



Department for
Communities and
Local Government



Statistical Release

8 October 2014

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

England: 2011-12 Final Outturn (REVISED)

The figures in this release have superseded those published on 30th October 2012. Minor revisions to the value of operational assets (other land and buildings), total tangible assets and total fixed assets were made due to changes as a result of a late submission of a corrected form from one metropolitan district. The revisions affect annexes E1 and E2. Annex D has also been revised due to changes in the calculation of both in-year capital receipts for 2011-12, and receipts used as provision to repay debt or meet liabilities in the same year, for one city council. However, the figure for accumulated capital receipts as at 31 March 2012 has remained unchanged. A correction has also been made to the lines "Net debt: GLA and single-purpose authorities and Net debt: all authorities in table 7.

- 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.

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Special Factors

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

HRA self-financing determination

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

Authorities were asked to complete 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%.

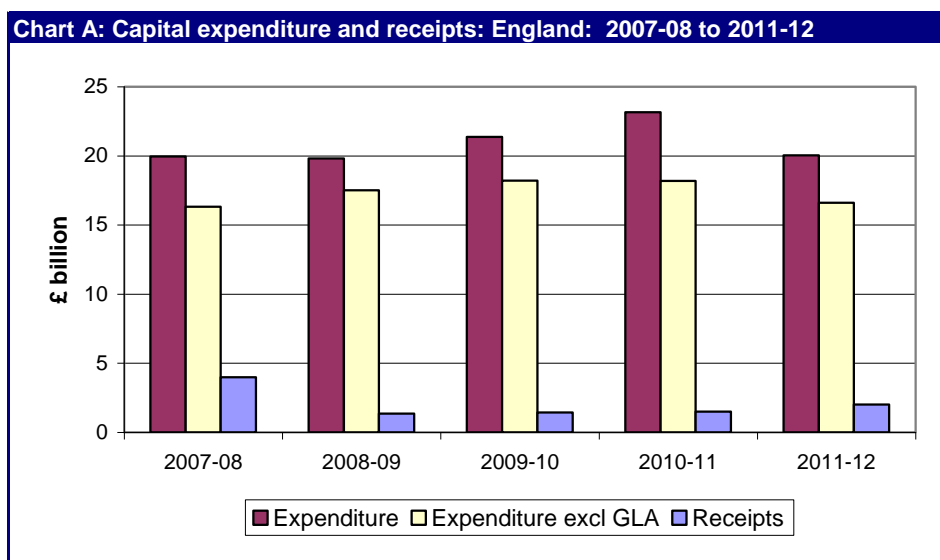


Table 1: Local authority capital expenditure and receipts: England: 2007-08 to 2011-12

| | 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 Voluntary Transfer levy | 22 | 0 | 0 | 0 | 16 |
| 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

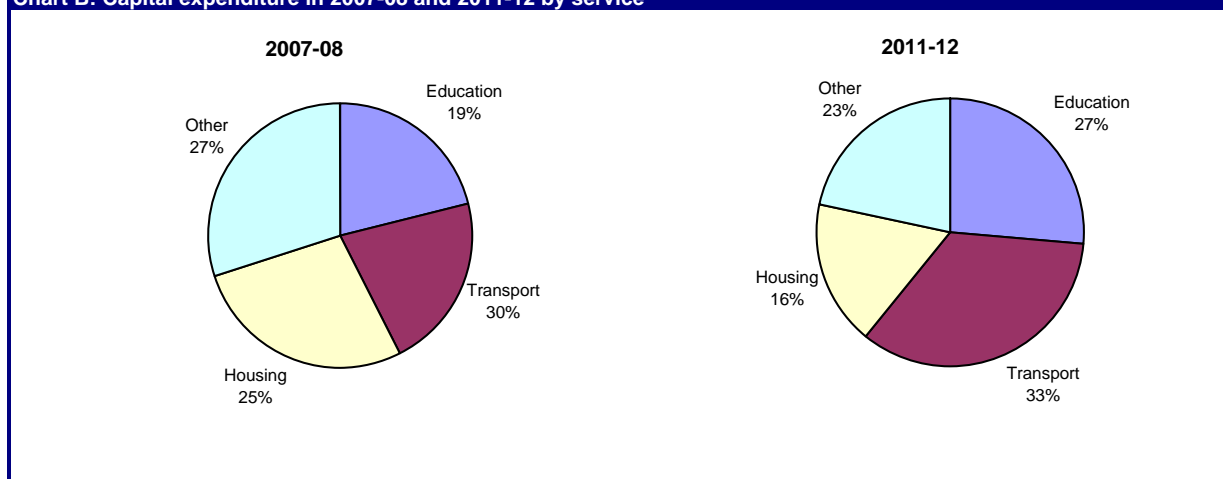


Table 2: Local authority capital expenditure by service: England: 2007-08 to 2011-12

