

# 6

## LOCAL AUTHORITY EXPENDITURE

### Introduction

**6.1** This chapter describes central government support for local authorities from 1998–99 to 2005–06 and local authority expenditure for outturn years. It deals primarily with Great Britain – most equivalent spending in Northern Ireland is central government spending carried out by Northern Ireland departments. Where relevant, district council spending in Northern Ireland is included in certain tables in this section.

**6.2** In this chapter all data for central government support are on a resource basis. All outturn data (to 2002–03) fall under the umbrella of National Statistics.

**6.3** Details of the Government's policies and objectives for particular services provided, in whole or in part, by local authorities can be found in the relevant departmental reports.

**6.4** Total Local Authority Expenditure is defined as the contribution of local authorities to TME as measured in national accounts. TME is a consolidated measure in the sense that transactions between parts of the public sector do not add to TME. So, for example, total local authority expenditure defined here excludes capital grants paid to public corporations and interest paid to central government. Total local authority expenditure can also be measured as central government support for local authorities within DEL and Departmental AME, plus locally financed expenditure in AME, plus some accounting adjustments. **Table 6.1** sets out details of the financing of local authority expenditure defined on this basis.

**6.5** Local authority expenditure accounts for around one quarter of TME. Data for all years up to 2001–02 are final outturn figures; 2002–03 are provisional outturn; 2003–04 are estimated outturn based on local authority budget plans; 2004–05 to 2005–06 are based on the spending plans by central government departments that support local authorities and forecasts of local authority expenditure financed locally.

**6.6** The local authority expenditure data (**Tables 6.6 to 6.10**) has improved in quality this year as a result of an internal review of data collection methods. This mainly involved some expenditure data being reclassified by function. Changes have been applied to historical years to provide a more reliable data series on a consistent basis.

**6.7** Outturn figures and projections for the later years are set out in **Table 6.1**. **Table 6.6** presents current and capital local authority expenditure by function for the outturn and estimated outturn years: 1998–99 to 2003–04. **Table 6.10** shows total local authority expenditure for those years, broken down by country and economic category. **Table 6.7** shows local authority current expenditure by country and function for those years.

**6.8** The functional categories are based on the UN Classification of the Functions of Government (COFOG), the international standard. This presentation differs from that of PESA 2003; the change in methodology was pre-announced on the Treasury public website in a detailed technical note at the following address: [http://www.hm-treasury.gov.uk/media/B83D5/natstat\\_techpesa04.pdf](http://www.hm-treasury.gov.uk/media/B83D5/natstat_techpesa04.pdf).

**6.9** Central government support for expenditure by local authorities is provided in three forms: grants, for both capital and current expenditure; non-domestic rate payments; and credit approvals (net capital allocations in Scotland). Support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. police grant.

**6.10** Table 6.2 presents a departmental breakdown of central government support for current and capital expenditure by local authorities.

**6.11** Local authority current spending can broadly be divided into two categories – main local services, which local authorities have some discretion over and which are partly financed by local taxation, and other spending, financed wholly by central government specific grants.

### Main local services

**6.12** Local authorities have considerable discretion to determine the level, pattern, and standard of the main services – subject to the financial resources available, including the implications for local taxation, and in some cases subject also to central government regulation and inspection of the service provided.

**6.13** Government support for expenditure on the main services above is provided through Aggregate External Finance (AEF). This comprises:

- Revenue Support Grant (RSG);
- Non-domestic rate payments: the proceeds for National Non-Domestic Rates (NNDR) are pooled separately in England, Scotland and Wales and distributed to local authorities in the country concerned on a per capita basis;
- specific and special grants, which fund part of the current expenditure on a specific service or activity.

**6.14** Table 6.4 shows AEF in Great Britain by country and grant. Most AEF falls within DEL, with the exception of Scottish NNDR payments, which are in locally financed expenditure in Other AME, and Education Maintenance Allowances and Non domestic rate outturn adjustments, which are in Departmental AME.

### Other spending

**6.15** This is financed almost wholly by central government through specific grants outside AEF, with little or no impact on local tax levels. The main examples are rent allowances and rebates, and council tax benefit. Table 6.5 shows current specific grants outside AEF by country, for the years 1998–99 to 2005–06. Grants outside of AEF are a mixture of support falling within DEL and Departmental AME.

### Capital expenditure

**6.16** Local authorities have several ways of paying for capital expenditure:

- central government support;
- own resources: capital receipts and revenue.

**6.17** From 1 April 2004, Local authorities in England, Wales and Scotland no longer have to set aside part of their housing capital receipts to repay debt. For English and Welsh authorities a proportion of their housing capital receipts are pooled, but they are free to spend the remainder for any capital purpose they see fit. Scottish authorities are free to decide on the use of all their housing receipts. The requirement to set aside part of their other, non housing receipts was lifted in September 1998.

**6.18** Gross capital expenditure, split by country and function from 1998–99 to 2003–4, is shown in **Table 6.8**. Gross means that it is before sales of capital assets and depreciation. These estimates take account of the returns from local authorities on capital expenditure. **Table 6.9** shows local authority receipts within the United Kingdom, again by country and function. **Tables 6.8** and **6.9** use a definition of capital expenditure that is consistent with the national accounts, i.e. excludes financial transactions.

