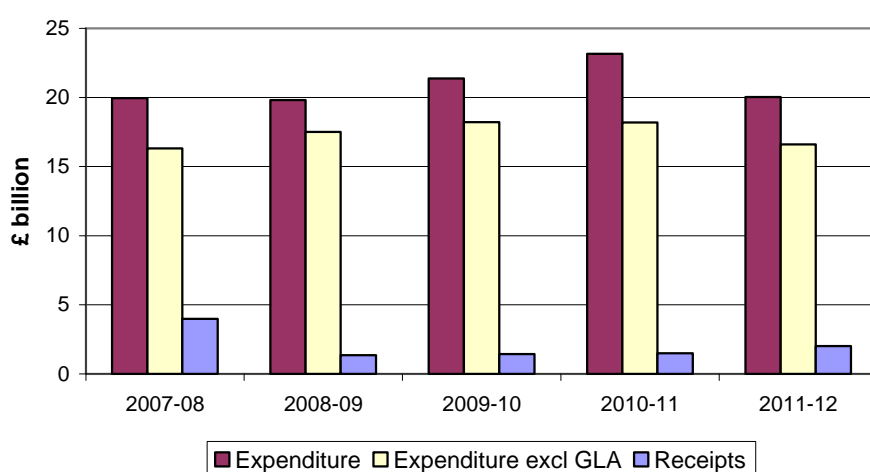


Table 1: Local authority capital expenditure and receipts: England: 2007-08 to 2011-12

	2007-08	2008-09	2009-10	2010-11	£ million 2011-12
Expenditure:					
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
Total expenditure on fixed assets	15,159	16,593	17,645	17,544	15,668
Grants, loans and other financial assistance	4,788 ^(b)	3,172	3,574	5,148	4,166 ^(c)
Acquisition of share and loan capital	11	36	143	454	198
Total capital expenditure	19,958	19,801	21,362	23,146	20,032
<i>of which GLA:</i>	<i>3,654</i>	<i>2,299</i>	<i>3,156</i>	<i>4,969</i> ^(d)	<i>3,431</i>
Expenditure by virtue of a section 16(2)(b) direction ^(a)	415	432	464	239	263
Notional capital receipts set aside and Large Scale	22	0	0	0	16
Voluntary Transfer levy					
One-off HRA self-financing determination payment:					13,295 ^(e)
Total expenditure and other transactions	20,395	20,233	21,826	23,385	33,606
Total expenditure excl HRA self-financing determination payment					20,311
Receipts	3,992	1,353	1,427	1,498	8,724
Receipts excl HRA self-financing determination & premium					2,014
One-off HRA self-financing determination & premium:					6,711 ^(e)

(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

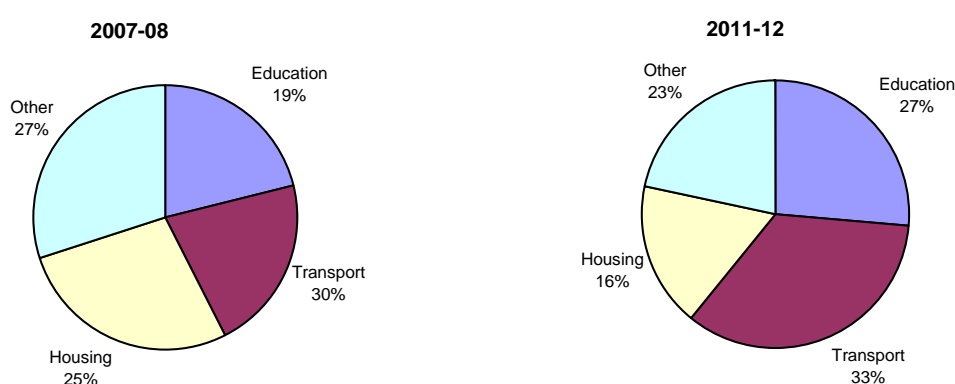


Table 2: Local authority capital expenditure by service: England: 2007-08 to 2011-12

