

Statistical Release

20 November 2008

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS

England: 2007-08 Final Outturn

- The underlying trend in capital expenditure (excluding an exceptional event) shows an increase of 12%, from £16.3 billion in 2006-07 to £18.2 billion in 2007-08.
- Local authorities in England estimated their capital receipts to be £4.0 billion in 2007-08 compared with £3.7 billion in 2006-07, an increase of 9%.

This release provides final outturn figures for local authority capital expenditure and receipts in the financial year April 2007 to March 2008. The information is derived from Capital Outturn Returns (COR) submitted by all 478 local authorities in England. The figures in this release are derived from 478 valid returns

Second Provisional estimates, based on partially validated COR data, were published in a Statistical Release in September.

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Contents:

Capital expenditure and receipts 2003-04 to 2007-08

		Page
Chart A	Expenditure and receipts: England: 2003-04 to 2007-08	4
Table 1	Local authority capital expenditure and receipts: England : 2003-04 to 2007-08	4

Capital expenditure by service

Chart B	Capital expenditure by service: England 2003-04 and 2007-08	5
Table 2	Local authority capital expenditure on fixed assets by economic category and service: England 2007-08: final outturn	5
Table 3a	Local authority capital expenditure on fixed assets by economic category and service: England 2007-08: final outturn	6
Table 3b	Local authority capital expenditure by economic category and service: England 2007-08: final outturn	6
Table 4	Local authority capital receipts by economic category: England 2007-08: final outturn	7
Table 5	Financing of local authority capital expenditure: England: 2003-04 to 2007-08	8
Table 6	Local authority capital expenditure : prudential information : England 2007-08 : final outturn	9

Annexes

Annex A (1)	Capital expenditure on fixed assets: all services: England 2007-08: final outturn	10
Annex A (2)	Capital expenditure: all services: England 2007-08: final outturn	11
Annex A (3)	Capital receipts: all services: England 2007-08: final outturn	12
Annex B	New construction, conversion & renovation: Roads (including structural maintenance), street lighting & road safety : England 2007-08 : final outturn	13
Annex C	Social services: England 2007-08 : final outturn	13
Annex D	Capital receipts in 2007-08	14
Annex E	Value of fixed assets : 31 March 2008	14
Annex F	Capitalised current expenditure by type: England 2007-08: final outturn	15

Terminology used in this release	16
Data quality	17
Uses made of the data	17
Background notes	18
Symbols and conventions	18

Capital expenditure and receipts 2003-04 to 2007-08

1. **Chart A** and **Table 1** illustrate the change in capital expenditure and receipts from 2003-04 to 2007-08.

- The underlying trend in capital expenditure (excluding an exceptional event) by local authorities in England increased by 12%, from £16.3 billion in 2006-07 to £18.2 billion in 2007-08. The exceptional event was the payment by the Greater London Authority (Transport for London) of £1.7 billion to Metronet. The underlying trend was also affected by Liverpool's transfer of its housing stock to a registered social landlord which had the effect of increasing expenditure in 2007-08 by £500 million.
- Local authorities in England estimated their capital receipts to be £4.0 billion in 2007-08, a year-on-year increase of 9%. This increase was the result of a few large transactions by the City of London, Transport for London, Kingston upon Hull (sale of its shares in Kingston Communications) and the five metropolitan districts involved in the sale of Leeds Bradford International Airport.