### Support for local authority capital programmes

**6.19** Central government support for local authority capital expenditure comprises grants and credit approvals (net capital allocations in Scotland). Credit approvals and net capital allocations authorise local authorities to borrow or use other forms of credit to finance capital expenditure. **Table 6.3** shows the components of this government support within the United Kingdom by country and by service. Credit approvals fall sharply in 2001–02 because of a change in the way support for housing repairs is provided: more of that support is now given through rent rebate grants and subsidies rather than credit approvals.

**6.20** Most credit approvals are issued as Basic Credit Approvals (BCAs) and can be used for any local authority service. The remainder – Supplementary Credit Approvals (SCAs) – are for particular projects or services. The distribution of BCAs takes account of local authorities' relative capital spending needs and their ability to finance their capital programmes from their capital receipts.

**6.21** Credit approvals and capital grants are replaced by the term Supported Capital Expenditure (SCE) from 1 April 2004, as a result of the new prudential capital finance system. For a full definition see appendix G.

**Table 6.1 Financing of local authority expenditure in the United Kingdom, 1998–99 to 2005–06**

	£ million							
	National Statistics							
	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>Current finance in DEL</b>								
<b>Aggregate External Finance</b>								
<b>England</b>								
Revenue support grant	19,506	19,902	19,470	21,122	19,931	24,267	27,010	} 44,706
Non-domestic rate payments	12,531	13,619	15,407	15,144	16,633	15,607	15,000	
Specific and special grants	6,169	6,371	8,270	9,624	11,455	12,592	13,003	13,556
<b>Total England</b>	<b>38,205</b>	<b>39,891</b>	<b>43,146</b>	<b>45,890</b>	<b>48,019</b>	<b>52,466</b>	<b>55,013</b>	<b>58,262</b>
<b>Scotland</b>								
Revenue support grant	3,487	3,537	3,593	3,940	4,558	5,016	5,300	5,461
Specific and special grants	391	521	611	627	668	656	707	835
<b>Total Scotland</b>	<b>3,878</b>	<b>4,058</b>	<b>4,204</b>	<b>4,567</b>	<b>5,226</b>	<b>5,672</b>	<b>6,008</b>	<b>6,297</b>
<b>Wales</b>								
Revenue support grant	1,804	1,890	2,032	2,146	2,347	2,538	} 3,291	} 3,301
Non-domestic rate payments	606	656	648	708	673	660		
Specific and special grants	287	277	284	253	275	310	316	303
<b>Total Wales</b>	<b>2,697</b>	<b>2,824</b>	<b>2,963</b>	<b>3,107</b>	<b>3,295</b>	<b>3,509</b>	<b>3,607</b>	<b>3,604</b>
<b>Great Britain</b>								
Revenue support grant	24,796	25,329	25,094	27,208	26,836	31,822	35,601	} 53,469
Non-domestic rate payments	13,137	14,275	16,054	15,852	17,305	16,267	15,000	
Specific and special grants	6,847	7,169	9,165	10,504	12,398	13,558	14,027	14,694
<b>Total AEF Great Britain</b>	<b>44,780</b>	<b>46,773</b>	<b>50,313</b>	<b>53,564</b>	<b>56,539</b>	<b>61,646</b>	<b>64,628</b>	<b>68,162</b>
Non AEF current grants	2,462	1,170	741	781	2,222	2,786	3,145	3,481
<b>Total current finance in DEL</b>	<b>47,242</b>	<b>47,942</b>	<b>51,054</b>	<b>54,345</b>	<b>58,761</b>	<b>64,432</b>	<b>67,773</b>	<b>71,644</b>
<b>Capital finance in DEL<sup>(4)</sup></b>								
Capital grants/SCE(C) <sup>(1)</sup>	2,154	1,865	2,728	3,494	4,494	5,333	5,647	6,210
Credit approvals/SCE(R) <sup>(1)</sup>	3,182	3,247	4,116	3,573	3,982	4,569	5,321	5,473
<b>Total capital support in DEL</b>	<b>5,336</b>	<b>5,112</b>	<b>6,845</b>	<b>7,068</b>	<b>8,476</b>	<b>9,902</b>	<b>10,967</b>	<b>11,683</b>
<b>Total central government support in DEL</b>	<b>52,576</b>	<b>53,054</b>	<b>57,898</b>	<b>61,412</b>	<b>67,238</b>	<b>74,334</b>	<b>78,740</b>	<b>83,326</b>
<b>Central government support in departmental AME<sup>(2)(4)</sup></b>	<b>11,601</b>	<b>11,614</b>	<b>11,890</b>	<b>14,257</b>	<b>15,480</b>	<b>17,886</b>	<b>19,969</b>	<b>19,247</b>
<b>Locally financed expenditure</b>								
Local authority self financed expenditure	15,952	16,931	16,629	18,434	17,933	20,609	22,306	23,952
Locally financed support in Scotland <sup>(3)</sup>	1,395	1,441	1,511	1,554	1,718	1,804	1,874	2,009
<b>Total Locally financed expenditure</b>	<b>17,347</b>	<b>18,372</b>	<b>18,140</b>	<b>19,998</b>	<b>19,651</b>	<b>22,413</b>	<b>24,180</b>	<b>25,961</b>
Accounting and other adjustments	195	3,506	3,318	3,200	4,665	4,891	5,200	7,300
<b>Total Local Authority expenditure</b>	<b>81,720</b>	<b>86,545</b>	<b>91,246</b>	<b>98,857</b>	<b>107,034</b>	<b>119,525</b>	<b>128,100</b>	<b>135,900</b>

(1) A full definition of Supported Capital Expenditure (SCE) is given in Appendix G.