| | 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) |
| of which GLA | 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 | | | | | |
|---|-----------------------|----------------------------|--|--|------------------------|
| | | | | | £ 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 | 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 <i>of which:</i> | 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 <i>of which:</i> | 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 | 53,719 (R) |
| Net debt: GLA and single-purpose authorities ^(b) | 861 | 2,365 | 5,318 | 7,815 | 7,349 (R) |
| <i>of which:</i> | | | | | |
| 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 |
| <i>of which:</i> | | | | | |
| 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 ^(a) | 8,251 | 8,151 |
| Shire Districts | -2,991 | -2,277 | -1,347 ^(a) | -1,312 | 5,672 |
| Unitaries | 3,463 | 4,326 | 6,064 ^(a) | 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

(R) Revisions were made to this table on 30 September 2014 due to a corrected calculation.

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 | 360 | 343 | | 679 | 855 | 3,496 | | 9 | 9 | 13 | 16 | 64 | |
| Shire counties ^(b) | 85 | 91 | | 85 | 96 | 517 | 739 | | 572 | 655 | 519 | | 17 | 24 | 25 | 25 | 24 | |
| Shire districts ^(b) | 49 | 42 | | 49 | 49 | 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 | 1,267 | | |
| 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: ^(b) |
| | Total LA financed Capital Expenditure (1) | Total Capital ^(a) Expenditure in the year (2) | Total contributions received in the year from health authorities (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 | 8,724 | (R) |
| Receipts used to meet expenditure for capital purposes | 1,647 | |
| Receipts used as provision to repay debt or meet liabilities ^(a) | 5,736 | (R) |
| 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.

(R) Revisions were made to this annex on 30 September 2014 due to changes to the data for one city council.

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 | 54,001 | (R) |
| (iii) Other Land and Buildings - Other | 49,653 | (R) |
| (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 | 212,717 | (R) |
| Non operational: | | |
| Investment Properties | 9,386 | |
| Total value of tangible assets | 222,103 | (R) |
| Intangible assets | 593 | |
| Assets for sale | 1,008 | |
| Total value of fixed assets | 223,704 | (R) |

(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.

(R) Revisions were made to this annex on 30 September 2014 due to receipt of corrected figures from one metropolitan district.

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 | 223,704 | (R) |
| Total assets: GLA and single-purpose authorities ^(b) | 11,527 | 11,896 | 11,348 | 13,267 | 12,893 | |
| <i>of which:</i> | | | | | | |
| <i>GLA</i> | 5,235 | 5,147 | 4,216 | 5,902 | 5,804 | |
| <i>Fire and rescue</i> | 1,467 | 1,442 | 1,566 | 1,618 | 1,592 | |
| <i>Police</i> | 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 | 210,811 | (R) |
| <i>of which:</i> | | | | | | |
| <i>London Boroughs</i> | 55,573 | 52,867 | 56,055 | 48,903 | 47,118 | |
| <i>Metropolitans</i> | 52,397 | 50,831 | 51,843 | 47,520 | 43,779 | (R) |
| <i>Shire Counties</i> | 49,853 | 48,578 | 42,758 ^(a) | 43,730 | 41,915 | |
| <i>Shire Districts</i> | 45,336 | 41,450 | 37,196 ^(a) | 32,499 | 31,471 | |
| <i>Unitaries</i> | 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

(R) Revisions were made to this annex on 30 September 2014 due to receipt of corrected figures from one metropolitan district.

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.

Revisions policy

This revisions 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.

A non-scheduled revision was made on the 30 September 2014 to the original statistical release on local authority capital expenditure and receipts in England: 2011-12 final outturn which was published on 30 October 2012. Minor revisions to the value of operational assets (other land and buildings), total tangible assets and total fixed assets were made due to changes as a result of a late submission of a corrected form from one metropolitan district. The revisions affect annexes E1 and E2. Annex D has also been revised due to changes in the calculation of both in-year capital

receipts for 2011-12, and receipts used as provision to repay debt or meet liabilities in the same year, for one city council. However, the figure for accumulated capital receipts as at 31 March 2012 has remained unchanged. A correction has also been made to the lines “Net debt: GLA and single-purpose authorities and Net debt: all authorities in table 7.

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?pagelD=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.

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