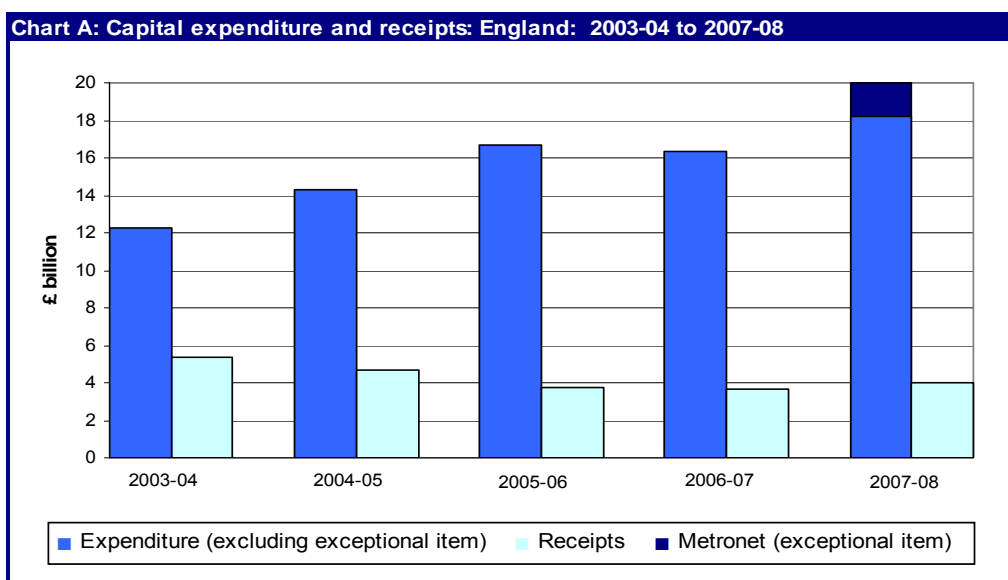


Table 1: Local authority capital expenditure and receipts: England: 2003-04 to 2007-08

	2003-04	2004-05	2005-06	2006-07	£ million 2007-08
Expenditure:					
Acquisition of land and existing buildings and works	432	850	866	964	1,184
New construction and conversion	9,615	10,543	12,078	11,797	12,393
Vehicles, plant equipment and machinery	1,222	1,363	1,515	1,312	1,321 ^(d)
Intangible assets ^(a)	...	219	313	292	262 ^(d)
Total expenditure on fixed assets	11,269	12,975	14,773	14,366	15,159
Grants, loans and other financial assistance	975	1,268	1,628	1,918	4,788
Acquisition of share and loan capital	39	33	241	23	11
Total capital expenditure	12,282	14,276	16,641	16,307	19,958^(d)
Net adjustment for changes in capital creditors ^(b)	-84	=	=	=	=
Expenditure by virtue of a section 40(6) or 16(2)(b) direction ^(c)	116	119	148	163	377
Notional capital receipts set aside and Large Scale Voluntary Transfer levy	11	9	8	2	22
Total expenditure and other transactions	12,326	14,404	16,797	16,472	20,357
Receipts	5,322	4,661	3,777	3,671	3,992

(a) From 2004-05 intangible assets have been added as a heading to the balance sheet in the CFFA (The Chartered Institute of Public Finance and Accountancy)/LASAAC (Local Authorities (Scotland) Accountancy Advisory Board) 2004 Statement of Recommended Practice (SORP).

(b) From 2004-05 local authorities have been required to finance their expenditure on an accruals basis.

(c) Expenditure which does not fall within the definition of expenditure for capital purposes, but is treated as capital expenditure by a direction under section 40(6) of the Local Government & Housing Act 1989. From 2004-05 the direction is made under section 16(2)(b) of the Local Government Act 2003.

