

Statistical Release

19 September 2007

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

ENGLAND

2006-07 2nd PROVISIONAL OUTTURN

- **Capital expenditure by local authorities in England was estimated to be £16.3 billion in 2006-07 compared with £16.6 billion in 2005-06, a decrease of 2%.**
- **Local authorities in England estimated their capital receipts to be £3.7 billion in 2006-07 compared with £3.8 billion in 2005-06, a decrease of 3%.**

This release provides 2nd provisional outturn estimates of local authority capital expenditure and receipts in the financial year April 2006 to March 2007. The information is derived from Capital Outturn Returns (COR) submitted by 477 local authorities in England. The estimates in this release are calculated from 477 valid returns grossed up to allow for one authority that failed to submit its return for use in this release (Uttlesford DC).

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.

The release has been compiled by the Local Government Finance – Capital Finance and Analysis division of Communities and Local Government.

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Capital Expenditure and Receipts 2002-03 to 2006-07

1. **Chart A** and **Table 1** illustrate changes in capital expenditure and receipts from 2002-03 to 2006-07.

- Capital expenditure by local authorities in England was estimated to be £16.3 billion in 2006-07 compared with £16.6 billion in 2005-06, a decrease of 2%.
- Local authority capital expenditure in England has increased by 42% since 2002-03.
- Local authorities in England estimated their capital receipts to be £3.7 billion in 2006-07. Receipts have fallen by 31% since their peak in 2003-04.
- This decrease is mostly due to a fall in receipts from the sale of council houses through the Right to Buy scheme.

Chart A: Capital expenditure and receipts from 2002-03 to 2006-07

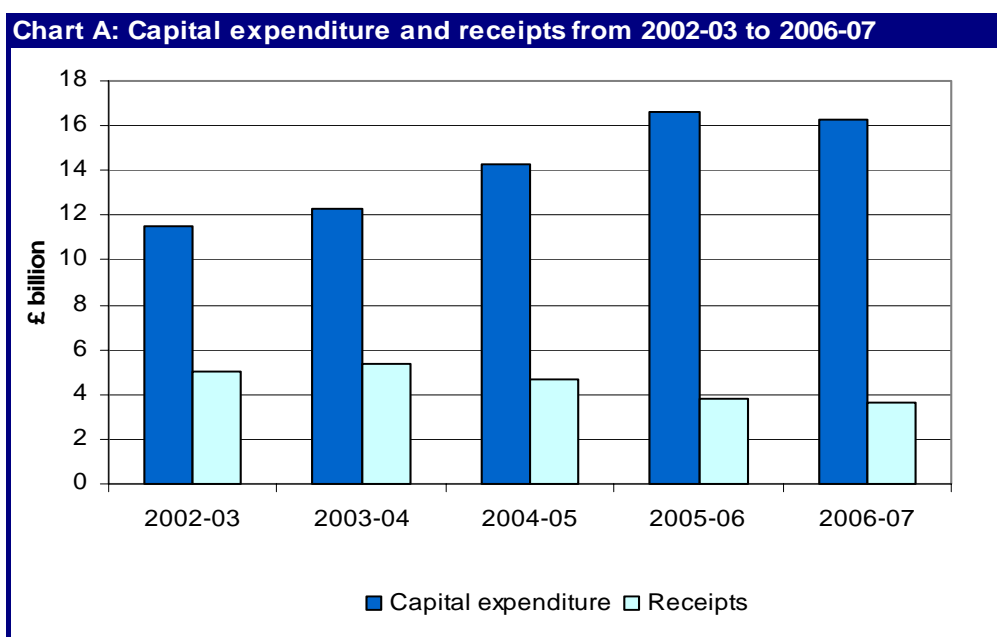


Table 1: Local authority capital expenditure and receipts : England

	2002-03	2003-04	2004-05	2005-06	£ million 2006-07 (P)
Expenditure:					
New construction & conversion	8,768	9,615	10,543	12,082	11,802
Other fixed assets	1,519	1,653	2,432	2,691	2,563
Other capital expenditure	1,220	1,014	1,301	1,869	1,925
Total capital expenditure	11,508	12,282	14,276	16,642	16,291
Receipts	5,040	5,322	4,661	3,777	3,664

(P) = Provisional

Capital Expenditure by Service

2. **Chart B** and **Table 2** illustrate changes in the pattern of expenditure for the major services between 2004-05 and 2006-07.

- Education, Transport and Housing maintained their share of capital expenditure between 2005-06 and 2006-07.