	2007-08	2008-09	2009-10	2010-11	£ million 2011-12
Education	3,711	4,542	5,392	6,107	5,495 ^(f)
Highways & transport	5,916 ^(a)	4,735	5,851	7,943 ^(d)	6,574 ^(e)
<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 ^(b)	524	488 ^(b)
Police	549	794 ^(c)	704	602	538
Other	3,918	4,033	4,015	3,596	3,410
Total expenditure	19,958	19,801	21,362	23,146	20,032

(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: final outturn

					£ million
	Acquisitio n of land & existing buildings	New constructio n, 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
TOTAL	721	13,300	1,426	221	15,668

Table 3b : Local authority capital expenditure by economic category and service: England 2011-12: final 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 (a)	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
TOTAL	15,668	2,817	1,350	198	20,032

(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: final outturn					
	Sales of fixed assets	Sales of intangible assets	Repayments of grants, loans & financial assistance	Disposals of investments inc. share & loan capital	£ million Total capital receipts
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
TOTAL	1,923	21	43	27	2,013

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 £8.1 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% and 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.
- 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
Central government grants	7,007 ^(a)	5,733	7,494	8,063	7,170 ^(h)
EU structural funds grants	157	156	43	38	77
Grants and contributions from private developers and from leaseholders etc	1,122 ^(b)	1,176 ^(c)	502	634	747
Grants and contributions from NDPBs ^(d)	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 of which:	2,592	3,241	3,532	3,984	4,504 ^(h)
<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 of which:	6,112	7,241	7,931	8,399	18,819
SCE(R) Single Capital Pot ^(e)	2,296	2,257	2,181	1,581	338
SCE(R) Separate Programme Element ^(e)	630	760	748	484	74
Other borrowing & credit arrangements not supported by central government ^(f)	3,186	4,224	5,002	6,335	18,406 ^(g)
Total	20,395	20,233	21,826	23,385	33,606 ^(g)

(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

Information on prudential system: 2011-12

6. **Table 6** shows final outturn information about the prudential system in 2011-12.

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 2007-08, the fourth year of the Prudential System, local authority external debt stood at £52.9 billion. At the end of 2011-12, local authority external debt stood at £77.4 billion, an increase of 46%. The large in-year increase during 2011-12 can be partly accounted for by the HRA self-financing determination payments as referred to in Table 5 above.
- At the end of 2007-08, the England total for operational boundaries was £65.1 billion, and that for authorised limits was £73.9 billion. At the end of 2011-12, the England totals for operational boundaries and authorised limits stood at nearly £98.5 billion and £111.0 billion respectively, increases of 51% and 50% respectively.
- At the end of 2007-08, local authority external debt was below the operational boundaries and authorised limits by margins of £12.2 billion and £21.0 billion respectively. At the end of 2011-12, local authority external debt was below the operational boundaries and authorised limits by margins of £21.0 billion and £33.5 billion respectively, amounting to the margins widening by 72% and nearly 60% respectively.

Table 6 - Local authority capital expenditure : prudential information : England 2011-12 : final outturn

	as at 1 April 2011	in 2011-12	£ million as at 31 March 2012
Capital Financing Requirement as at 1 April 2011	78,297		
Capital expenditure to be resourced by means of credit (+)		20,368	
Minimum Revenue Provision (-)		2,311	
Additional contribution from revenue (-)		201	
Contribution from Major Repairs Reserve (-)		-141	
Use of receipts (-) ^(a)		4,667	
Change in Capital Financing Requirement		13,331	
Capital Financing Requirement as at 31 March 2012			91,628
Gross borrowing	60,900		69,096
Other long-term liabilities	7,417		8,336
Total external debt	68,317		77,432
Operational boundary for external debt	87,921		98,455
Authorised limit for external debt	99,673		110,976
Investments	22,080		23,713

(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. **Table 7** shows local authority net debt at the close of each financial year from 2007-08 to 2011-12. The net debt figures are derived from the sum of local authority gross borrowing and other long-term liabilities less the value of local authority investments at the end of the financial year. The HRA self-financing determination payments have had a particular impact on shire districts and this partly explains the large increase in net debt for this category of authorities between 2010-11 and 2011-12.