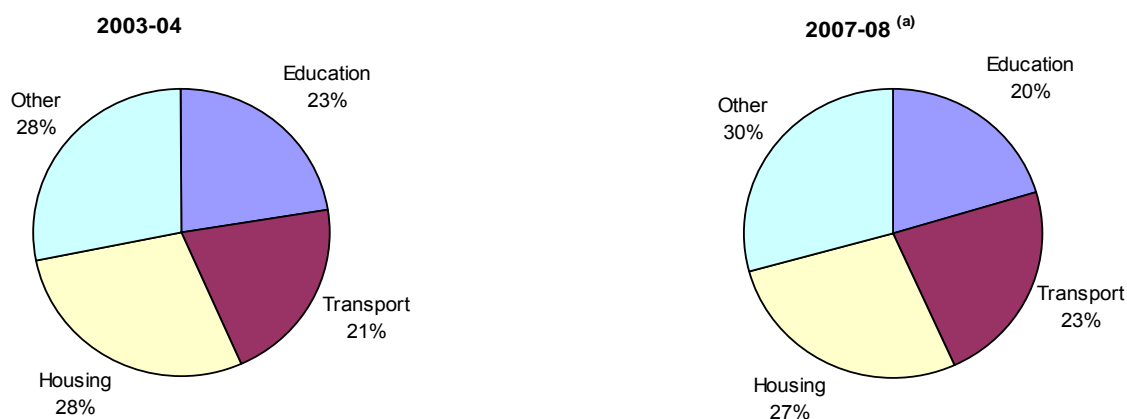
(d) Includes GLA (TfL) grant payment in respect of Metronet.

Capital expenditure by service

2. **Chart B** and **Table 2** below illustrate the change in the pattern of expenditure for the major services between 2003-04 and 2007-08.

- Excluding the GLA's repayment of Metronet liabilities in 2007-08, Education's share of capital expenditure fell from 23% in 2003-04 to 20% in 2007-08. Transport and Other services increased their share over the same period.

Chart B: Capital expenditure in 2003-04 and 2007-08 by service



(a) Excludes GLA (TfL) grant payment in respect of Metronet

Table 2: Local authority capital expenditure by service: England: 2003-04 to 2007-08

	2003-04	2004-05	2005-06	2006-07	£ million 2007-08
Education	2,780	3,087	3,492	3,442	3,711
Highways & transport	2,552	2,905	3,461	3,480	5,916 ^(a)
Housing	3,485	3,987	4,534	4,507	5,008
Other	3,465	4,297	5,154	4,879	5,324
<i>Of which:</i>					
<i>Social Services</i>	260	284	387	364	411
<i>Sport & recreation</i>	263	306	424	415	446
<i>Police</i>	513	561	606	527	549
<i>Other</i>	2,429	3,146	3,737	3,573	3,918
Total expenditure	12,282	14,276	16,641	16,307	19,958

(a) Includes GLA (TfL) grant payment in respect of Metronet

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 by economic category and service: England 2007-08: final outturn

	£ million				
	Acquisition of land & existing buildings	New construction, conversion & renovation	Vehicles, plant machinery & equipment	Intangible assets	Total expenditure on fixed & intangible assets
Education	63	3,272	217	22	3,574
Highways & transport	53	2,695	131	95	2,975
Social services	14	280	47	16	357
Housing	424	3,306	36	5	3,771
Agriculture & fisheries	3	78	2	0	83
Libraries, culture & heritage	9	270	22	1	303
Sport & recreation	29	368	28	1	427
Police	59	173	293	23	548
Fire	13	92	62	2	169
Magistrates' courts	0	0	0	0	0
Other	517	1,859	482	96	2,954
TOTAL	1,184	12,393	1,321	262	15,159

Table 3b : Local authority capital expenditure by economic category and service: England 2007-08: 2nd provisional outturn

	£ million				
	Total expenditure on fixed & intangible assets	Grants	Loans & other financial assistance	Acquisition of share & loan capital	Total capital expenditure
Education	3,574	97	40	0	3,711
Highways & transport	2,975	2,056	882	4	5,916 ^(a)
Social services	357	49	5	0	411
Housing	3,771	1,158	79	0	5,008
Agriculture & fisheries	83	3	0	0	85
Libraries, culture & heritage	303	16	1	0	321
Sport & recreation	427	14	5	0	446
Police	548	0	1	0	549
Fire	169	1	0	0	170
Magistrates' courts	0	0	0	0	0
Other	2,954	365	16	7	3,342
TOTAL	15,159	3,759	1,029	11	19,958

(a) Includes GLA (TfL) grant payment in respect of Metronet

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

Table 4: Local authority capital receipts by economic category: England 2007-08: 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	271	0	1	0	272
Highways & transport	138	0	28	135	301
Social services	100	0	0	0	100
Housing	1,648	0	45	3	1,696
Agriculture & fisheries	69	0	0	0	69
Libraries, culture & heritage	13	0	0	0	13
Sport & recreation	78	0	0	0	78
Police	124	1	1	0	126
Fire	20	0	0	0	20
Magistrates' courts	0	0	0	0	0
Other	1,180	2	13	121	1,316
TOTAL	3,641	4	88	259	3,992

5. **Table 5** gives the financing breakdown of total expenditure for 2007-08 set alongside the breakdown for earlier years.

