

# *Statistical Release*

March 2003

## LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

### ENGLAND

#### 2001- 02 FINAL OUTTURN

- **Capital expenditure by local authorities in England was £9.7bn in 2001-02, an increase of 20% on the previous year**
- **Capital receipts remained steady at £3.6bn**
- **Capital spending is growing most rapidly in education and transport, with both services up by a third on the previous year**

This Release provides final outturn estimates of local authority capital expenditure and receipts in the financial year April 2001 to March 2002.

The information is derived from Capital Outturn Returns (COR) submitted by local authorities in England and is based on returns from all 478 authorities. It has been compiled by Local Government Finance Statistics division of ODPM.

This is the first time that this information has been issued as a National Statistics release.

1. Total capital expenditure by local authorities in England during 2001-02 was **£9,741 million** and capital receipts were **£3,579 million**.
2. Tables 1 and 2 summarise local authorities reported capital expenditure and receipts for 2001-02. A more detailed service breakdown is given in Tables 6 and 7 but this excludes acquisition of share or loan capital and disposal of investments for which such service detail is not provided.

<b>TABLE 1: LOCAL AUTHORITY CAPITAL EXPENDITURE IN ENGLAND 2001-02 FINAL OUTTURN</b>					
	£ million				
	Total expenditure on fixed assets	Grants and advances	Acquisition of share or loan capital	Credit cover for credit arrangements	Total capital expenditure
Education	2,036	24	0	3	<b>2,064</b>
Personal social services	146	11	0	2	<b>158</b>
Transport	1,860	17	0	0	<b>1,877</b>
Housing	2,212	897	0	1	<b>3,110</b>
Agriculture & fisheries	36	3	0	0	<b>38</b>
Art & Libraries	202	9	0	2	<b>213</b>
Sport & recreation	303	12	0	0	<b>314</b>
Fire & civil defence	61	0	0	0	<b>62</b>
Police & probation	356	0	0	2	<b>359</b>
Magistrates' courts	30	3	0	0	<b>33</b>
Other	1,284	201	22	6	<b>1,513</b>
<b>TOTAL</b>	<b>8,526</b>	<b>1,176</b>	<b>22</b>	<b>17</b>	<b>9,741</b>

<b>TABLE 2: LOCAL AUTHORITY CAPITAL RECEIPTS IN ENGLAND 2001-02 FINAL OUTTURN</b>					
	£ million				
	Receipts from sale of fixed assets	Repayments of grants and advances	Disposal of investments inc. share or loan capital	Leasing disposals	Total capital receipts
Education	146	0	0	0	<b>146</b>
Personal social services	68	0	0	3	<b>70</b>
Transport	80	9	0	1	<b>90</b>
Housing	2,121	81	49	43	<b>2,293</b>
Agriculture & fisheries	42	0	9	0	<b>51</b>
Art & Libraries	10	0	0	0	<b>10</b>
Sport & recreation	9	0	0	3	<b>12</b>
Fire & civil defence	7	0	45	0	<b>53</b>
Police & probation	86	0	0	0	<b>86</b>
Magistrates' courts	12	0	0	0	<b>12</b>
Other	683	37	0	36	<b>756</b>
<b>TOTAL</b>	<b>3,264</b>	<b>127</b>	<b>103</b>	<b>85</b>	<b>3,579</b>