(2) Includes expenditure financed from the Lottery.

(3) Non Domestic Rates Income (NDRI) is locally financed support in Scotland, in AME. Equivalent to Non-domestic rate payments (NNDR).

(4) Includes debt repayment grants from central government which score in budgets. Debt repayment is not expenditure so this is deducted in the accounting adjustments line.

**Table 6.2 Central government support for local authorities in the United Kingdom by department, 1998–99 to 2005–06**

	£ million							
	National Statistics							
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 estimated outturn	2004–05 plans	2005–06 plans
<b>Current in DEL</b>								
Education and Skills	2,286	1,546	2,549	3,435	5,561	5,706	4,575	5,657
Health	1,047	929	913	1,133	1,879	1,785	2,255	2,242
Transport	271	260	517	492	638	1,122	1,839	1,896
Office of the Deputy Prime Minister	32,466	33,822	35,205	36,891	37,496	41,307	43,808	46,288
Home Office	4,112	4,119	4,326	4,123	4,155	4,414	4,482	4,272
Legal Departments	312	242	284	318	275	305	291	469
Trade and Industry	15	10	15	97	66	31	70	31
Environment, Food and Rural Affairs	-227	-226	-226	-225	-240	-253	-6	-7
Work and Pensions	366	323	301	334	365	647	550	580
Culture, Media and Sports	6	6	7	8	17	—	—	—
Cabinet Office	14	14	13	19	19	19	19	19
Scotland <sup>(1)</sup>	4,015	4,191	4,274	4,653	5,275	5,774	6,148	6,456
Wales <sup>(1)</sup>	2,494	2,627	2,790	3,002	3,199	3,496	3,610	3,614
Northern Ireland <sup>(1)</sup>	64	80	86	66	56	79	132	124
<b>Total current in DEL</b>	<b>47,242</b>	<b>47,942</b>	<b>51,054</b>	<b>54,345</b>	<b>58,761</b>	<b>64,432</b>	<b>67,773</b>	<b>71,644</b>
<b>Current in departmental AME</b>								
Education and Skills	—	—	—	—	—	130	56	—
Office of the Deputy Prime Minister	109	200	61	498	170	1,919	1,891	1,288
Trade and Industry	—	—	—	—	1	—	1	1
Environment, Food and Rural Affairs	8	8	8	6	6	6	6	6
Work and Pensions	11,141	11,053	11,225	13,304	14,200	15,886	15,886	16,760
Culture, Media and Sport	—	39	40	47	40	-65	130	124
Wales	—	—	—	2	—	122	121	97
<b>Total current in departmental AME</b>	<b>11,259</b>	<b>11,300</b>	<b>11,334</b>	<b>13,857</b>	<b>14,417</b>	<b>16,586</b>	<b>18,090</b>	<b>18,276</b>
<b>Locally Financed Expenditure in Scotland<sup>(3)</sup></b>	<b>1,395</b>	<b>1,441</b>	<b>1,511</b>	<b>1,554</b>	<b>1,718</b>	<b>1,804</b>	<b>1,874</b>	<b>2,009</b>
<b>Total Current</b>	<b>59,896</b>	<b>60,683</b>	<b>63,899</b>	<b>69,755</b>	<b>74,896</b>	<b>82,822</b>	<b>87,737</b>	<b>91,928</b>
<b>Capital in DEL<sup>(2)</sup></b>								
Education and Skills	946	1,097	1,903	1,917	2,463	3,218	3,787	4,431
Health	46	49	48	50	72	177	78	78
Transport	615	639	855	1,759	2,259	2,586	2,817	2,703
Office of the Deputy Prime Minister	2,467	2,128	2,729	1,812	2,073	2,280	2,442	2,594
Home Office	161	161	160	133	234	268	288	318
Legal Departments	32	26	22	33	44	53	56	56
Trade and Industry	—	—	33	33	69	1	18	1
Environment, Food and Rural Affairs	53	56	51	73	80	150	129	126
Work and Pensions	5	5	3	1	2	3	4	4
Culture, Media and Sport	7	4	20	21	17	46	31	31
Scotland <sup>(1)</sup>	590	538	592	750	687	619	751	773
Wales <sup>(1)</sup>	412	406	428	484	475	491	561	561
Northern Ireland <sup>(1)</sup>	1	1	1	1	2	10	7	6
<b>Total Capital in DEL</b>	<b>5,336</b>	<b>5,112</b>	<b>6,845</b>	<b>7,068</b>	<b>8,476</b>	<b>9,902</b>	<b>10,967</b>	<b>11,683</b>
<b>Capital in departmental AME<sup>(2)</sup></b>								
Financing from the National Lottery	342	292	301	351	298	1,040	1,040	178
Other departmental AME	—	21	255	50	766	261	840	792
<b>Total capital in departmental AME</b>	<b>342</b>	<b>313</b>	<b>556</b>	<b>401</b>	<b>1,063</b>	<b>1,301</b>	<b>1,880</b>	<b>971</b>
<b>Total Capital</b>	<b>5,677</b>	<b>5,425</b>	<b>7,400</b>	<b>7,468</b>	<b>9,540</b>	<b>11,203</b>	<b>12,847</b>	<b>12,653</b>
<b>Total central government support</b>	<b>65,573</b>	<b>66,108</b>	<b>71,299</b>	<b>77,223</b>	<b>84,436</b>	<b>94,025</b>	<b>100,583</b>	<b>104,582</b>