- The amount of capital expenditure financed from self-financed borrowing in 2007-08 is estimated to be £3.1 billion, an increase of 37% compared with 2006-07.
- Financing by government grant in 2007-08 was affected by the grant of £1.7 billion paid by DfT to the GLA in respect of Metronet liabilities.
- Grants and contributions from private developers etc in 2007-08 includes £500 million for the RSL financing of the transfer of Liverpool's housing stock.

Table 5: Financing of local authority capital expenditure: England: 2003-04 to 2007-08

	£ million				
	2003-04	2004-05	2005-06	2006-07	2007-08
Central government grants	2,642	3,196	3,909	4,083	7,007 ^(a)
EU structural funds grants	129	158	169	185	157
Grants and contributions from private developers and from leaseholders etc	310	361	477	502	1,122 ^(b)
Grants and contributions from NDPBs ^(c)	289	412	520	492	635
National lottery grants	140	149	212	166	105
Use of capital receipts	1,988	2,647	2,812	2,628	2,665
Revenue financing of capital expenditure					
<i>of which:</i>					
<i>Housing Revenue Account</i>	212	187	238	240	208
<i>Major Repairs Reserve</i>	1,388	1,440	1,327	1,337	1,180
<i>General Fund</i>	1,055	1,130	1,004	1,185	1,206
BCA / SCE(R) Single Capital Pot ^(d)	2,583	2,959	2,932	2,734	2,296
SCA / SCE(R) Separate Programme Element ^(d)	1,326	704	947	630	630
Other borrowing & credit arrangements not supported by central government ^(e)	...	1,061	2,251	2,291	3,146
Use of other resources ^(f)	262
Total	12,326	14,404	16,797	16,472	20,357

(a) Includes grant from DfT to the GLA for the purpose of discharging Metronet liabilities.

(b) Includes RSL financing for the transfer of Liverpool's housing stock.

(c) Non-Departmental Public Bodies, organisations that are not government departments but which have a role in the processes of national government, such as the Sports Council, English Heritage and the Countryside Commission.

(d) From 2004-05, central government support for borrowing is based on Supported Capital Expenditure (Revenue), replacing the former system of credit approvals.

(e) 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.

(f) Use of monies set aside as provision for credit liabilities to finance capital expenditure (debt-free authorities).

Information on prudential system: 2007-08

6. **Table 6** shows final outturn information about the prudential system in 2007-08.

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 – based on an authority’s working estimate of 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

Table 6 - Local authority capital expenditure : prudential information : England 2007-08 : final outturn			
	£ million		
	as at 1 April 2007	in 2007-08	as at 31 March 2008
Capital Financing Requirement as at 1 April 2007	49,788		
Capital expenditure to be resourced by means of credit (+)		6,072	
Minimum Revenue Provision (-)		1,356	
Additional contribution from revenue (-)		808	
Contribution from Major Repairs Reserve (-)		108	
Use of receipts (-) ^(a)		314	
Change in Capital Financing Requirement		3,487	
Capital Financing Requirement as at 31 March 2008			53,275
Gross borrowing	48,371		51,964
Other long-term liabilities	1,003		926
Total external debt	49,374		52,890
Operational boundary for external debt	62,875		65,137
Authorised limit for external debt	71,675		73,940
Investments	25,196		28,708