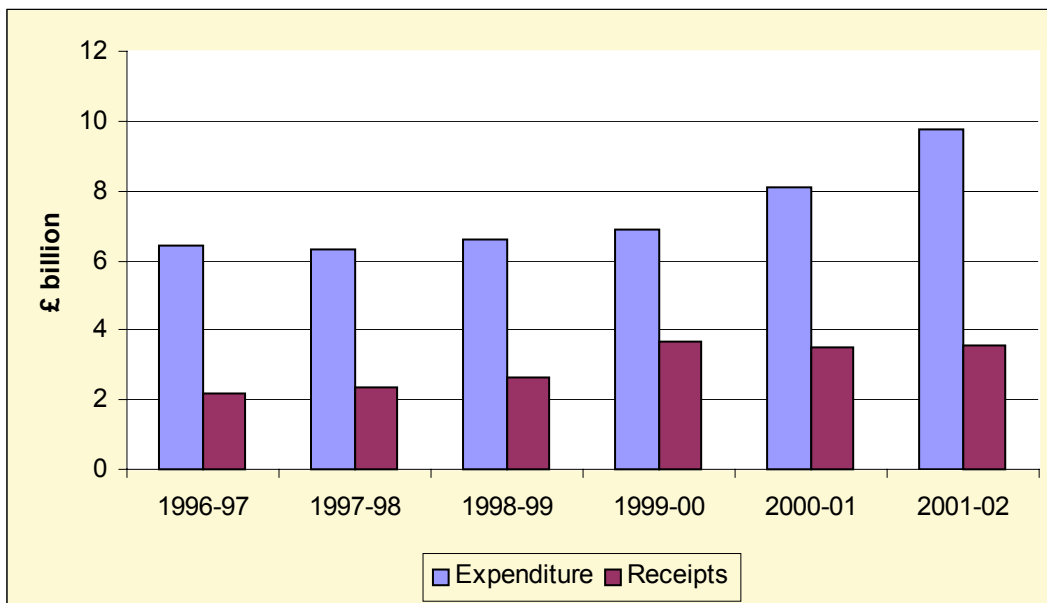
## Capital expenditure and receipts 1996-97 to 2001-02

3. **Chart A** illustrates the changes in capital expenditure and receipts from 1996-97 to 2001-02.

Capital expenditure by English local authorities was £9.7 billion in 2001-02, an increase of 20% on the previous year. Spending has now risen by over 40% in the last two years.

Capital receipts have stayed relatively constant for three years at just over £3½ billion.

**Chart A: Expenditure and receipts from 1996-97 to 2001-02**



## Capital expenditure by service

Local authority capital spending is growing most rapidly in education and transport. Education spending rose by 35% in 2001-02 while transport spending rose by 33%.

Education's share of capital spending now stands at 21%. Although housing's share of the total has fallen in recent years, it remains the largest sector at 32%.

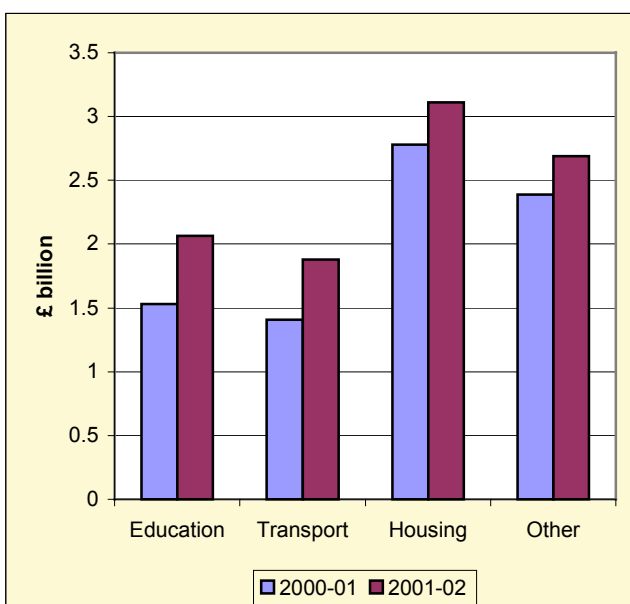
**TABLE 3: Local authority capital expenditure by service**

	£ million					
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Education	807	857	995	1,139	1,533	2,064
Personal social services	194	150	140	134	156	158
Transport	1,194	1,114	1,053	1,086	1,410	1,877
Housing	2,529	2,346	2,513	2,406	2,779	3,110
Other services	1,695	1,833	1,927	2,147	2,230	2,532
<b>Total expenditure</b>	<b>6,419</b>	<b>6,298</b>	<b>6,630</b>	<b>6,912</b>	<b>8,109</b>	<b>9,741</b>