(1) Allocations within DEL totals may be subject to final decisions by the devolved administrations.

(2) Includes debt repayment grants from central government which score in budgets.

(3) Non Domestic Rates Income (NDR) is locally financed support in Scotland, in AME. Equivalent to NNDR in England and Wales.

**Table 6.3 Central government capital support<sup>(5)</sup> for local authorities in the United Kingdom by country and service, 1998–99 to 2005–06**

£ million

	National Statistics							
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 estimated outturn	2004–05 plans	2005–06 plans
<b>England</b>								
<b>Credit approvals/SCE(R)<sup>(4)</sup></b>								
Housing	987	1,024	1,819	684	844	1,150	1,476	1,643
Transport	368	470	766	1,183	1,314	1,485	1,565	1,703
Education	382	456	545	565	818	1,032	1,464	1,298
Personal social services	54	57	56	56	56	60	62	63
Fire services	30	30	33	57	48	53	58	58
Environment protection	38	40	37	49	9	47	44	42
Enterprise and economic development	149	121	1	—	—	—	—	—
Recreation, culture and religion	—	—	—	—	10	—	—	—
General public services	358	272	54	93	208	133	8	8
Criminal Justice	56	57	58	70	9	80	80	80
<b>Total Credit Approvals/SCE(R)</b>	<b>2,423</b>	<b>2,529</b>	<b>3,370</b>	<b>2,757</b>	<b>3,316</b>	<b>4,040</b>	<b>4,756</b>	<b>4,894</b>
<b>Capital grants/SCE(C)<sup>(4)</sup></b>								
Housing	573	557	484	614	607	391	300	223
Transport	239	159	88	574	931	1,088	1,249	996
Education	550	629	1,347	1,339	1,623	2,158	2,297	3,097
Personal social services	5	4	2	7	38	45	42	52
Environment protection	15	16	14	24	72	107	85	85
Enterprise and economic development	384	136	280	279	325	361	378	354
Recreation, culture and religion	—	—	—	—	—	—	6	6
General public services	—	21	365	188	884	492	1,102	1,126
Health	—	—	—	—	—	102	—	—
Employment policies	2	2	2	1	2	3	3	3
Criminal Justice	129	120	115	88	264	225	246	275
<b>Total Capital grants/SCE(C)</b>	<b>1,898</b>	<b>1,645</b>	<b>2,696</b>	<b>3,115</b>	<b>4,747</b>	<b>4,972</b>	<b>5,709</b>	<b>6,216</b>
<b>Total England</b>	<b>4,320</b>	<b>4,174</b>	<b>6,066</b>	<b>5,872</b>	<b>8,063</b>	<b>9,012</b>	<b>10,465</b>	<b>11,110</b>
<b>Scotland<sup>(1)</sup></b>								
<b>Net capital allocations<sup>(2)</sup></b>								
Scotland Executive housing	195	158	161	179	161	99	44	59
Scottish Executive: other	326	299	346	429	459	297	345	345
<b>Total Net capital allocations</b>	<b>521</b>	<b>457</b>	<b>507</b>	<b>608</b>	<b>620</b>	<b>396</b>	<b>389</b>	<b>404</b>
<b>Capital grants</b>								
Scotland Executive housing	—	17	18	65	26	105	171	175
Scottish Executive: other	69	65	68	78	42	118	191	195
<b>Total Capital grants</b>	<b>69</b>	<b>82</b>	<b>86</b>	<b>143</b>	<b>68</b>	<b>223</b>	<b>362</b>	<b>370</b>
<b>Total Scotland</b>	<b>590</b>	<b>539</b>	<b>593</b>	<b>750</b>	<b>687</b>	<b>619</b>	<b>751</b>	<b>774</b>
<b>Wales<sup>(1)</sup></b>								
<b>Credit approvals/SCE(R)</b>								
National Assembly for Wales	231	256	234	253	261	261	167	166
Other departments <sup>(3)</sup>	6	6	6	6	3	8	9	9
<b>Total Credit approvals/SCE(R)</b>	<b>237</b>	<b>262</b>	<b>240</b>	<b>259</b>	<b>264</b>	<b>269</b>	<b>176</b>	<b>176</b>
<b>Capital grants/SCE(C)</b>								
National Assembly for Wales	180	150	194	231	222	240	394	394
Other departments <sup>(3)</sup>	6	7	6	5	5	13	14	15
<b>Total Capital grants/SCE(C)</b>	<b>186</b>	<b>157</b>	<b>201</b>	<b>236</b>	<b>227</b>	<b>253</b>	<b>408</b>	<b>410</b>
<b>Total Wales</b>	<b>423</b>	<b>418</b>	<b>441</b>	<b>495</b>	<b>490</b>	<b>522</b>	<b>583</b>	<b>585</b>
<b>Northern Ireland capital grants<sup>(1)</sup></b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>7</b>	<b>6</b>
<b>Capital grants from the lottery</b>	<b>342</b>	<b>292</b>	<b>301</b>	<b>351</b>	<b>298</b>	<b>1,040</b>	<b>1,040</b>	<b>178</b>
<b>United Kingdom Total</b>	<b>5,677</b>	<b>5,425</b>	<b>7,400</b>	<b>7,468</b>	<b>9,540</b>	<b>11,203</b>	<b>12,847</b>	<b>12,653</b>
<i>of which:</i>								
Credit approvals/SCE(R)	3,181	3,247	4,116	3,623	4,199	4,704	5,321	5,473
Capital grants/SCE(C)	2,496	2,178	3,285	3,845	5,341	6,498	7,526	7,180