(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. **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 2007-08: 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	23,973	1,587,770	1,463	80,565	9,612	1,703,383
Secondary Education	34,082	1,252,470	519	90,005	7,561	1,384,637
Special Education	690	234,187	481	6,906	442	242,706
Youth Service	131	35,800	1,460	4,301	356	42,048
Other Education Services & Continuing education	4,055	161,742	2,707	28,853	3,558	200,915
Education	62,931	3,271,969	6,630	210,630	21,529	3,573,688
Roads, Street Lights & Safety	27,709	2,263,730	9,883	14,723	3,601	2,319,646
Parking of Vehicles	2,426	71,995	268	8,467	354	83,510
Public Passenger Transport-Bus	6,985	150,364	6,880	10,131	273	174,633
Public Passenger Transport-Rail & Other	7,987	184,738	8,421	69,583	88,347	359,076
Tolled Road bridges,tunnels,ferries, public transport companies	5,965	13,633	81	1,577	2,485	23,741
Local Authority Ports and Piers	1,937	10,913	101	1,210	0	14,161
Airports	0	0	0	0	0	0
Highways & transport	53,009	2,695,373	25,634	105,691	95,060	2,974,768
Social services	13,627	279,601	9,110	37,828	16,352	356,518
Housing	424,043	3,305,685	3,050	32,979	4,954	3,770,711
Land Drainage and Flood Prevention	13	17,889	0	186	41	18,129
Coast Protection	55	50,490	0	1,263	49	51,857
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	2,526	9,904	0	78	7	12,515
Agriculture & fisheries	2,594	78,283	0	1,527	97	82,501
Library Services	5,760	70,415	2,829	11,897	824	91,725
Museums and Art Galleries	1,427	79,791	128	3,499	102	84,947
Arts activities and facilities	2,237	120,006	0	4,025	127	126,395
Libraries, culture & heritage	9,424	270,213	2,957	19,421	1,053	303,068
Consumer protection	0	44	218	180	0	442
Employment Services	0	833	0	16	8	857
Sports Facilities	27,960	335,247	933	14,254	779	379,173
Sports Development & Childrens play	1,199	32,789	329	12,871	261	47,449
Sport & recreation	29,159	368,036	1,262	27,125	1,040	426,622
Police	59,058	173,206	92,683	200,121	23,403	548,471
Fire Service & Civil Defence	12,923	91,791	37,941	24,078	2,045	168,778
Coroners Courts	0	896	0	5	0	901
Magistrates Courts	0	0	92	0	0	92
Derelict Land Reclamation (grant aided)	554	69,365	0	0	0	69,919
Parks and Open Spaces	12,082	169,472	4,262	9,557	313	195,686
Waste Collection	2,460	12,019	40,608	42,246	156	97,489
Waste Disposal	56,428	43,493	2,494	13,529	32	115,976
General Administration	153,542	614,975	36,668	243,600	81,902	1,130,687
Planning and Development (inc gypsy sites)	221,453	620,657	980	12,857	7,875	863,822
Community Safety	946	24,929	265	14,796	839	41,775
Environmental Health (inc Clean Air Act and Port Health)	1,931	460,499	2,311	7,493	606	583,900
Miscellaneous	9,862	88,140	4,377	5,148	3,778	111,305
Industrial and Commercial	41,770	135,093	204	2,409	208	179,684
Other Trading Services	15,766	33,309	33,272	4,601	382	87,330
Other environmental services	516,794	1,857,502	125,441	356,236	96,091	2,952,064
Total all services	1,183,562	12,393,432	305,019	1,015,836	261,632	15,159,480