Table 7: Local authority net debt as at 31 March: England: 2007-08 to 2011-12

	2007-08	2008-09	2009-10	2010-11	£ million 2011-12
Net debt: all authorities	24,112	29,926	38,501	45,021	48,276
Net debt: GLA and single-purpose authorities ^(b)	861	2,365	5,318	7,815	1,906
of which:					
GLA	192	1,477	4,004	6,204	5,443
Fire and rescue	237	320	392	387	309
Police	-531	-361	-179	67	80
Net debt: unitaries, upper tier, lower tier authorities	23,252	27,561	33,183	37,205	46,370
of which:					
London Boroughs	4,180	4,624	5,932	6,806	5,750
Metropolitans	11,748	13,245	14,869	16,088	16,413
Shire Counties	6,852	7,643	7,664	8,251	8,151
Shire Districts	-2,991	-2,277	-1,347	-1,312	5,672
Unitaries	3,463	4,326	6,064	7,372	10,384

(a) Figures are not comparable between 2008-09 and 2009-10 owing to local authority reorganisation on 1 April 2009.

(b) Single purpose authorities include fire and rescue, national park, police, transport and waste authorities. This also includes Greater Manchester Combined Authority, which took over Greater Manchester Integrated Transport as of 1 April 2011

8. **Table 8** shows a time series of local authority self-financed borrowing from 2007-08 to 2011-12 by England totals and local authority class totals. The percentage of shire districts using self-financed borrowing has risen from 49 per cent in 2010-11 to 60 per cent in 2011-12 as these authorities have used HRA self-financing determination payments more than other categories of authorities during this period. Accordingly, the amount of expenditure financed in shire districts has increased from £300 million to £7,728 million between 2010-11 and 2011-12.

Table 8: Prudential system: self-financed borrowing by class of authority: 2007-08 to 2011-12

	Percentage of authorities using self-financed borrowing					Amount of expenditure financed					Average amount per authority using self-financed borrowing									
						£million														
	2007-08	2008-09		2009-10	2010-11	2011-12	2007-08	2008-09		2009-10	2010-11	2011-12	(c)	2007-08	2008-09		2009-10	2010-11	2011-12	(c)
London boroughs	76	70		76	82	91	300	373		466	407	2,493		14	16		19	15	83	
Metropolitan districts	100	97		100	100	92	792	1,224		1,137	1,218	2,480		23	35		32	34	75	
Unitary authorities ^(b)	91	83		91	96	98	360	343		679	855	3,496		9	9		13	16	64	
Shire counties ^(b)	85	91		85	96	81	517	739		572	655	519		17	24		25	25	24	
Shire districts ^(b)	49	42		49	49	60	153	187		248	300	7,728		2	2		3	3	64	
GLA	100	100		100	100	100	895	1,114		1,560	2,485	1,267		895	1,114		1,560	2,485	1267	
Other authorities ^(a)	55	54		55	54	48	170	243		340	415	424		4	5		7	9	10	
All English authorities	64	58		64	66	69	3,186	4,224		5,002	6,335	18,406		12	15		18	22	60	

Source: COR returns

(a) Other includes police, fire, parks and waste authorities.

(b) In 2009-10 Unitary authorities have increased from 47 to 55 while Shire counties and Shire districts have decreased from 34 and 238 to 27 and 201 respectively due to local authority reorganisation

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

9. **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.