(1) Allocations within DEL totals may be subject to final decisions by devolved administrations.

(2) Net capital allocations are the equivalent of credit approvals in England and Wales.

(3) Includes Home Office, Department for Constitutional Affairs, Office of the Deputy Prime Minister, Department for Education and Skills and Department for Work and Pensions.

(4) A full definition of Supported Capital Expenditure (SCE) is given in Appendix G.

(5) Includes debt repayment grants from central government which score in budgets.

**Table 6.4 Aggregate External Finance in Great Britain by country and grant 1998–99 to 2005–06**

	£ million							
	National Statistics							
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 estimated outturn	2004–05 plans	2005–06 plans
<b>England</b>								
Revenue Support grant	19,506	19,902	19,470	21,122	19,931	24,267	27,010	44,706
NNDR	12,640	13,818	15,468	15,642	16,802	15,927	15,300	—
Police	3,470	3,518	3,637	3,795	3,788	4,083	4,154	3,944
Health	1,047	1,000	1,052	1,440	2,367	2,363	2,343	2,369
Education	409	676	2,086	2,995	3,580	3,651	3,056	3,875
Offenders Programme	310	329	388	—	—	—	—	—
Magistrates Courts	281	216	253	301	302	330	319	435
Social Security	166	166	180	172	167	381	365	370
Neighbourhood renewal fund	—	—	—	200	300	400	450	525
Metropolitan Railways Passenger Services grant	219	199	183	10	12	13	10	10
GLA Transport	—	—	286	236	324	737	1,415	1,430
Strategic Rail Authority	—	—	—	215	241	284	205	214
RDA Development Fund	—	—	—	41	42	—	39	—
PFI Special grant	15	37	62	127	207	311	415	—
Other	251	230	142	93	124	167	287	383
<b>Total England</b>	<b>38,314</b>	<b>40,091</b>	<b>43,207</b>	<b>46,388</b>	<b>48,188</b>	<b>52,916</b>	<b>55,369</b>	<b>58,262</b>
<b>Scotland<sup>(1)</sup></b>								
Revenue Support grant	3,487	3,537	3,593	3,940	4,558	5,016	5,300	5,461
NDR <sup>(2)</sup>	1,395	1,441	1,511	1,554	1,718	1,804	1,874	2,009
Police	337	357	373	388	423	436	461	493
Other	54	164	238	239	245	220	246	342
<b>Total Scotland</b>	<b>5,273</b>	<b>5,498</b>	<b>5,715</b>	<b>6,121</b>	<b>6,944</b>	<b>7,477</b>	<b>7,881</b>	<b>8,305</b>
<b>Wales<sup>(1)</sup></b>								
Revenue Support grant	1,804	1,890	2,032	2,146	2,347	2,538	3,291	3,301
NNDR	606	656	648	708	673	660	—	—
Police	180	181	186	200	217	214	219	208
Other	107	97	98	53	58	96	98	95
<b>Total Wales</b>	<b>2,697</b>	<b>2,824</b>	<b>2,963</b>	<b>3,107</b>	<b>3,295</b>	<b>3,509</b>	<b>3,607</b>	<b>3,604</b>
<b>Total Great Britain</b>	<b>46,284</b>	<b>48,413</b>	<b>51,885</b>	<b>55,616</b>	<b>58,427</b>	<b>63,901</b>	<b>66,857</b>	<b>70,171</b>
<i>Of which: AEF grants in DEL</i>	<i>44,780</i>	<i>46,773</i>	<i>50,313</i>	<i>53,564</i>	<i>56,539</i>	<i>61,646</i>	<i>64,628</i>	<i>68,162</i>

(1) Allocations within DEL totals may be subject to final decisions by devolved administrations.

(2) Non Domestic Rates Income (NDR) is locally financed support in Scotland, in AME. Equivalent to NNDR in England and Wales.