Annex A (2): Capital expenditure: all services: England 2007-08: final 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	1,703,383	48,703	3,928	1,756,014
Secondary Education	1,384,637	34,124	32,138	1,450,899
Special Education	242,706	574	1	243,281
Youth Service	42,048	4,671	516	47,235
Other Education Services & Continuing education	200,915	9,331	3,169	213,415
Education	3,573,688	97,403	39,752	3,710,844
Roads, Street Lights & Safety	2,319,646	5,181	4,520	2,329,347
Parking of Vehicles	83,510	450	132	84,092
Public Passenger Transport-Bus	174,633	1,189	307	176,129
Public Passenger Transport-Rail & Other Tolled Road bridges,tunnels,ferries, public transport companies	359,076	2,029,908 ^(b)	872,078	3,261,062 ^(b)
Local Authority Ports and Piers	23,741	0	4,501	28,242
Airports	14,161	0	0	14,161
Airports	0	19,198	0	19,198
Highways & transport	2,974,768	2,055,926	881,538	5,912,232
Social Services	356,518	48,942	5,394	410,854
Housing	3,770,711	1,158,325	78,829	5,007,865
Land Drainage and Flood Prevention	18,129	2,469	31	20,629
Coast Protection	51,857	281	0	52,138
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	12,515	58	54	12,627
Agriculture & fisheries	82,501	2,808	85	85,394
Library Services	91,725	646	84	92,455
Museums and Art Galleries	84,947	8,905	805	94,657
Arts activities and facilities	126,395	6,895	315	133,605
Libraries, culture & heritage	303,068	16,446	1,204	320,717
Consumer protection	442	0	0	442
Employment Services	857	26	70	953
Sports Facilities	379,173	9,355	3,869	392,397
Sports Development & Childrens play	47,449	4,501	1,563	53,513
Sport & recreation	426,622	13,856	5,432	445,910
Police	548,471	16	635	549,122
Fire Service & Civil Defence	168,778	727	0	169,505
Coroners Courts	901	0	0	901
Magistrates Courts	92	0	0	92
Derelict Land Reclamation (grant aided)	69,919	355	0	70,274
Parks and Open Spaces	195,686	6,949	517	203,152
Waste Collection	97,489	1,090	11	98,590
Waste Disposal	115,976	905	17	116,898
General Administration	1,130,687	28,156	3,116	1,161,959
Planning and Development (inc gypsy sites)	863,822	297,721	7,128	1,168,671
Community Safety	41,775	4,415	270	46,460
Environmental Health (inc Clean Air Act and Port Health)	58,390	2,284	137	60,811
Miscellaneous	111,305	14,442	1,397	127,145
Industrial and Commercial	179,684	7,960	1,373	189,017
Other Trading Services	87,330	298	1,875	89,503
Other environmental services	2,952,064	364,575	15,841	3,332,480
Total all services	15,159,480	3,759,049	1,028,780	19,947,311

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

(b) Includes GLA (TfL) grant payment in respect of Metronet

Annex A (3): Capital receipts: all services: England 2007-08: final outturn

	£ thousand			
	Sales & disposal of tangible fixed assets (10)	Sales of intangible assets (11)	Repayments of grants loans & financial assistance (12)	Total receipts ^(a) (10+11+12)
Pre-primary & Primary Education	97,680	0	587	98,267
Secondary Education	109,985	0	188	110,173
Special Education	28,526	0	0	28,526
Youth Service	2,967	0	0	2,967
Other Education Services & Continuing education	32,132	0	41	32,173
Education	271,290	0	816	272,106
Roads, Street Lights & Safety	32,641	0	121	32,762
Parking of Vehicles	20,894	0	8	20,902
Public Passenger Transport-Bus	1,009	0	334	1,343
Public Passenger Transport-Rail & Other	83,165	0	27,324	110,489
Tolled Road bridges,tunnels,ferries, public transport companies	2	0	0	2
Local Authority Ports and Piers	377	0	0	377
Airports	2	0	327	329
Highways & transport	138,090	0	28,114	166,204
Social Services	99,771	0	113	99,884
Housing	1,648,074	382	44,667	1,693,123
Land Drainage and Flood Prevention	25	0	0	25
Coast Protection	0	0	0	0
Other Agriculture & Fisheries (incl. Smallholdings & Trading)	69,305	0	0	69,305
Agriculture & fisheries	69,330	0	0	69,330
Library Services	5,841	0	71	5,912
Museums and Art Galleries	2,151	0	100	2,251
Arts activities and facilities	4,690	0	27	4,717
Libraries, culture & heritage	12,682	0	198	12,880
Consumer protection	789	0	0	789
Employment Services	22	0	0	22
Sports Facilities	77,756	0	314	78,070
Sports Development & Childrens play	180	0	63	243
Sport & recreation	77,936	0	377	78,313
Police	124,092	900	1,260	126,252
Fire Service & Civil Defence	19,939	0	0	19,939
Coroners Courts	0	0	0	0
Magistrates Courts	0	0	0	0
Derelict Land Reclamation (grant aided)	2,163	0	596	2,759
Parks and Open Spaces	28,883	0	5	28,888
Waste Collection	9,512	0	46	9,558
Waste Disposal	895	0	741	1,636
General Administration	324,773	2,024	3,882	330,679
Planning and Development (inc gypsy sites)	209,813	45	1,398	211,256
Community Safety	158	0	78	236
Environmental Health (inc Clean Air Act and Port Health)	1,833	92	52	1,977
Miscellaneous	134,871	300	3,784	138,955
Industrial and Commercial	457,157	0	1,856	459,013
Other Trading Services	9,094	0	194	9,288
Other environmental services	1,179,152	2,461	12,632	1,194,245
Total all services	3,641,166	3,743	88,177	3,733,086