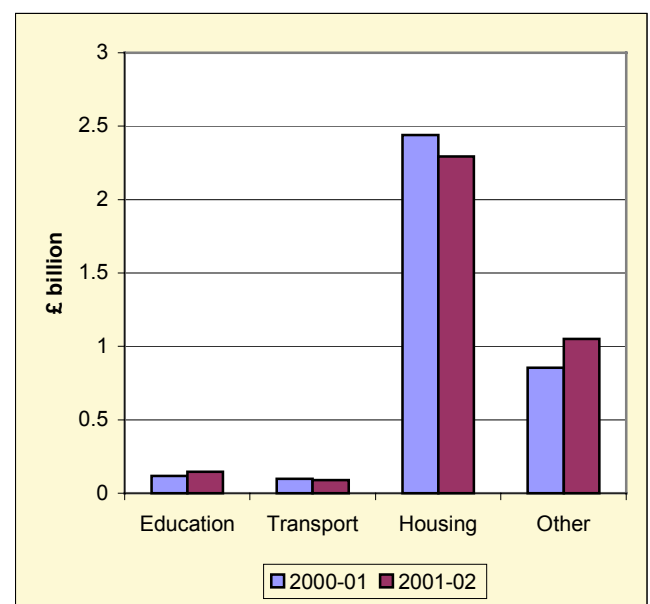
4. **Chart B** below, illustrates the change in the pattern of expenditure and receipts for individual services between 2000-01 and 2001-02.

**Chart B: Capital expenditure and receipts 2000-01 and 2001-02 by service**

### Expenditure



### Receipts



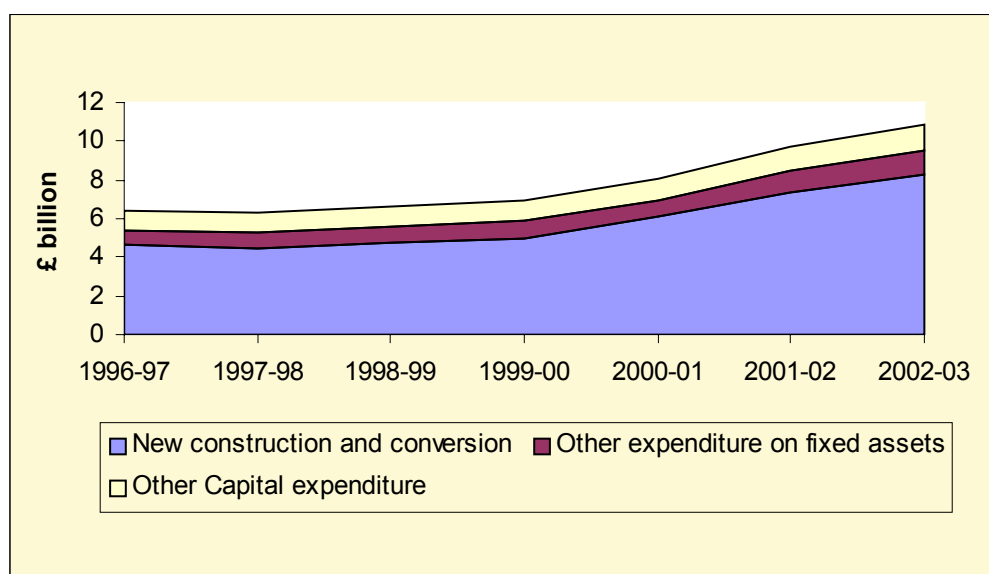
## Capital expenditure and receipts by economic category

About 75% of local authority capital expenditure is on new construction or conversion work.

**TABLE 4: Local authority capital expenditure and receipts**

	£ million					
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
<b>Expenditure:</b>						
New construction & conversion	4,666	4,465	4,795	4,992	6,056	7,385
Other fixed assets	740	845	832	938	903	1,141
Other capital expenditure	1,013	988	1,003	982	1,150	1,215
<b>Total capital expenditure</b>	<b>6,419</b>	<b>6,298</b>	<b>6,630</b>	<b>6,912</b>	<b>8,109</b>	<b>9,741</b>
Other expenditure that has been capitalised	159	214	81	87	180	287
<b>Total expenditure &amp; other transactions met from capital resources</b>	<b>6,578</b>	<b>6,512</b>	<b>6,710</b>	<b>6,998</b>	<b>8,288</b>	<b>10,028</b>
<b>Receipts</b>	<b>2,183</b>	<b>2,349</b>	<b>2,662</b>	<b>3,651</b>	<b>3,512</b>	<b>3,579</b>

**Chart C: Capital expenditure by economic category**



## Financing of local authority capital expenditure

5. **Table 5** sets out how total expenditure and other transactions has been financed in recent years. A further breakdown of the financing of capital expenditure for 2001/02 is given in **Table 8** at the end of this report.