**Table 6.5 Current specific grants outside Aggregate External Finance in the United Kingdom by country and grant, 1998–99 to 2005–06**

	£ million							
	National Statistics							
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 estimated outturn	2004–05 plans	2005–06 plans
<b>England</b>								
Mandatory student awards	1843	754	301	120	63	72	10	82
LSC Grants	—	—	—	—	1,398	1,534	1,476	1,573
Rent rebates	2,914	2,720	2,577	4,156	3,977	3,916	3,980	4,006
Rent allowances	4,594	4,662	4,893	5,221	5,940	5,953	6,749	7,239
Community charge rebates/ Council tax benefits	1,890	1,882	1,910	1,982	2,186	2,585	3,000	3,231
Supporting People Programme	—	—	—	—	—	1,830	1,801	1,497
Environment Agency	-248	-248	-248	-248	-264	-282	-34	-35
Planning Delivery Grant	—	—	—	—	—	51	130	170
LDA ODPM support	—	—	117	103	107	107	107	107
New Deal for Communities	—	3	24	55	99	117	150	171
Speed and red light camera enforcement	—	—	3	—	1	—	—	—
Police Special Grants	9	10	60	99	133	98	89	100
Others	586	384	270	417	428	344	582	666
<b>Total England</b>	<b>11,589</b>	<b>10,167</b>	<b>9,906</b>	<b>11,904</b>	<b>14,068</b>	<b>16,326</b>	<b>18,040</b>	<b>18,807</b>
<b>Scotland</b>								
Rent rebates	618	628	626	649	678	413	400	413
Rent allowances	298	308	349	383	456	608	694	745
Community charge rebates/ Council tax benefits	276	283	280	289	292	310	337	356
Others	158	159	91	109	104	147	186	205
<b>Total Scotland</b>	<b>1,350</b>	<b>1,377</b>	<b>1,346</b>	<b>1,430</b>	<b>1,531</b>	<b>1,478</b>	<b>1,617</b>	<b>1,719</b>
<b>Wales</b>								
Rent rebates	246	250	255	261	266	275	270	261
Rent allowances	214	220	226	242	265	256	285	322
Community charge rebates/ Council tax benefits	91	100	109	113	120	137	151	168
Others	58	77	86	122	162	372	385	356
<b>Total Wales</b>	<b>609</b>	<b>647</b>	<b>676</b>	<b>739</b>	<b>814</b>	<b>1,039</b>	<b>1,091</b>	<b>1,107</b>
<b>Northern Ireland</b>								
Others	64	80	86	66	56	79	132	124
<b>Total Northern Ireland</b>	<b>64</b>	<b>80</b>	<b>86</b>	<b>66</b>	<b>56</b>	<b>79</b>	<b>132</b>	<b>124</b>
<b>Total United Kingdom</b>	<b>13,611</b>	<b>12,270</b>	<b>12,014</b>	<b>14,139</b>	<b>16,469</b>	<b>18,921</b>	<b>20,879</b>	<b>21,757</b>
<i>Memo: Of which in DEL:</i>								
England	2,183	856	479	486	1,901	2,312	2,565	2,894
Scotland	157	157	90	108	103	146	185	204
Wales	58	76	86	120	162	249	263	259
Northern Ireland	64	80	86	66	56	79	132	124
<b>Total within DEL</b>	<b>2,462</b>	<b>1,170</b>	<b>741</b>	<b>781</b>	<b>2,222</b>	<b>2,786</b>	<b>3,145</b>	<b>3,481</b>

**Table 6.6 Local authority current and capital expenditure by function, 1998–99 to 2003–04<sup>(1)</sup>**

	National Statistics					
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 budgets
<b>£ million</b>						
<b>Current</b>						
General public services	2,771	2,998	2,998	3,134	3,284	4075
Debt interest to private sector <sup>(2)</sup>	541	313	385	350	344	299
Defence	3	4	4	—	—	—
Public order and safety	10,341	10,865	11,282	11,667	12,197	13,353
Enterprise and economic development	349	364	326	354	380	400
Employment policies	57	53	46	47	53	58
Agriculture, fisheries and forestry	58	67	74	79	87	75
Transport	2,810	2,860	3,166	3,587	4,089	4,425
Environment protection	3,383	3,551	3,732	3,944	4,336	4,645
Housing and community amenities	966	950	1,355	1,527	1,735	2,291
Health	373	403	442	449	449	347
Recreation, culture and religion	1,954	2,060	2,183	2,374	2,477	2,559
Education and training	25,937	26,333	28,119	30,903	32,888	35,753
Social protection	21,935	23,223	24,042	25,371	28,318	29,292
Accounting adjustments	3,895	7,032	7,499	7,440	7,750	11,100
<b>Total current</b>	<b>75,373</b>	<b>81,075</b>	<b>85,653</b>	<b>91,227</b>	<b>98,385</b>	<b>108,673</b>
<b>Capital</b>						
General public services	309	245	173	258	327	415
Public order and safety	310	289	289	405	512	717
Enterprise and economic development	24	68	25	38	—	26
Employment policies	2	3	5	3	1	9
Agriculture, fisheries and forestry	–70	–30	–31	–30	–38	–36
Transport	1,203	1,163	1,550	2,069	2,677	2,613
Environment protection	257	325	307	350	365	561
Housing and community amenities	1,112	448	940	1,487	729	2,104
Health	—	—	—	—	—	102
Recreation, culture and religion	441	498	516	581	594	932
Education and training	1,352	1,485	1,810	2,151	2,298	3,077
Social protection	114	108	116	120	153	203
Accounting adjustments	1,294	868	–108	198	1,032	129
<b>Total capital</b>	<b>6,347</b>	<b>5,470</b>	<b>5,593</b>	<b>7,630</b>	<b>8,649</b>	<b>10,852</b>
<b>Total Local Authority Expenditure</b>	<b>81,720</b>	<b>86,545</b>	<b>91,246</b>	<b>98,857</b>	<b>107,034</b>	<b>119,525</b>

(1) The local authority figures for 2003–04 reflect local authority budgets data, as set at the beginning of 2003–04. This differs from the totals of local authority expenditure in this table, which reflect latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2004. The difference in sources is adjusted for within the accounting adjustments.