Annex A (1): Capital expenditure on fixed assets: all services: England 2011-12: final 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	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
Education	75,018	4,753,429	12,809	240,028	12,451	5,093,735
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
Highways & transport	55,915	3,179,150	100,202	36,469	50,061	3,421,797
Social services	4,808	172,571	3,138	26,391	8,242	215,150
Housing	139,290	2,429,870	140,544	49,010	4,214	2,762,927
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
Total Culture and related services	13,287	946,420	9,597	64,768	4,995	1,039,067
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
Total environmental and regulatory services	11,180	306,411	68,820	74,063	1,660	462,134
Planning and development services	110,913	432,122	534	8,952	2,296	554,817
Police	49,017	207,155	76,365	172,730	32,509	537,776
Fire and rescue services	2,197	66,324	42,831	21,294	3,744	136,390
Central services	32,911	699,655	34,256	223,534	99,895	1,090,251
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
Total Trading	226,370	106,887	12,503	7,563	829	354,152
Total all services	720,906	13,299,993	501,599	924,801	220,896	15,668,195

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 ^(a) (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
Education	5,093,735	367,454	33,608	5,494,797
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
Highways & transport	3,421,797	1,746,034	1,211,117	6,378,948
Social services	215,150	37,489	475	253,114
Housing	2,762,927	464,620	46,744	3,274,291
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
Total Culture and related services	1,039,067	58,395	4,799	1,102,261
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
Total environmental services	462,134	25,372	743	488,249
Planning and development services	554,817	91,149	6,634	652,600
Police	537,776	12	0	537,788
Fire and rescue services	136,390	89	0	136,479
Central services	1,090,251	22,193	45,374	1,157,818
Industrial and commercial trading	292,383	3,894	0	296,277
Other trading	61,769	93	98	61,960
Total Trading	354,152	3,987	98	358,237
Total all services	15,668,195	2,816,794	1,349,592	19,834,581

(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

	Sales & disposal of tangible fixed assets	Sales of intangible assets	Repayments of grants loans & financial assistance	£ thousand Total receipts(a)
	(10)	(11)	(12)	(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
Education	78,848	2,000	1,774	82,622
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
Highways & transport	21,973	20	1,107	23,100
Social services	61,656	0	217	61,873
Housing	820,119	12,563	24,716	857,398
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
Total Culture and related services	53,796	490	1,060	55,346
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
Total environmental and regulatory services	64,391	959	1,612	66,962
Planning and development services	129,065	13	3,195	132,273
Police	104,341	744	834	105,919
Fire and rescue services	11,175	0	0	11,175
Central services	361,395	3,938	8,629	373,962
Industrial and commercial trading	192,602	0	48	192,650
Other trading	23,174	0	52	23,226
Total Trading	215,776	0	100	215,876
Total all services	1,922,535	20,727	43,244	1,986,506

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

10. **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 2011-12: Final Outturn

	£ thousand
New construction/improvement of roads	856,820
Structural maintenance - principal roads	381,994
Structural maintenance - other LA roads	670,688
Expenditure on Bridges	156,326
Road Safety	244,984
Street Lighting	93,441
Total New construction, conversion & renovation: roads (including structural maintenance), street lighting & road safety	2,404,253

11. **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 2011-12 : final outturn

	£ thousand		
	<u>Jointly Financed Schemes</u>		
	of which:		
	Total (b)		
	contributions		
	received in		
	the year from		
	health		
	authorities		
	(1)	(2)	(3)
Children and their families: residential care	18,831	5	0
Children and their families: day care	33,490	411	0
Elderly: residential care	49,601	1,921	1,497
Elderly: day care	13,693	625	101
Physically disabled: residential care	4,838	241	0
Physically disabled: day care	6,905	363	249
Learning disabled: residential care	13,983	452	219
Learning disabled: day care	24,271	3,239	3,119
Mentally ill: residential care	4,982	36	31
Mentally ill: day care	3,889	107	51
HIV/AIDS and alcohol/drugs misuse	3,784	421	45
Other	74,847	1,219	64
Total Social services	253,114	9,040	5,376

(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

12. **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 2011-12.

- The stock of capital receipts held by local authorities at 31 March 2012 was £1,217m higher (nearly 51%) than the stock figure for 1 April 2011.

