

Statistical Release

28 September 2006

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

ENGLAND

2005-06 2nd PROVISIONAL OUTTURN

- Capital expenditure by local authorities in England was estimated to be £16.7 billion in 2005-06 compared with £14.3 billion in 2004-05, an increase of 17%.
- Local authorities in England estimated their capital receipts to be £3.8 billion in 2005-06 compared with £4.7 billion in 2004-05, a decrease of 19%.

This release provides a 2nd provisional estimate of outturn of local authority capital expenditure and receipts in the financial year April 2005 to March 2006. The information is derived from Capital Outturn Returns (COR) submitted by all 477 local authorities in England. The form seeks final outturn figures from authorities. However, this release is based on a fully valid set of only part of the COR suite of forms. Further validation of the remaining part of the forms (including how expenditure was financed) may lead to revision when final estimates are published later in the year.

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 the Department for Communities and Local Government (DCLG).

Capital Expenditure and Receipts 2001-02 to 2005-06

1. **Chart A** and **Table 1** illustrate changes in capital expenditure and receipts from 2001-02 to 2005-06.

- Capital expenditure by local authorities in England was estimated to be £16.7 billion in 2005-06 compared with £14.3 billion in 2004-05, an increase of 17%.
- New construction and conversion contributed £1.5 billion of the overall increase of £2.4 billion between 2004-05 and 2005-06.
- The refinancing of the National Exhibition Centre in Birmingham and major rail development by the Greater London Authority account for most of the £0.6 billion increase in other capital expenditure.
- Local authorities in England estimated their capital receipts to be £3.8 billion in 2005-06 compared with £4.7 billion in 2004-05, a decrease of 19%.
- This decrease is mostly due to a fall in receipts from the sale of council houses through the Right to Buy scheme.

Chart A: Expenditure and receipts from 2001-02 to 2005-06

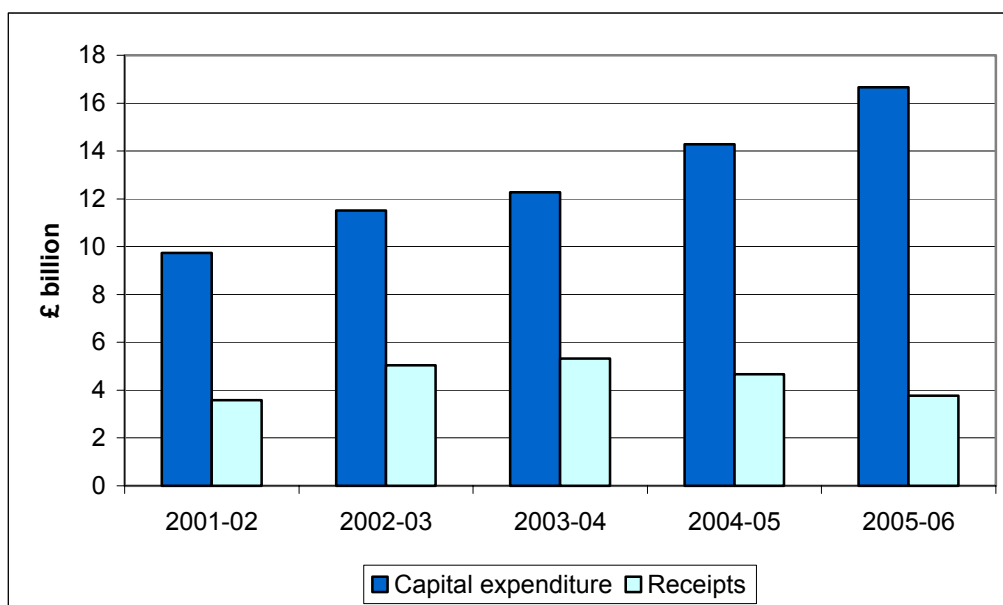


Table 1: Local authority capital expenditure and receipts : England

	2001-02	2002-03	2003-04	2004-05	£ million 2005-06 (P)
Expenditure:					
New construction & conversion	7,385	8,768	9,615	10,543	12,082
Other fixed assets	1,141	1,519	1,643	2,432	2,699
Other capital expenditure	1,215	1,220	1,024	1,301	1,879
Total capital expenditure	9,741	11,508	12,282	14,276	16,660
Receipts	3,579	5,040	5,322	4,661	3,777

(P) = Provisional

Capital Expenditure by Service

2. **Chart B** and **Table 2** illustrate changes in the pattern of expenditure for the major services between 2003-04 and 2005-06.