(2) This excludes all intra-public sector payments of debt interest.

Table 6.7 Local authority current expenditure by country and function, 1998–99 to 2003–04

	National Statistics						£ million
	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	
	outturn	outturn	outturn	outturn	outturn	budgets	
<b>England</b>							
General public services	2,380	2,593	2,603	2,731	2,786	3,499	
Public order and safety	8,959	9,424	9,774	10,077	10,528	11,555	
Enterprise and economic development	209	226	235	244	254	272	
Employment policies	53	50	46	47	53	58	
Agriculture, fisheries and forestry	53	63	68	76	79	70	
Transport	2,294	2,315	2,600	3,021	3,407	3,696	
Environment protection	2,642	2,771	2,900	3,068	3,404	3,643	
Housing and community amenities	945	931	1,338	1,518	1,722	2,277	
Health	373	403	442	449	449	347	
Recreation, culture and religion	1,441	1,526	1,637	1,734	1,812	1,873	
Education and training	21,912	22,093	23,616	26,051	27,762	30,221	
Social protection	18,682	19,811	20,480	21,579	23,994	24,879	
<b>Total England</b>	<b>59,944</b>	<b>62,207</b>	<b>65,741</b>	<b>70,594</b>	<b>76,250</b>	<b>82,389</b>	
<b>Scotland</b>							
General public services	238	243	245	264	330	335	
Defence	3	4	4	—	—	—	
Public order and safety	883	924	957	1,031	1,079	1,167	
Enterprise and economic development	120	115	68	74	88	87	
Employment policies	1	—	—	—	—	—	
Agriculture, fisheries and forestry	1	1	1	—	—	—	
Transport	356	384	391	373	458	479	
Environment protection	365	366	381	424	446	475	
Housing and community amenities	4	—	—	—	—	—	
Recreation, culture and religion	404	420	433	442	453	471	
Education and training	2,564	2,763	2,910	3,139	3,333	3,554	
Social protection	2,149	2,263	2,352	2,495	2,871	2,901	
<b>Total Scotland</b>	<b>7,086</b>	<b>7,482</b>	<b>7,740</b>	<b>8,240</b>	<b>9,058</b>	<b>9,469</b>	
<b>Wales</b>							
General public services	153	161	150	140	167	241	
Public order and safety	499	517	551	560	590	631	
Enterprise and economic development	11	12	12	24	24	28	
Employment policies	3	3	—	—	—	—	
Agriculture, fisheries and forestry	4	3	5	3	8	5	
Transport	159	159	173	192	222	248	
Environment protection	244	272	299	292	316	347	
Housing and community amenities	18	18	17	10	14	15	
Recreation, culture and religion	109	114	112	198	211	214	
Education and training	1,392	1,403	1,515	1,631	1,705	1,886	
Social protection	1,104	1,149	1,210	1,297	1,452	1,513	
<b>Total Wales</b>	<b>3,696</b>	<b>3,812</b>	<b>4,045</b>	<b>4,346</b>	<b>4,710</b>	<b>5,127</b>	
<b>Total Great Britain</b>	<b>70,726</b>	<b>73,501</b>	<b>77,527</b>	<b>83,180</b>	<b>90,018</b>	<b>96,985</b>	
<b>Northern Ireland</b>							
Enterprise and economic development	10	10	11	12	12	13	
Agriculture, fisheries and forestry	—	—	—	1	1	1	
Transport	2	2	2	2	2	2	
Environment protection	132	142	151	160	169	180	
Education and training	68	74	78	83	88	93	
<b>Total Northern Ireland</b>	<b>212</b>	<b>229</b>	<b>242</b>	<b>257</b>	<b>272</b>	<b>289</b>	
Debt interest to private sector <sup>(1)</sup>	541	313	385	350	344	299	
Accounting Adjustments	3,895	7,032	7,499	7,440	7,750	11,100	
<b>Total United Kingdom current expenditure</b>	<b>75,373</b>	<b>81,075</b>	<b>85,653</b>	<b>91,227</b>	<b>98,385</b>	<b>108,673</b>	

(1) This excludes all intra-public sector payments of debt interest.