**TABLE 5: Financing of local authority capital expenditure 1996-97 to 2001-02**

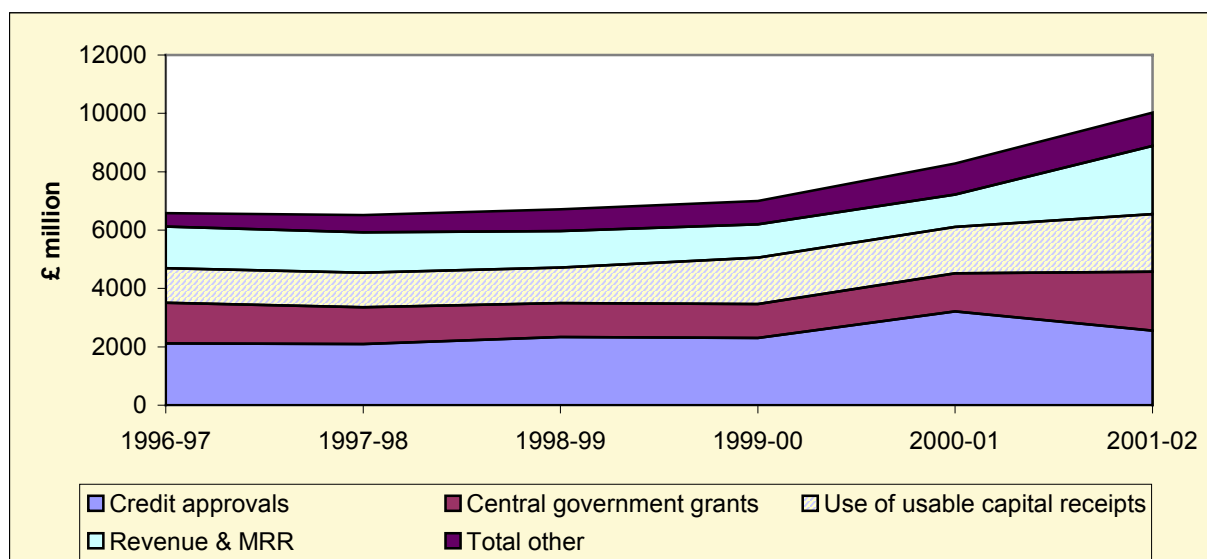
£ million

	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Credit approvals	2,120	2,099	2,334	2,301	3,216	2,552
Central govt. grants	1,388	1,262	1,160	1,161	1,298	2,027
Use of capital receipts	1,192	1,184	1,223	1,599	1,592	1,975
Revenue and MRR (1)	1,425	1,382	1,255	1,135	1,114	2,330
Other	453	585	738	802	1,066	1,144
<b>Total</b>	<b>6,578</b>	<b>6,512</b>	<b>6,710</b>	<b>6,998</b>	<b>8,288</b>	<b>10,028</b>

(1) Includes capital expenditure financed from Housing Revenue Account and General Fund Revenue Account. From 2001-02 it also includes expenditure financed from the Major Repairs Reserve on ongoing capital works to maintain council housing which had been financed through credit approvals in 2000-01.

6. **Chart D** illustrates the changes in the pattern of the financing of capital expenditure since 1996-97. Central government grants have continued to increase in 2001-02. The use of revenue resources to support capital expenditure has decreased each year since 1996-97 but was higher in 2001-02 because this line includes housing expenditure financed by the Major Repairs Reserve in 2001-02.