Chart B: Capital expenditure in 2002-03 and 2006-07 by service

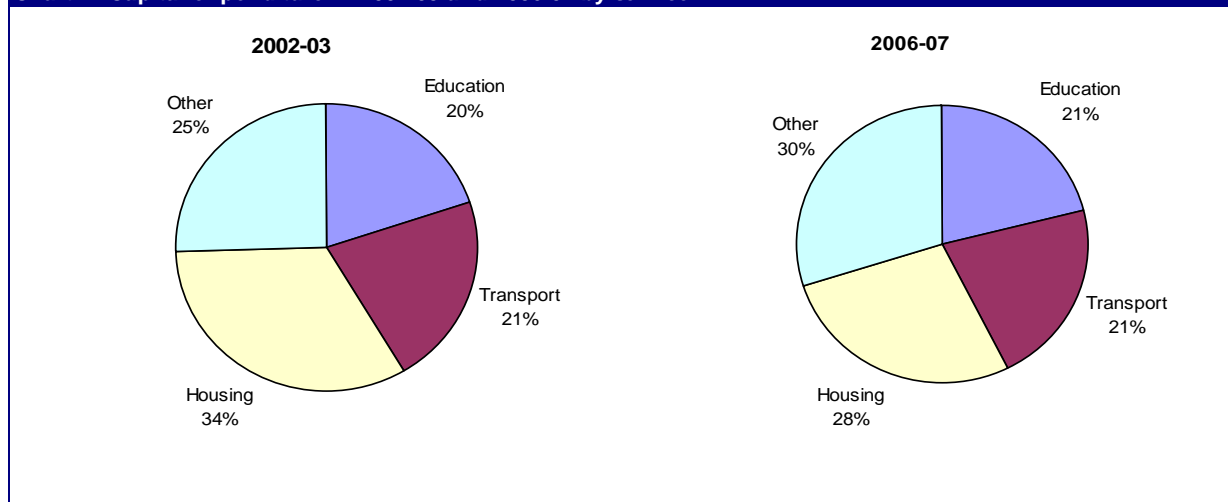


Table 2: Local authority capital expenditure by service : England

	2002-03	2003-04	2004-05	2005-06	£ million 2006-07 (P)
Education	2,287	2,780	3,087	3,492	3,441
Transport	2,461	2,552	2,904	3,461	3,462
Housing	3,828	3,485	3,987	4,534	4,508
Other	2,932	3,465	4,298	5,154	4,880
<i>Of which:</i>					
<i>Social Services</i>	199	260	284	387	364
<i>Sport & Recreation</i>	307	263	306	424	415
<i>Police</i>	408	513	561	606	527
<i>Other</i>	2,018	2,429	3,146	3,737	3,574
Total expenditure	11,508	12,282	14,276	16,642	16,291

(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 & intangible assets : England 2006-07 : 2nd provisional by economic category and service

	£ million				
	Acquisition of land and existing buildings	New construction conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets
Education	107	3,064	200	16	3,387
Transport	76	2,478	140	80	2,775
Social services	16	263	44	14	337
Housing	297	3,443	38	18	3,796
Agriculture & fisheries	0	95	0	0	95
Libraries, culture & heritage	10	242	22	4	278
Sport & recreation	11	364	21	1	398
Police	25	198	285	18	526
Fire	10	53	60	2	125
Other	410	1,603	499	137	2,648
TOTAL	963	11,802	1,310	290	14,365

Table 3b : Local authority capital expenditure : England 2006-07 : 2nd provisional outturn by economic category and service

	£ million				
	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	Total capital expenditure
Education	3,387	52	2	0	3,441
Transport	2,775	375	312	0	3,462
Social services	337	26	1	0	364
Housing	3,796	670	42	0	4,508
Agriculture & fisheries	95	0	0	0	96
Libraries, culture & heritage	278	15	3	0	296
Sport & recreation	398	14	4	0	415
Police	526	0	1	0	527
Fire	125	1	0	0	126
Other	2,648	352	33	23	3,056
TOTAL	14,365	1,504	398	23	16,291

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

Table 4: Local authority capital receipts : England 2006-07 : 2nd provisional outturn by economic category and service

	£ million				
	Proceeds from sales of fixed assets	Sales of intangible assets	Repayments of grants & other financial assistance	Disposals of investments inc. share & loan capital	Total capital receipts
Education	261	0	0	0	261
Transport	64	0	3	63	130
Social services	85	0	0	0	85
Housing	1,730	5	29	3	1,767
Agriculture & fisheries	65	0	0	0	65
Libraries, culture & heritage	10	0	0	0	10
Sport & recreation	48	1	2	0	51
Police	111	0	1	0	112
Fire	9	0	0	0	9
Other	1,080	2	55	36	1,173
TOTAL	3,463	8	91	102	3,664

