



Statistical Release

14 October 2005

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

ENGLAND

2004-05 2nd PROVISIONAL OUTTURN

- Capital expenditure by local authorities in England rose by 16% in 2004-05 to stand at £14.3bn.
- Capital receipts fell by 12% in 2004-05 to stand at £4.7bn.

This Release provides a 2nd provisional estimate of outturn of local authority capital expenditure and receipts in the financial year April 2004 to March 2005. The information is derived from Capital Outturn Returns (COR) submitted by local authorities in England. The form seeks final outturn figures from authorities, but this Release is based on a partial set of returns and grossed up to allow for 8 invalid returns at the time of processing.

An earlier 1st provisional estimate was published in a Statistical Release in June and based on information from Capital Payments and Receipts Returns (CPR4) submitted by local authorities in England. Those forms sought provisional estimates from authorities.

The Release has been compiled by the Local Government Finance Statistics division of ODPM.

Capital expenditure and receipts 2000-01 to 2004-05

1. Chart A illustrates the change in capital expenditure and receipts from 2000-01 to 2004-05.

Capital expenditure by local authorities in England is estimated to have increased by 16% in 2004-05.

Capital receipts fell back by 12% in 2004-05 after several years of increases, but stand higher than they were in 2001-02. The higher levels of receipts after 2001-02 follow the abolition of the "Receipts Taken Into Account" (RTIA) mechanism previously used in the distribution of Basic Credit Approvals: receipts in 2001-02 were the last year's figures to be used in the calculation. The abolition of RTIAs removed a disincentive for local authorities to generate and hold usable receipts.

Chart A: Expenditure and receipts from 2000-01 to 2004-05

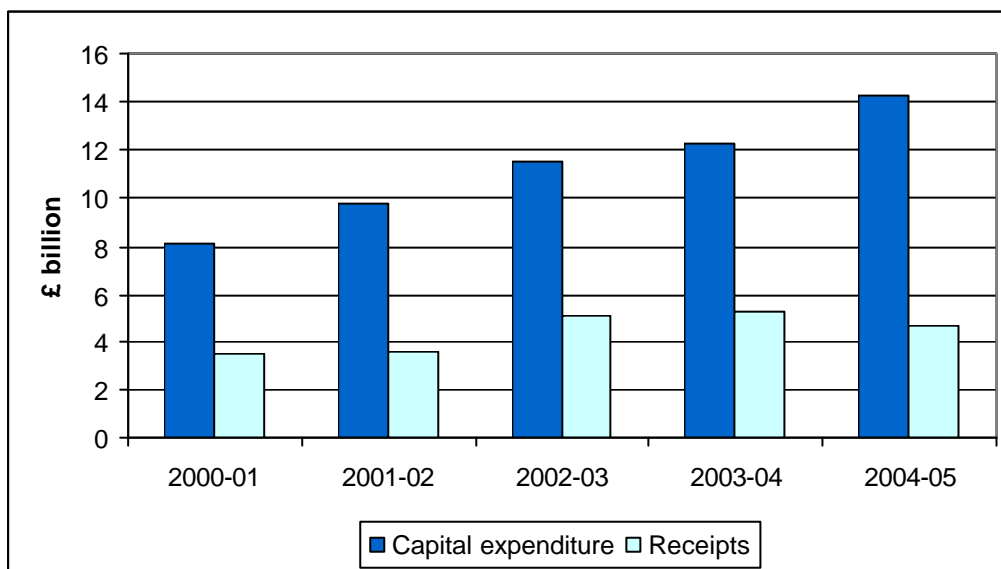


Table 1: Local authority capital expenditure and receipts : England

	2000-01	2001-02	2002-03	2003-04	2004-05 (P)
£million					
Expenditure:					
New construction & conversion	6,056	7,385	8,768	9,615	10,555
Other fixed assets	903	1,141	1,519	1,643	2,421
Other capital expenditure	1,150	1,215	1,220	1,024	1,302
Total capital expenditure	8,109	9,741	11,508	12,282	14,278
Receipts	3,512	3,579	5,040	5,322	4,660

(P) = Provisional

Capital expenditure by service

Local authority capital spending continues to grow across all service categories.

2. **Chart B** below illustrates the change in the pattern of expenditure for the major services between 2002-03 and 2004-05.