**Chart D: Financing of local authority capital expenditure, 1996-97 to 2001-02**



## **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 in this Statistical Release is derived from Capital Outturn Returns (COR) submitted by local authorities in England and is based this time on a full response from all 478 authorities.
3. Data for housing expenditure and receipts have been checked against related information supplied separately to the Department on the Housing Investment Programme Annual Plan (previously the HIP2 return). The final housing totals from the COR form are close to, but not identical to the HIP totals.
4. Adjustments have been made to avoid double counting the GLA grants to other London authorities.
5. Enquiries about this Statistical Release should be addressed to Paul S. Andrews at [PaulS.Andrews@odpm.gsi.gov.uk](mailto:PaulS.Andrews@odpm.gsi.gov.uk) (Tel. 020 7944 4072).
6. Timings of future Releases are regularly placed on the ODPM website, [www.local.odpm.gov.uk](http://www.local.odpm.gov.uk) and on the ONS National Statistics website, [www.statistics.gov.uk](http://www.statistics.gov.uk)
7. For a fuller picture of recent trends in local government finance readers are directed to “Local Government Financial Statistics England” No. 13 2002 which is available in hard copy from Wetherby Publications Centre at [odpm@twoten.press.net](mailto:odpm@twoten.press.net) (Tel. 0870 1226236) and electronically in PDF format via the Office of the Deputy Prime Minister’s web site: [www.local.odpm.gov.uk/finance/stats/lgfs/lgfs2002.htm](http://www.local.odpm.gov.uk/finance/stats/lgfs/lgfs2002.htm)

**TABLE 6: Capital Outturn (COR) summary - EXPENDITURE – 2001-02**

Unadjusted figures, accruals basis					£ million
These figures do not include acquisition of share or loan capital as this information is not collected at this level					
Service Block	Acquisition of land and existing buildings (1)	New Construction & renovation (2)	Vehicles (3)	Plant machinery and equipment (4)	Total payments on fixed assets (5)  (1)+(2)+(3)+(4)
Pre-primary & primary education	13.816	820.094	2.414	30.568	<b>866.892</b>
Secondary education	3.257	893.498	2.488	44.474	<b>943.717</b>
Special education	2.644	98.143	0.154	3.872	<b>104.813</b>
Youth service	0.254	11.058	0.148	1.676	<b>13.136</b>
Other education services & continuing education	0.222	88.020	0.955	18.585	<b>107.782</b>
<b>Total education</b>	<b>20.192</b>	<b>1910.813</b>	<b>6.159</b>	<b>99.175</b>	<b>2036.339</b>
<b>Personal social services</b>	<b>5.839</b>	<b>112.523</b>	<b>3.735</b>	<b>23.534</b>	<b>145.631</b>
Roads (inc. struct. maint.), street lighting & road safety	30.479	1503.447	3.788	12.026	<b>1549.740</b>
Parking of vehicles (inc. car parks)	2.961	47.424	0.036	5.884	<b>56.305</b>
Public passenger transport (GFRA) - bus	1.572	97.000	3.531	12.026	<b>114.129</b>
Public passenger transport (GFRA) - other	8.600	92.298	1.014	5.486	<b>107.398</b>
Tolled road bridges , tunnels & ferries, public transport companies	2.502	12.109	4.098	0.151	<b>18.860</b>
Local authority ports and piers	0.580	10.142	0.015	0.307	<b>11.044</b>
Airports	0	1.129	0	1.156	<b>2.285</b>
<b>Total transport</b>	<b>46.694</b>	<b>1763.549</b>	<b>12.482</b>	<b>37.036</b>	<b>1859.761</b>
<b>Housing</b>	<b>91.446</b>	<b>2073.882</b>	<b>5.129</b>	<b>41.144</b>	<b>2211.600</b>
Library services	10.482	35.582	1.431	10.769	<b>58.263</b>
Museums and galleries	0.009	59.782	0.691	3.276	<b>63.758</b>
Art activities and facilities	2.432	76.425	0.077	1.536	<b>80.470</b>
<b>Total libraries, culture &amp; heritage</b>	<b>12.923</b>	<b>171.789</b>	<b>2.199</b>	<b>15.581</b>	<b>202.491</b>
Land drainage and flood prevention	0.008	7.637	0.072	0.412	<b>8.129</b>
Coast protection	0	21.689	0	0	<b>21.689</b>
Other agriculture & fisheries (inc. smallholdings & trading)	0.346	5.278	0	0.084	<b>5.708</b>
<b>Total agriculture &amp; fisheries</b>	<b>0.354</b>	<b>34.604</b>	<b>0.072</b>	<b>0.496</b>	<b>35.526</b>
<b>Consumer protection</b>	<b>0</b>	<b>0.295</b>	<b>0</b>	<b>0.252</b>	<b>0.547</b>
<b>Employment services</b>	<b>0</b>	<b>0.274</b>	<b>0.097</b>	<b>0.276</b>	<b>0.647</b>
Sports facilities	9.199	257.020	5.183	7.354	<b>278.756</b>
Sports development & children's play	2.240	17.029	0.024	4.615	<b>23.909</b>
<b>Total sport &amp; recreation</b>	<b>11.439</b>	<b>274.049</b>	<b>5.207</b>	<b>11.969</b>	<b>302.665</b>
Derelict land reclamation (grant aided)	1.202	28.999	0	0.010	<b>30.211</b>
Parks and open spaces	8.881	92.607	0.957	1.458	<b>103.903</b>
Waste collection	12.452	3.357	6.173	3.577	<b>25.558</b>
Waste disposal	0.347	18.421	0.053	2.164	<b>20.984</b>
General administration	23.502	219.605	9.248	132.966	<b>385.321</b>
Planning and development (inc. gypsy sites)	77.329	325.943	0.514	18.686	<b>422.473</b>
Community safety	0.178	24.793	0.361	23.046	<b>48.378</b>
Environmental health (inc. Clean Air Act and port health)	0.410	19.502	0.920	3.191	<b>24.023</b>
Miscellaneous	1.931	44.242	1.858	6.501	<b>54.532</b>
Industrial and commercial	63.201	54.854	1.177	1.082	<b>120.314</b>
Other trading services	2.162	26.486	12.236	6.479	<b>47.363</b>
<b>Total other environmental services</b>	<b>191.595</b>	<b>858.809</b>	<b>33.496</b>	<b>199.159</b>	<b>1283.059</b>
Fire service & civil defence	2.101	29.650	15.962	13.693	<b>61.407</b>
Police	9.681	130.557	71.608	136.554	<b>348.400</b>
Coroners courts	0	3.324	1.686	3.042	<b>8.052</b>
Magistrates' courts	0	20.762	0.400	8.733	<b>29.895</b>
<b>Total all services</b>	<b>392.264</b>	<b>7384.879</b>	<b>158.232</b>	<b>590.643</b>	<b>8526.019</b>