5. **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 : Capital expenditure on fixed assets: all services : England 2006-07 : 2nd provisional 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 assets (6) (1+2+3+4+5)
Pre-primary & Primary Education	29,753	1,430,709	990	83,619	6,406	1,551,476
Secondary Education	56,204	1,209,552	631	75,429	5,924	1,347,741
Special Education	7,397	236,350	540	7,627	348	252,262
Youth Service	1,339	30,156	1,051	2,950	58	35,554
Other Education Services & Continuing education	12,088	157,139	2,798	24,449	3,359	199,833
Education	106,781	3,063,905	6,010	194,073	16,096	3,386,865
Roads, Street Lights & Safety	42,800	2,114,667	12,718	10,831	4,025	2,185,041
Parking of Vehicles	7,409	53,449	295	5,110	257	66,520
Public Passenger Transport-Bus	18,389	136,862	13,000	13,408	192	181,851
Public Passenger Transport-Rail & Other	2,229	161,420	3,385	78,871	72,855	318,760
Tolled Road bridges,tunnels,ferries, public transport companies	2,000	3,246	113	917	2,898	9,174
Local Authority Ports and Piers	3,021	6,598	48	18	0	9,685
Airports	30	2,218	24	1,322	0	3,594
Transport	75,878	2,478,459	29,583	110,477	80,227	2,774,625
Social Services	16,013	262,637	4,828	39,440	14,200	337,117
Housing	297,075	3,442,574	628	37,791	18,176	3,796,244
Land Drainage and Flood Prevention	11	9,919	43	51	18	10,042
Coast Protection	1	75,747	0	100	66	75,914
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	138	9,089	0	67	0	9,294
Agriculture & fisheries	150	94,755	43	218	84	95,250
Library Services	847	56,334	1,950	14,498	791	74,420
Museums and Art Galleries	4,087	82,698	19	2,515	38	89,357
Arts activities and facilities	5,517	102,618	25	2,920	3,091	114,171
Libraries, culture & heritage	10,451	241,649	1,994	19,933	3,920	277,947
Consumer protection	0	102	52	258	0	412
Employment Services	0	43	0	0	42	85
Sports Facilities	10,539	328,800	790	10,996	686	351,811
Sports Development & Children's play	839	35,361	66	9,421	27	45,715
Sport & recreation	11,378	364,162	856	20,417	713	397,526
Police	24,974	198,420	88,544	196,879	17,648	526,465
Fire Service & Civil Defence	10,201	52,738	37,847	21,810	2,386	124,982
Coroners Courts	0	3,611	0	0	0	3,611
Magistrates Courts	0	40	0	0	0	40
Derelict Land Reclamation (grant aided)	7,562	52,076	0	39	0	59,677
Parks and Open Spaces	8,943	165,763	3,518	9,129	575	187,929
Waste Collection	22	18,872	36,416	44,148	103	99,560
Waste Disposal	12,938	37,899	1,216	7,872	12	59,936
General Administration	72,705	533,731	42,286	258,842	127,478	1,035,043
Planning and Development (incl. gypsy sites)	253,693	484,836	726	16,621	4,421	760,297
Community Safety	1,752	29,147	1,895	13,169	107	46,070
Environmental Health (incl. Clean Air Act and Port Health)	1,249	44,253	8,819	5,829	686	60,836
Miscellaneous	9,977	72,276	4,270	4,657	2,822	94,002
Industrial and Commercial	39,383	121,926	160	2,179	77	163,725
Other Trading Services	1,484	38,502	30,479	6,480	250	77,195
Other environmental services	409,708	1,599,281	129,786	368,964	136,531	2,644,271
Total all services	962,610	11,802,378	300,170	1,010,260	290,022	14,365,439

Annex A : Capital expenditure: all services : England 2006-07 : 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	1,551,476	35,709	1,120	1,588,305
Secondary Education	1,347,741	11,333	920	1,359,994
Special Education	252,262	115	0	252,377
Youth Service	35,554	2,328	59	37,941
Other Education Services & Continuing education	199,833	2,541	66	202,440
Education	3,386,865	52,026	2,165	3,441,056
Roads, Street Lights & Safety	2,185,041	10,073	3,419	2,198,533
Parking of Vehicles	66,520	94	197	66,811
Public Passenger Transport-Bus	181,851	6,019	0	187,870
Public Passenger Transport-Rail & Other	318,760	358,525	308,363	985,648
Tolled Road bridges,tunnels,ferries, public transport companies	9,174	0	0	9,174
Local Authority Ports and Piers	9,685	6	0	9,691
Airports	3,594	247	0	3,841
Transport	2,774,625	374,964	311,979	3,461,568
Social Services	337,117	25,623	1,410	364,150
Housing	3,796,244	670,012	41,752	4,508,008
Land Drainage and Flood Prevention	10,042	185	15	10,242
Coast Protection	75,914	65	50	76,029
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	9,294	186	3	9,483
Agriculture & fisheries	95,250	436	68	95,755
Library Services	74,420	472	187	75,079
Museums and Art Galleries	89,357	2,206	2,265	93,828
Arts activities and facilities	114,171	12,065	524	126,760
Libraries, culture & heritage	277,947	14,743	2,976	295,667
Consumer protection	412	0	0	412
Employment Services	85	259	0	344
Sports Facilities	351,811	7,335	3,035	362,181
Sports Development & Children's play	45,715	6,197	651	52,563
Sport & recreation	397,526	13,532	3,686	414,744
Police	526,465	40	600	527,105
Fire Service & Civil Defence	124,982	715	0	125,697
Coroners Courts	3,611	0	0	3,611
Magistrates Courts	40	1	0	41
Derelict Land Reclamation (grant aided)	59,677	110	0	59,787
Parks and Open Spaces	187,929	6,544	313	194,786
Waste Collection	99,560	1,794	28	101,382
Waste Disposal	59,936	0	0	59,936
General Administration	1,035,043	30,126	11,179	1,076,348
Planning and Development (inc gypsy sites)	760,297	271,376	3,101	1,054,236
Community Safety	46,070	5,721	885	52,677
Environmental Health (incl. Clean Air Act and Port Health)	60,836	786	231	61,852
Miscellaneous	94,002	24,732	17,509	136,243
Industrial and Commercial	163,725	7,654	136	171,515
Other Trading Services	77,195	2,651	15	79,861
Other environmental services	2,644,271	351,494	33,397	3,029,161
Total all services	14,365,439	1,503,845	398,033	16,267,318