Chart B: Capital expenditure in 2002-03 to 2004-05 by service

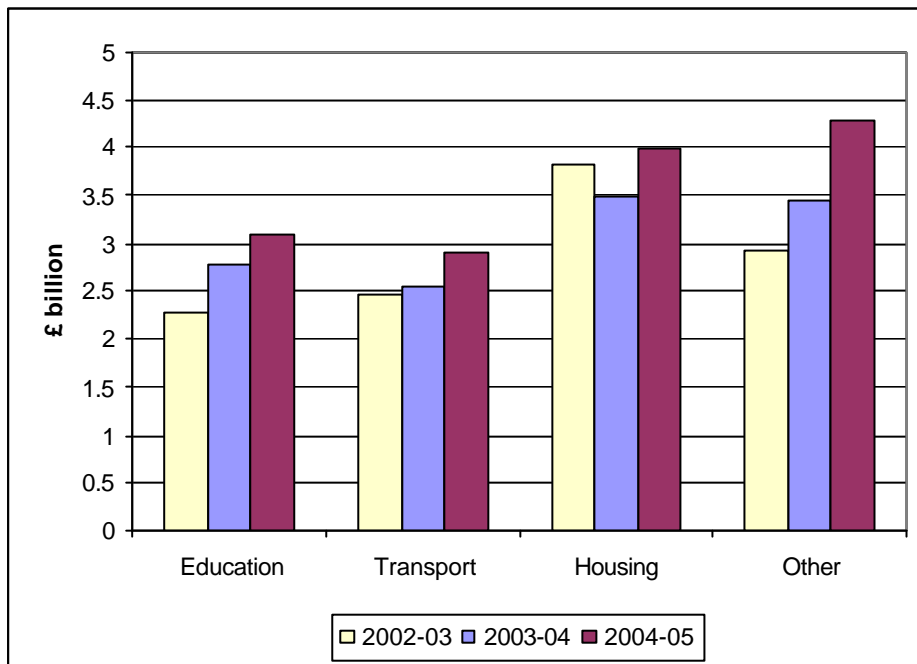


Table 2: Local authority capital expenditure by service : England

	2000-01	2001-02	2002-03	2003-04	£ million 2004-05 (P)
Education	1,533	2,064	2,287	2,780	3,090
Transport	1,410	1,877	2,461	2,552	2,910
Housing	2,779	3,110	3,828	3,485	3,986
Other	2,386	2,690	2,932	3,466	4,292
Total expenditure	8,109	9,741	11,508	12,282	14,278

(P) = Provisional

Total capital expenditure by local authorities in England during 2004-05 is provisionally estimated to be £14.3 bn and capital receipts to be £4.7 bn.

Table 3a : Local authority capital expenditure on fixed assets : England 2004-05 : 2nd provisional outturn by economic category and service

	£ million				
	Acquisition of land and existing buildings	New construction, conversion & renovation	Vehicles, plant machinery and equipment	Intangible fixed assets	Total expenditure on fixed assets
Education	58	2,792	190	22	3,061
Transport	44	2,493	122	12	2,672
Social services	9	198	50	10	266
Housing	276	2,988	56	16	3,335
Agriculture & fisheries	1	64	0	0	65
Libraries, culture & heritage	12	187	18	1	217
Sport & recreation	11	253	26	0	291
Police	29	199	305	19	552
Fire	2	32	37	3	75
Magistrates' courts	9	26	5	0	39
Other	401	1,323	542	136	2,402
TOTAL	851	10,555	1,351	219	12,976

Table 3b : Local authority capital expenditure : England 2004-05 : 2nd provisional outturn by economic category and service

	£ million				
	Total expenditure on fixed assets	Grants	Loans & other financial assistance	Acquisition of share or loan capital	Total capital expenditure
Education	3,061	28	1	0	3,090
Transport	2,672	145	92	1	2,910
Personal social services	266	19	1	0	286
Housing	3,335	622	29	0	3,986
Agriculture & fisheries	65	1	0	0	66
Libraries, culture & heritage	217	10	0	0	228
Sport & recreation	291	13	1	0	305
Police	552	7	3	0	562
Fire	75	0	0	0	75
Magistrates' courts	39	0	0	0	39
Other	2,402	253	44	32	2,731
TOTAL	12,976	1,098	171	33	14,278

**Table 4: Local authority capital receipts : England 2004-05 : 2nd provisional outturn
by economic category and service**

	£ million				
	Sales of tangible fixed assets	Sales of intangible assets	Repayments of grants, loans & financial assistance	Disposals of investments inc. share or loan capital	Total capital receipts
Education	211	0	0	0	211
Transport	100	0	0	0	101
Personal social services	75	0	0	0	75
Housing	3,147	4	47	0	3,198
Agriculture & fisheries	45	0	0	0	45
Libraries, culture & heritage	10	0	0	0	10
Sport & recreation	10	0	0	0	11
Police	70	0	0	0	71
Fire	5	0	0	0	5
Magistrates' courts	2	0	0	0	2
Other	884	22	8	17	932
TOTAL	4,560	26	57	17	4,660

Background Notes

1. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer demands.
2. The information for 2004-05 in this Statistical Release is derived from Capital Outturn Returns (COR) submitted by local authorities in England. The form sought final outturn figures from authorities, but this Release is based on a partial set of returns and grossed up to allow for 8 invalid returns at the time of processing.
3. Adjustments have been made to avoid double counting the GLA grants to other London authorities.
4. Enquiries about this Statistical Release should be addressed to Jo Calderhead at jo.calderhead@odpm.gsi.gov.uk (Tel. 020 7944 4068).
5. Timings of future Releases are regularly placed on the ODPM website, www.local.odpm.gov.uk and on the ONS National Statistics website, www.statistics.gov.uk
6. For a fuller picture of recent trends in local government finance readers are directed to "Local Government Financial Statistics England" No. 15 2004 which is available in hard copy from Wetherby Publications Centre at odpm@twoten.press.net (Tel. 0870 1226236) and electronically in PDF format via the Office of the Deputy Prime Minister's web site:

<http://www.local.odpm.gov.uk/finance/stats/lgfs/2004/index.htm>
7. Final outturn estimates of capital expenditure and receipts in 2004-05 will be published in a further National Statistics Release later this year.