**TABLE 6: Capital Outturn (COR) summary – EXPENDITURE – 2001-02**Unadjusted figures, accruals basis £ million

These figures do not include acquisition of share or loan capital as this information is not collected at this level

	Capital grants (6)	Capital advances (7)	Credit cover for credit Arrangements (incl. leases) (8)	TOTAL EXPENDITURE (9) (5)+(6)+(7)+(8)
<b>Service Block</b>				
Pre-primary & primary education	8.979	0	0.193	876.064
Secondary education	6.514	0	0.615	950.846
Special education	0.211	0	0	105.024
Youth service	0.890	0	0	14.026
Other education services & continuing education	7.540	0	2.312	117.634
<b>Total education</b>	24.134	0	3.120	2063.593
<b>Personal social services</b>	10.276	0.539	1.879	158.324
Roads (inc. struct. maint.), street lighting & road safety	7.033	0.030	0.115	1556.918
Parking of vehicles (inc. car parks)	0.571	0	0	56.876
Public passenger transport (GFRA) - bus	3.155	0	0	117.284
Public passenger transport (GFRA) - other	4.557	0	0	111.955
Tolled road bridges , tunnels & ferries, public transport companies	0	0	0	18.860
Local authority ports and piers	1.146	0	0	12.190
Airports	0.512	0	0	2.797
<b>Total transport</b>	16.974	0.030	0.115	1876.880
<b>Housing</b>	569.437	327.560	1.417	3110.014
Library services	0.726	0	1.752	60.741
Museums and galleries	1.968	2.525	0	68.251
Art activities and facilities	3.282	0.225	0	83.977
<b>Total libraries, culture &amp; heritage</b>	5.976	2.750	1.752	212.969
Land drainage and flood prevention	1.692	0	0	9.821
Coast protection	0.549	0	0	22.238
Other agriculture & fisheries (inc. smallholdings & trading)	0.385	0	0	6.093
<b>Total agriculture &amp; fisheries</b>	2.626	0	0	38.152
<b>Consumer protection</b>	0.030	0	0.004	0.581
<b>Employment services</b>	2.246	0	0	2.893
Sports facilities	8.930	0.017	0.024	287.727
Sports development & children's play	2.733	0.100	0	26.742
<b>Total sport &amp; recreation</b>	11.663	0.117	0.024	314.469
Derelict land reclamation (grant aided)	0.550	0	0	30.761
Parks and open spaces	1.826	0	0.075	105.804
Waste collection	0.006	0	0.106	25.670
Waste disposal	0	0	0.923	21.907
General administration	4.377	15.846	1.801	407.345
Planning and development (inc. gypsy sites)	143.738	0.586	1.456	568.253
Community safety	4.375	0.049	0	52.802
Environmental health (inc. Clean Air Act and port health)	0.802	0	0.137	24.962
Miscellaneous	11.739	1.246	1.176	68.693
Industrial and commercial	13.006	0.044	0.143	133.507
Other trading services	0.136	0.000	0.364	47.863
<b>Total other environmental services</b>	180.556	17.771	6.181	1487.566
Fire service & civil defence	0.140	0	0.230	61.777
Police	0.050	0	2.033	350.483
Coroners courts	0	0	0.308	8.360
Magistrates' courts	2.073	0.565	0	32.533
<b>Total all services</b>	<b>826.180</b>	<b>349.332</b>	<b>17.063</b>	<b>9718.594</b>

**TABLE 7: Capital Outturn (COR) summary - RECEIPTS – 2001-02**

Unadjusted figures, accruals basis				£ million