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

8. **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 2007-08: Final Outturn

	£ thousand
New construction/improvement of roads	843,829
Structural maintenance - principal roads	271,808
Structural maintenance - other LA roads	615,961
Expenditure on Bridges	210,835
Road Safety	242,289
Street Lighting	79,009
Total New construction, conversion & renovation: roads (including structural maintenance), street lighting & road safety	2,263,730

9. **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 2007-08 : final outturn

	£ thousand		
	<u>Jointly Financed Schemes</u>		
	of which:		
	Total		
	contributions		
	received in		
	the year		
	from health		
	authorities		
	Total LA financed Capital Expenditure	Total Capital Expenditure in the year ^(a)	Total contributions received in the year from health authorities
	(1)	(2)	(3)
Children and their families: residential care	26,737	3,921	35
Children and their families: day care	22,784	746	25
Elderly: residential care	169,974	16,145	5,714
Elderly: day care	38,827	897	130
Physically disabled: residential care	1,904	133	18
Physically disabled: day care	5,637	160	38
Learning disabled: residential care	17,629	1,733	92
Learning disabled: day care	24,843	2,863	591
Mentally ill: residential care	5,558	842	204
Mentally ill: day care	9,001	419	0
HIV/AIDS and alcohol/drugs misuse	2,910	369	28
Other	85,050	8,016	1,053
Total Social services	410,854	36,244	7,928

(a) Local authority share of jointly financed expenditure Included in col. 1

10. **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 2007-08.

Annex D: Capital receipts in 2007-08	
	£ million
Accumulated capital receipts as at 1 April 2007	3,888
In-year capital receipts 2007-08	3,992
Receipts used to meet expenditure for capital purposes	2,665
Receipts used as provision to repay debt or meet liabilities ^(a)	320
Pooling of housing capital receipts	653
Interest on late pooling payments	0
Capital receipts as at 31 March 2008	4,243

(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.

11. **Annex E** gives a breakdown of the total stock of fixed assets held by local authorities in England at 31 March 2008.

Annex E: Value of fixed assets: ^(a) 31 March 2008	
	£ million
Operational assets:	
(i) Council Dwellings	99,748
(ii) Other Land and Buildings - Education	63,547
(iii) Other Land and Buildings - Other	42,018
(iv) Vehicles, Plant and Equipment	3,679
(v) Infrastructure Assets	23,965
(vi) Community Assets	1,492
Total operational assets	234,449
Non operational:	
(i) Investment Properties	11,711
(ii) Other	7,968
Total non-operational assets	19,679
Total value of tangible assets	254,128
Intangible assets	419
Total value of fixed assets	254,547

(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.