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

Chart B: Capital expenditure in 2003-04 to 2005-06 by service

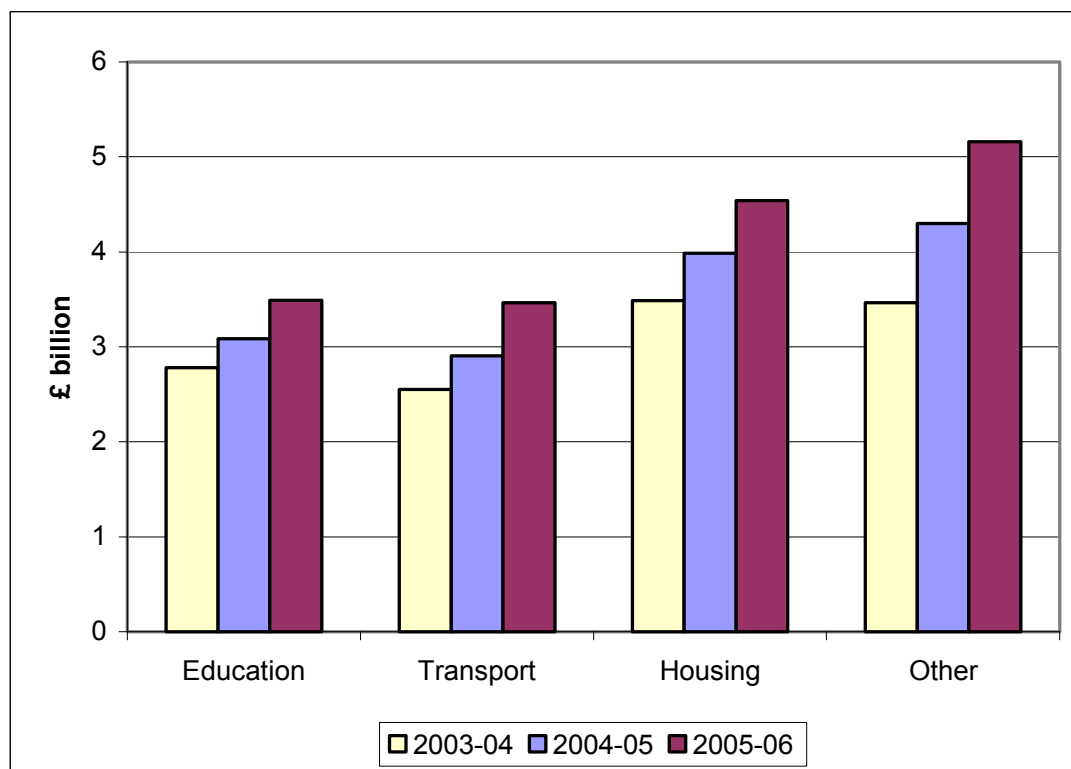


Table 2: Local authority capital expenditure by service : England

	2001-02	2002-03	2003-04	2004-05	£ million 2005-06 (P)
Education	2,064	2,287	2,780	3,087	3,492
Transport	1,877	2,461	2,552	2,904	3,463
Housing	3,110	3,828	3,485	3,987	4,543
Other	2,690	2,932	3,466	4,298	5,161
Total expenditure	9,741	11,508	12,282	14,276	16,660

(P) = Provisional

3. **Tables 3a and 3b** give a summary of capital expenditure by economic category and service.