These figures do not include disposals of investments inc share or loan capital as this information is not collected at this level				
Service Block	Sale of fixed assets (1)	Repayments of capital grants and Advances (2)	Leasing Disposals (3)	TOTAL RECEIPTS (1+2+3)
Pre-primary & primary education	46.026	0.009	0	46.035
Secondary education	68.389	0.039	0	68.428
Special education	8.878	0.001	0	8.879
Youth service	8.113	0	0	8.113
Other education services & continuing education	14.523	0.030	0	14.553
<b>Total education</b>	<b>145.929</b>	<b>0.079</b>	<b>0</b>	<b>146.008</b>
<b>Personal social services</b>	<b>67.671</b>	<b>0.120</b>	<b>2.570</b>	<b>70.362</b>
Roads (inc. struct. maint.), street lighting & road safety	20.157	5.442	0.001	25.600
Parking of vehicles (inc. car parks)	22.155	0.005	0.783	22.943
Public passenger transport (GFRA) - bus	0.555	0.020	0	0.575
Public passenger transport (GFRA) - other	0.050	3.000	0	3.050
Tolled road bridges , tunnels & ferries, public transport companies	0.001	0.010	0	0.011
Local authority ports and piers	0.220	0	0.015	0.235
Airports	36.844	0.281	0	37.125
<b>Total transport</b>	<b>79.982</b>	<b>8.760</b>	<b>0.799</b>	<b>89.541</b>
<b>Housing</b>	<b>2120.842</b>	<b>80.772</b>	<b>42.609</b>	<b>2244.223</b>
Library services	1.107	0	0	1.107
Museums and galleries	0.942	0.032	0	0.974
Art activities and facilities	7.607	0.122	0.025	7.754
<b>Total libraries, culture &amp; heritage</b>	<b>9.656</b>	<b>0.154</b>	<b>0.025</b>	<b>9.835</b>
Land drainage and flood prevention	0.009	0	0.014	0.023
Coast protection	0.037	0.003	0	0.040
Other agriculture & fisheries (inc. smallholdings & trading)	41.474	0	0.025	41.499
<b>Total agriculture &amp; fisheries</b>	<b>41.520</b>	<b>0.003</b>	<b>0.039</b>	<b>41.562</b>
<b>Consumer protection</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employment services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sports facilities	8.962	0.230	2.674	11.866
Sports development & children's play	0.228	0.083	0	0.311
<b>Total sport &amp; recreation</b>	<b>9.190</b>	<b>0.313</b>	<b>2.674</b>	<b>12.177</b>
Derelict land reclamation (grant aided)	4.632	0	0	4.632
Parks and open spaces	14.439	0.233	0	14.671
Waste collection	0.176	0.022	0	0.198
Waste disposal	12.057	0	0	12.057
General administration	213.661	22.663	0.175	236.499
Planning and development (inc. gypsy sites)	239.171	2.235	25.133	266.539
Community safety	0.060	0.514	0	0.574
Environmental health (inc. Clean Air Act and port health)	6.047	5.966	0.395	12.408
Miscellaneous	34.123	1.624	0.645	36.392
Industrial and commercial	147.817	3.116	9.838	160.771
Other trading services	11.268	0.128	0.071	11.467
<b>Total other environmental services</b>	<b>683.449</b>	<b>36.500</b>	<b>36.257</b>	<b>756.207</b>
Fire service & civil defence	7.422	0	0	7.422
Police	84.936	0.028	0	84.964
Coroners courts	1.504	0	0	1.504
Magistrates' courts	11.542	0	0	11.542
<b>Total all services</b>	<b>3263.643</b>	<b>126.730</b>	<b>84.973</b>	<b>3475.346</b>