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

Annex A : Capital receipts: all services : England 2006-07 : 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	130,185	0	0	130,185
Secondary Education	78,271	0	34	78,305
Special Education	14,643	0	0	14,643
Youth Service	4,051	0	0	4,051
Other Education Services & Continuing education	34,248	0	41	34,289
Education	261,398	0	75	261,473
Roads, Street Lights & Safety	21,700	0	51	21,751
Parking of Vehicles	32,516	0	0	32,516
Public Passenger Transport-Bus	212	0	185	397
Public Passenger Transport-Rail & Other	4,992	0	0	4,992
Tolled Road bridges,tunnels,ferries, public transport companies	91	0	1,136	1,227
Local Authority Ports and Piers	20	0	311	331
Airports	4,214	0	1,427	5,641
Transport	63,745	0	3,110	66,855
Social Services	84,661	0	345	85,006
Housing	1,730,003	4,684	29,263	1,763,951
Land Drainage and Flood Prevention	0	0	0	0
Coast Protection	4	0	90	94
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	65,368	0	0	65,368
Agriculture & fisheries	65,372	0	90	65,462
Library Services	6,469	0	0	6,469
Museums and Art Galleries	2,993	0	92	3,085
Arts activities and facilities	670	0	98	768
Libraries, culture & heritage	10,132	0	190	10,322
Consumer protection	0	0	0	0
Employment Services	0	0	0	0
Sports Facilities	47,692	1,150	1,685	50,527
Sports Development & Childrens play	106	0	111	217
Sport & recreation	47,798	1,150	1,796	50,744
Police	110,703	34	1,211	111,948
Fire Service & Civil Defence	8,871	0	0	8,871
Coroners Courts	0	0	0	0
Magistrates Courts	421	0	0	421
Derelict Land Reclamation (grant aided)	8,889	0	257	9,146
Parks and Open Spaces	37,892	0	245	38,137
Waste Collection	502	0	77	579
Waste Disposal	26,327	0	1,975	28,302
General Administration	326,027	1,298	19,994	347,319
Planning and Development (incl. gypsy sites)	293,036	154	23,074	316,264
Community Safety	20	0	0	20
Environmental Health (incl. Clean Air Act and Port Health)	1,909	0	135	2,044
Miscellaneous	102,227	699	8,648	111,574
Industrial and Commercial	267,720	20	528	268,268
Other Trading Services	15,295	65	0	15,360
Other environmental services	1,079,845	2,236	54,933	1,137,014
Total all services	3,462,949	8,104	91,013	3,562,067

(a) Figures in this column do not include disposals of share and 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 2006-07 in this Statistical Release is derived from Communities and Local Government Capital Outturn Returns (COR) submitted by 477 local authorities in England. The form sought final outturn figures from authorities. The estimates in this release are calculated from 477 valid returns grossed up to allow for one authority that failed to submit its return. 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. The one authority that failed to submit its return is:
 - Uttlesford DC
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 John Wallis at capital.receipts@communities.gsi.gov.uk (Tel. 020 7944 4075).
6. Timings of future releases are regularly placed on the Department's website, www.local.communities.gov.uk and on the National Statistics website, 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. 17 2007* which is available in hard copy from Wetherby Publications Centre at communities@twoten.com (Tel. 0870 1226236) or electronically via the Department's website:

www.local.communities.gov.uk/finance/stats/lgfs/2007/index.htm
8. Final outturn estimates of capital expenditure and receipts in 2006-07 (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.