Table 3a : Local authority capital expenditure on fixed assets : England 2005-06 : 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	106	3,132	193	22	3,453
Transport	66	2,670	139	83	2,958
Social services	29	258	58	12	358
Housing	295	3,472	61	27	3,855
Agriculture & fisheries	2	90	0	0	92
Libraries, culture & heritage	11	276	21	3	311
Sport & recreation	13	351	27	1	391
Police	39	231	320	11	601
Fire	8	34	51	2	96
Magistrates' courts	0	0	0	0	0
Other	301	1,568	646	151	2,667
TOTAL	869	12,082	1,516	314	14,782

Table 3b : Local authority capital expenditure : England 2005-06 : 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	3,453	39	1	0	3,492
Transport	2,958	228	276	0	3,463
Social services	358	26	3	0	387
Housing	3,855	642	46	1	4,543
Agriculture & fisheries	92	1	0	0	93
Libraries, culture & heritage	311	18	0	0	329
Sport & recreation	391	30	2	0	423
Police	601	4	1	0	606
Fire	96	0	0	0	96
Magistrates' courts	0	0	0	0	1
Other	2,667	241	79	240	3,227
TOTAL	14,782	1,230	408	241	16,660

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

Table 4: Local authority capital receipts : England 2005-06 : 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	216	0	0	0	217
Transport	86	0	1	0	87
Social services	83	0	0	0	83
Housing	2,145	5	33	0	2,183
Agriculture & fisheries	63	0	0	0	63
Libraries, culture & heritage	7	0	0	0	7
Sport & recreation	47	0	1	0	48
Police	95	0	1	0	96
Fire	8	0	0	0	8
Magistrates' courts	1	0	0	0	1
Other	908	6	43	27	984
TOTAL	3,660	11	78	28	3,777

5. **Table 5** provides full detail on capital expenditure and receipts as collected on the COR form. This table does not include acquisitions and disposals of share or loan capital, since this is not collected at this level of detail.

Table 5a : Capital expenditure on fixed assets: all services : England 2005-06 : 2nd provisional outturn

						£ thousand
	Acquisition of land & existing buildings (1)	New construction conversion & renovation (2)	Vehicles (3)	Plant machinery & equipment (4)	Intangible fixed assets (5)	Total expenditure on fixed assets (6) (1+2+3+4+5)
Pre-primary & Primary Education	35,165	1,459,289	400	88,986	8,236	1,592,076
Secondary Education	61,345	1,234,990	688	74,632	11,002	1,382,658
Special Education	4,191	197,482	377	6,400	405	208,855
Youth Service	254	31,678	648	2,294	17	34,891
Other Education Services & Continuing education	5,054	208,956	1,478	16,608	2,112	234,208
Education	106,009	3,132,396	3,591	188,920	21,772	3,452,687
Roads, Street Lights & Safety	42,305	2,154,477	7,180	18,568	2,591	2,225,121
Parking of Vehicles	4,500	92,699	133	8,065	721	106,118
Public Passenger Transport-Bus	11,173	123,826	12,091	14,069	19,297	180,456
Public Passenger Transport-Rail & Other	6,655	274,058	2,718	74,005	60,688	418,124
Tolled Road bridges,tunnels,ferries, public transport companies	0	17502	18	1571	1	19092
Local Authority Ports and Piers	730	4,030	101	241	117	5,219
Airports	207	3,471	194	428	0	4,300
Transport	65,570	2,670,064	22,435	116,947	83,415	2,958,430
Social Services	28,990	258,181	4,441	53,995	12,290	357,897
Housing	295,015	3,471,692	2,026	59,210	26,847	3,854,789
Land Drainage and Flood Prevention	53	10,404	80	24	15	10,575
Coast Protection	45	64,518	0	5	214	64,782
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	1608	14838	24	10	0	16480
Agriculture & fisheries	1,706	89,760	104	39	229	91,838
Library Services	4,187	76,506	1,525	13,027	1,974	97,218
Museums and Art Galleries	2,648	85,274	112	4,302	68	92,404
Arts activities and facilities	4,315	114,259	6	1,633	1,063	121,276
Libraries, culture & heritage	11,150	276,040	1,643	18,962	3,105	310,899
Consumer protection	0	1,262	1,967	391	0	3,620
Employment Services	0	45	0	0	0	45
Sports Facilities	11,777	310,093	1,360	15,401	722	339,354
Sports Development & Childrens play	729	40,653	107	10,370	215	52,074
Sport & recreation	12,506	350,747	1,467	25,771	937	391,428
Police	39,176	230,942	82,673	236,831	11,426	601,048
Fire Service & Civil Defence	8,129	34,036	26,958	24,369	2,111	95,603
Coroners Courts	0	8	0	0	0	8
Magistrates Courts	0	477	0	7	0	484
Derelict Land Reclamation (grant aided)	2,817	52,974	0	21	1	55,813
Parks and Open Spaces	9,643	169,101	3,426	7,407	957	190,535
Waste Collection	2,166	21,055	40,740	40,851	258	105,070
Waste Disposal	7,741	44,324	5,234	14,135	4,622	76,056
General Administration	41,718	482,267	41,388	363,633	131,118	1,060,122
Planning and Development (inc gypsy sites)	191,149	441,072	670	23,876	4,992	661,759
Community Safety	0	20,696	813	12,590	117	34,216
Environmental Health (inc Clean Air Act and Port Health)	2081	49056	2742	7822	530	62231
Miscellaneous	8,261	88,746	5,110	20,099	7,221	129,437
Industrial and Commercial	29,934	159,317	98	2,699	544	192,592
Other Trading Services	5,628	38,032	41,326	8,987	1,078	95,052
Other environmental services	301,139	1,566,641	141,546	502,121	151,438	2,662,885
Total all services	869,391	12,082,289	288,851	1,227,560	313,570	14,781,660