**TABLE 8: Financing of Local Authority Capital Expenditure - COR 2001-02**

unadjusted figures

**£ million**

Payments on fixed assets	8,526
Grants and advances	1,176
Acquisition of share or loan capital	22
Credit cover required for credit arrangements	17
<b>TOTAL CAPITAL EXPENDITURE (accruals)</b>	<b>9,741</b>
Section 40(6) direction expenditure (a)	245
Amounts set aside in respect of notional capital receipts and LSVT levy	48
Changes in capital creditors	-6
<b>TOTAL EXPENDITURE AND OTHER TRANSACTIONS (cash)</b>	<b>10,028</b>
Disposal of fixed assets	3,264
Leasing disposals	85
Repayments of grants and advances	127
Disposal of investments incl. share or loan capital	103
<b>TOTAL CAPITAL RECEIPTS</b>	<b>3,579</b>
Basic Credit Approvals issued	1,199
Reduction in BCA on account of credit cover provided for regulated companies	-6
Increase in BCA on account of reduction of liabilities of regulated companies	20
Reduction in BCA on account of receipts of specified capital grant	-36
<b>BASIC CREDIT APPROVALS AVAILABLE</b>	<b>1,176</b>
Supplementary Credit Approvals issued	1,505
Unused 2 year SCAs from previous year	206
Reduction in SCA on account of receipt of specified capital grants	-39
<b>SUPPLEMENTARY CREDIT APPROVALS AVAILABLE</b>	<b>1,673</b>
<b>TOTAL CREDIT APPROVALS AVAILABLE</b>	<b>2,849</b>
Net effect of credit approvals transferred to/from other authorities	26
Accumulated usable receipts as at 1 April 2001	1,978
Usable part of receipts in 2001-02	2,158
Accumulated grants from previous years (Police authorities only)	112
Grants and contributions towards capital expenditure	3,049
PCL usable by debt-free authorities (b)	980
<b>TOTAL RESOURCES AVAILABLE</b>	<b>11,151</b>
Basic Credit Approvals used	1,173
Supplementary Credit Approvals used	1,378
Grants from Central Government departments	2,027
Grants from European Community Structural Funds	109
Grants and contributions from private developers	233
Grants and contributions from non-departmental public bodies	192
Funding from National Lottery	223
Use of usable capital receipts	1,975
Use of PCL monies	387
Capital expenditure financed from Housing Revenue Account and Major Repairs Reserve	1,505
Capital expenditure financed from General Fund Revenue Account	825
<b>TOTAL RESOURCES USED TO FINANCE CAPITAL EXPENDITURE (CASH)</b>	<b>10,028</b>

(a) Expenditure which does not fall within the definition of expenditure for capital purposes, but it is treated like capital expenditure by a direction under section 40 (6) of the 1989 Act.

(b) Provision for Credit Liabilities – amounts set aside from revenue or capital receipts to repay loans and credit arrangements