12. **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. This is the first time these figures have been published.

Annex F: Capitalised current expenditure by type: England 2007-08: final outturn

	£ thousand
Redundancy Costs	13,499
Pension Scheme Contributions	15,773
Equal Pay Directions	334,583
Local Public Service Agreements ^(a)	3,712
Other ^(b)	9,071
Total	376,638

(a) 2007-08 is the last year of such expenditure. LPSA directions had a three-year life-span and were last issued in 2005-06.

(b) Amounts covered by directions for 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. 18 2008*. This is accessible at www.localcommunities.gov.uk/finance/statistics/lgfs/2008/lgfs18/annexg.pdf. 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).

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).

Metronet Rail - was responsible, under a 30 year Public Private Partnership (PPP) contract with London Underground Limited (LUL), for the maintenance, renewal, and upgrade of the infrastructure on nine London Underground lines. Metronet Rail took on this responsibility from April 2003, prior to the transfer of LUL to Transport for London. However, from 18 July 2007 to 26 May 2008, the main Metronet Rail companies were in PPP administration. On 27 May 2008, certain PPP assets and related liabilities were transferred from the Administrator to the newly formed Transport for London subsidiaries under arrangements approved by the Court. In 2007-08 the Department for Transport (DfT) gave a grant amounting to £1.7bn to the GLA enabling Transport for London to discharge third party liabilities guaranteed under the PPP arrangements.

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 Chartered Institute of Public Finance and Accountancy (CIPFA), for the prudential system introduced on 1 April 2004. Local authorities are required by legislation to have regard to the code.

RSL – a Registered Social Landlord, formerly known as Housing Associations.

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.

Data quality

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.

Adjustments have been made to avoid double counting the GLA grants to other London authorities.

The information for 2007-08 in this release is derived from Capital Outturn Returns (COR) submitted to Communities and Local Government by English local authorities and is based on valid returns from the 478 authorities that complete the return.

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.

This release includes items of data in detail which Communities & Local Government has been able to publish in full for the first time. These are capitalised expenditure totals by type (Annex F).

The expenditure and receipts totals for intangible assets in 2007-08 have been revised since the provisional totals published in the Second Provisional Outturn release in September, following further quality assurance.

Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

Uses made of the data

The data in this Statistical Release are important for a number of different purposes. They are used to provide the Secretary of State for Communities and Local Government, HM Treasury and the Office for National Statistics (ONS) with the most up to date information available on local authority capital spending plans and how they are financed, both as forecasts and as emerging outturn information. The ONS use the information for National Accounts and public sector finances. In particular, the data are provided to HM Treasury to inform the Chancellor's Budget Report.

In addition, the returns are important sources for evidence-based policy decisions, answering Parliamentary Questions and other requests for information by Ministers, local authorities and their associations and the general public.

Background notes

1. For press enquiries about this Statistical Release please contact the Local Government press desk on 020 7944 3042 or email press.office@communities.gsi.gov.uk. For other enquiries please telephone John Wallis on 020 7944 4075 or email capital.receipts@communities.gsi.gov.uk.
2. This Statistical Release can be found at the following web address:
www.local.communities.gov.uk/finance/stats/natstats.htm#cap
3. Timings of future Releases are regularly placed on the Department's website, www.local.communities.gov.uk and on the ONS National Statistics website, www.statistics.gov.uk/releasecalendar/currentreleases.asp
4. Further information is also available on the department's website www.communities.gov.uk/localgovernment/localgovernmentfinance/.
5. For a fuller picture of recent trends in local government finance readers are directed to *Local Government Financial Statistics England No. 18 2008* which is available in hard copy from Wetherby Publications Centre at communities@twoten.com (Tel. 0870 1226236) and electronically in PDF format via the Department's web site:

www.local.communities.gov.uk/finance/stats/lgfs/2008/index.htm
6. 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
–	=	not relevant
-	=	negative
0	=	zero or negligible

Rounding

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent items.