Table 5b : Capital expenditure: all services : England 2005-06 : 2nd provisional outturn

	£ thousand			
	Total expenditure on fixed assets (6) (1+2+3+4+5)	Expenditure on grants (7)	Expenditure on loans & other financial assistance (8)	Total Expenditure ^(a) (9) (6+7+8)
Pre-primary & Primary Education	1,592,076	26,617	717	1,619,410
Secondary Education	1,382,658	3,593	137	1,386,388
Special Education	208,855	185	3	209,043
Youth Service	34,891	1,768	0	36,659
Other Education Services & Continuing education	234,208	6,415	0	240,623
Education	3,452,687	38,578	857	3,492,122
Roads, Street Lights & Safety	2,225,121	14,923	3,313	2,243,357
Parking of Vehicles	106,118	127	12	106,257
Public Passenger Transport-Bus	180,456	2,958	2,235	185,649
Public Passenger Transport-Rail & Other	418,124	209,976	270,868	898,968
Tolled Road bridges,tunnels,ferries, public transport companies	19,092	3	0	19,095
Local Authority Ports and Piers	5,219	0	0	5,219
Airports	4,300	68	0	4,368
Transport	2,958,430	228,055	276,428	3,462,913
Social Services	357,897	26,445	2,904	387,247
Housing	3,854,789	642,193	45,572	4,542,553
Land Drainage and Flood Prevention	10,575	952	24	11,551
Coast Protection	64,782	36	24	64,842
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	16,480	79	0	16,559
Agriculture & fisheries	91,838	1,067	48	92,953
Library Services	97,218	1,637	0	98,855
Museums and Art Galleries	92,404	2,236	26	94,666
Arts activities and facilities	121,276	13,682	157	135,115
Libraries, culture & heritage	310,899	17,555	183	328,637
Consumer protection	3,620	0	0	3,620
Employment Services	45	125	0	170
Sports Facilities	339,354	23,321	1,262	363,938
Sports Development & Childrens play	52,074	6,569	575	59,218
Sport & recreation	391,428	29,890	1,837	423,155
Police	601,048	4,042	1,061	606,151
Fire Service & Civil Defence	95,603	244	0	95,847
Coroners Courts	8	0	0	8
Magistrates Courts	484	43	0	527
Derelict Land Reclamation (grant aided)	55,813	687	0	56,500
Parks and Open Spaces	190,535	5,772	53	196,360
Waste Collection	105,070	109	0	105,179
Waste Disposal	76,056	23	15	76,094
General Administration	1,060,122	22,692	25,813	1,108,627
Planning and Development (inc gypsy sites)	661,759	170,738	15,444	847,941
Community Safety	34,216	5,313	31	39,560
Environmental Health (inc Clean Air Act and Port Health)	62,231	1,295	16	63,542
Miscellaneous	129,437	23,965	37,359	190,761
Industrial and Commercial	192,592	10,565	348	203,505
Other Trading Services	95,052	203	34	95,289
Other environmental services	2,662,885	241,362	79,113	2,983,359
Total all services	14,781,660	1,229,598	408,003	16,419,260