Annex D: Capital receipts in 2011-12	
	£ million
Accumulated capital receipts as at 1 April 2011	2,402
In-year capital receipts 2011-12	8,793
Receipts used to meet expenditure for capital purposes	1,647
Receipts used as provision to repay debt or meet liabilities ^(a)	5,805
Pooling of housing capital receipts	125
Interest on late pooling payments	0
Accumulated capital receipts as at 31 March 2012	3,619

(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.

13. **Annex E (1)** gives a breakdown of the total stock of fixed assets held by local authorities in England at 31 March 2012 and **Annex E (2)** gives a time series and selected class breakdown of the total stock of fixed assets between 2007-08 and 2011-12.

Annex E (1): Value of fixed assets: ^(a) 31 March 2012	
	£ million
Operational assets:	
(i) Council Dwellings	61,272
(ii) Other Land and Buildings - Education	64,465
(iii) Other Land and Buildings - Other	49,344
(iv) Vehicles, Plant and Equipment	5,412
(v) Infrastructure Assets	31,639
(vi) Community Assets	2,385
(vii) Surplus Assets	2,204
(viii) Assets under construction	6,151
Total operational assets	222,873
Non operational:	
Investment Properties	9,386
Total value of tangible assets	232,259
Intangible assets	593
Assets for sale	1,008
Total value of fixed assets	233,860

(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.

Annex E (2): Local authority assets as at 31 March: England: 2007-08 to 2011-12

	2007-08	2008-09	2009-10	2010-11	£ million 2011-12
Total assets: all authorities	254,547	244,333	249,850	232,776	233,860
Total assets: GLA and single-purpose authorities ^(b)	11,527	11,896	11,348	13,267	12,893
of which:					
GLA	5,235	5,147	4,216	5,902	5,804
Fire and rescue	1,467	1,442	1,566	1,618	1,592
Police	3,602	3,546	3,750	3,721	3,633
Total assets: unitaries, upper tier, lower authorities	243,020	232,436	238,501	219,509	220,967
of which:					
London Boroughs	55,573	52,867	56,055	48,903	47,118
Metropolitans	52,397	50,831	51,843	47,520	53,935
Shire Counties	49,853	48,578	42,758 ^(a)	43,730	41,915
Shire Districts	45,336	41,450	37,196 ^(a)	32,499	31,471
Unitaries	39,861	38,709	50,649 ^(a)	46,857	46,529

(a) Figures are not comparable between 2008-09 and 2009-10 owing to local authority reorganisation on 1 April 2009.

(b) Single purpose authorities include fire and rescue, national park, police, transport and waste authorities. This also includes Greater Manchester Combined Authority, which took over Greater Manchester Integrated Transport as of 1 April 2011

14. **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 £239 million in 2010-11 to nearly £263 million in 2011-12. One of the reasons for the increase is that the demand for capitalisation in respect of equal pay directions has risen in 2011-12. Redundancy capitalisations have also increased in 2011-12 from 2010-11 following a higher demand from authorities to capitalise these, in the context of organisational restructuring. However, pension scheme contributions have fallen significantly from £41 million in 2010-11 to £7 million in 2011-12.

Annex F: Capitalised current expenditure by type: England 2011-12: final outturn

	£ thousand
Redundancy Costs	87,605
Pension Scheme Contributions	6,794
Equal Pay Directions	141,683
Other ^(a)	26,454
Total	262,536

(a) Amounts covered by directions classed as "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. 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. For other enquiries please telephone Peter Crosland 0303 44 42336 or email 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/
3. Timings of future Releases are regularly placed on the Department's website, www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/userinformation/ 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/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.

5. Further information is also available on the department's website
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 (Tel 0300 123 1124) and electronically in PDF format via the Department's web site:
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 and 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.

Department for Communities and Local Government. © Crown Copyright, 2012

If you require this publication in an alternative format please email:
alternativeformats@communities.gsi.gov.uk. Please note that the nature of content means that we
may not be able to provide the Statistical series of publications in all requested formats.

October 2012

ISBN: 978-1-4098-3682-7