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

Table 5c : Capital receipts: all services : England 2005-06 : 2nd provisional outturn

	£ thousand			
	Sale & disposal of tangible fixed assets (10)	Sale of intangible assets (11)	Repayments of grants loans & financial assistance (12)	Total receipts ^(a) (10+11+12)
Pre-primary & Primary Education	89,224	0	1	89,225
Secondary Education	70,766	0	21	70,787
Special Education	19,176	0	0	19,176
Youth Service	4,182	0	0	4,182
Other Education Services & Continuing education	33,141	0	29	33,170
Education	216,489	0	51	216,540
Roads, Street Lights & Safety	37,277	0	103	37,380
Parking of Vehicles	23,256	20	148	23,424
Public Passenger Transport-Bus	14,703	0	87	14,790
Public Passenger Transport-Rail & Other Tolled Road bridges,tunnels,ferries, public transport companies	10,221 0	0 0	0 2	10,221 2
Local Authority Ports and Piers	0	0	311	311
Airports	524	0	0	524
Transport	85,982	20	651	86,653
Social Services	83,323	0	102	83,425
Housing	2,145,316	5,006	32,894	2,183,216
Land Drainage and Flood Prevention	0	0	0	0
Coast Protection	0	0	4	4
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	62,883	0	0	62,883
Agriculture & fisheries	62,883	0	4	62,887
Library Services	4,858	0	0	4,858
Museums and Art Galleries	437	0	108	545
Arts activities and facilities	1,604	0	29	1,633
Libraries, culture & heritage	6,899	0	137	7,036
Consumer protection	0	0	0	0
Employment Services	0	0	0	0
Sports Facilities	46,767	0	479	47,246
Sports Development & Childrens play	395	0	64	459
Sport & recreation	47,162	0	543	47,705
Police	94,950	75	568	95,593
Fire Service & Civil Defence	7,587	0	0	7,587
Coroners Courts	0	0	0	0
Magistrates Courts	1,420	0	0	1,420
Derelict Land Reclamation (grant aided)	1,653	0	844	2,497
Parks and Open Spaces	30,627	22	16	30,665
Waste Collection	1,629	0	493	2,122
Waste Disposal	2,484	0	632	3,116
General Administration	326,159	3,154	12,527	341,840
Planning and Development (inc gypsy sites)	233,996	0	2,287	236,283
Community Safety	62	0	0	62
Environmental Health (inc Clean Air Act and Port Health)	2,496	0	118	2,614
Miscellaneous	83,935	91	10,626	94,652
Industrial and Commercial	190,606	2,376	191	193,173
Other Trading Services	34,731	65	14,925	49,721
Other environmental services	908,379	5,708	42,659	956,746
Total all services	3,660,390	10,809	77,608	3,748,807

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

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 2005-06 in this Statistical Release is derived from DCLG Capital Outturn Returns (COR) submitted by all 477 local authorities in England. The form sought final outturn figures from authorities. However, this release is based on a fully valid set of only part of the COR suite of forms. Further validation of the remaining part of the forms (including how expenditure was financed) may lead to revision when final estimates are published later in the year.
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 John Wallis at capital.receipts@communities.gsi.gov.uk (Tel. 020 7944 4075).
5. Timings of future releases are regularly placed on the DCLG website and on the ONS National Statistics website:
<http://www.communities.gov.uk/index.asp?id=1142011>
www.statistics.gov.uk/press_release/currentreleases.asp .
6. For a fuller picture of recent trends in local government finance, readers are directed to “Local Government Financial Statistics England” No. 16 2005 which is available in hard copy from Wetherby Publications Centre at communities@twoten.com (Tel. 0870 1226 236) or electronically in PDF format via the DCLG’s website:

www.local.communities.gov.uk/finance/stats/lgfs/2005/index.htm
7. Final outturn estimates of capital expenditure and receipts in 2005-06 (including figures on how expenditure was financed and detailed information about the prudential system) will be published in a further National Statistics Release later this year.