**Table 6.8 Local authority gross<sup>(1)</sup> capital expenditure by country and function, 1998–99 to 2003–04**

	£ million					
	National Statistics					2003–04 budgets
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	
<b>England</b>						
General public services	344	336	300	422	565	767
Public order and safety	340	364	360	452	521	738
Enterprise and economic development	133	269	180	182	220	180
Employment policies	2	3	5	3	1	9
Agriculture, fisheries and forestry	18	7	7	6	7	10
Transport	1,051	1,082	1,409	1,877	2,461	2,330
Environment protection	164	191	188	214	264	321
Housing and community amenities	2,726	2,662	3,087	3,470	4,025	4,115
Health	—	—	—	—	—	102
Recreation, culture and religion	385	433	484	525	514	840
Education and training	1,251	1,391	1,719	2,062	2,287	2,946
Social protection	136	133	156	158	199	243
<b>Total England</b>	<b>6,549</b>	<b>6,870</b>	<b>7,894</b>	<b>9,370</b>	<b>11,064</b>	<b>12,601</b>
<b>Scotland</b>						
General public services	78	81	78	89	95	114
Public order and safety	38	36	36	40	53	72
Enterprise and economic development	29	19	20	12	15	17
Transport	114	107	119	165	170	219
Environment protection	27	40	37	50	47	57
Housing and community amenities	300	292	291	342	321	250
Recreation, culture and religion	56	61	52	51	73	88
Education and training	126	137	128	143	157	192
Social protection	30	22	21	31	30	43
<b>Total Scotland</b>	<b>798</b>	<b>794</b>	<b>782</b>	<b>923</b>	<b>962</b>	<b>1,052</b>
<b>Wales</b>						
Public order and safety	21	23	21	26	28	54
Enterprise and economic development	—	—	—	—	—	—
Agriculture, fisheries and forestry	8	10	7	6	5	9
Transport	85	74	108	109	105	124
Environment protection	128	130	114	118	125	214
Housing and community amenities	232	184	195	202	219	243
Recreation, culture and religion	20	27	19	29	43	41
Education and training	63	62	80	96	97	117
Social protection	11	8	8	10	11	16
<b>Total Wales</b>	<b>568</b>	<b>519</b>	<b>552</b>	<b>595</b>	<b>633</b>	<b>818</b>
<b>Total Great Britain</b>	<b>7,916</b>	<b>8,183</b>	<b>9,228</b>	<b>10,888</b>	<b>12,658</b>	<b>14,472</b>
<b>Northern Ireland</b>						
Enterprise and economic development	8	9	9	10	11	11
Agriculture, fisheries and forestry	2	2	2	2	2	2
Transport	8	8	9	9	10	10
Environment protection	30	32	34	36	38	41
Education and training	23	25	26	28	29	22
<b>Total Northern Ireland</b>	<b>70</b>	<b>76</b>	<b>81</b>	<b>86</b>	<b>90</b>	<b>87</b>
<b>Total United Kingdom</b>	<b>7,986</b>	<b>8,260</b>	<b>9,309</b>	<b>10,974</b>	<b>12,748</b>	<b>14,558</b>
<b>Memorandum</b>						
United Kingdom gross capital expenditure, from above	7,986	8,260	9,309	10,974	12,748	14,558
United Kingdom capital receipts (see Table 6.9)	–2,933	–3,658	–3,608	–3,542	–5,131	–3,835
Accounting Adjustments	1,294	868	–108	198	1,032	231
<b>Total local authority capital expenditure</b>	<b>6,347</b>	<b>5,470</b>	<b>5,593</b>	<b>7,630</b>	<b>8,649</b>	<b>10,852</b>

(1) 'Gross' – before sales of capital assets and depreciation.

**Table 6.9 Local authority capital receipts by country and function, 1998–99 to 2003–04**

	National Statistics					£ million
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 budgets
<b>England</b>						
General public services	83	151	181	218	276	417
Public order and safety	80	125	117	105	83	139
Enterprise and economic development	125	216	173	159	234	173
Employment policies	—	—	—	—	—	—
Agriculture, fisheries and forestry	95	48	44	41	49	55
Transport	49	103	89	80	68	64
Environment protection	54	14	20	27	50	32
Housing and community amenities	1,887	2,408	2,498	2,394	3,646	2,363
Recreation, culture and religion	16	10	30	19	25	28
Education and training	82	102	119	146	233	186
Social protection	53	50	63	68	74	89
<b>Total England</b>	<b>2,524</b>	<b>3,227</b>	<b>3,333</b>	<b>3,258</b>	<b>4,738</b>	<b>3,546</b>
<b>Scotland</b>						
General public services	29	21	25	35	58	50
Public order and safety	5	5	5	4	4	6
Enterprise and economic development	21	13	12	7	11	10
Transport	6	4	7	9	2	5
Environment protection	1	4	10	14	5	4
Housing and community amenities	206	219	68	69	94	82
Recreation, culture and religion	4	12	8	4	10	9
Education and training	19	15	10	11	15	13
Social protection	8	4	6	10	10	10
<b>Total Scotland</b>	<b>299</b>	<b>297</b>	<b>150</b>	<b>165</b>	<b>207</b>	<b>188</b>
<b>Wales</b>						
Public order and safety	5	4	5	3	3	2
Agriculture, fisheries and forestry	3	1	2	2	3	2
Transport	—	1	—	3	—	1
Environment protection	21	31	16	17	45	24
Housing and community amenities	53	63	67	63	97	59
Recreation, culture and religion	—	1	1	—	1	—
Education and training	3	5	6	5	7	1
Social protection	1	1	—	1	2	—
<b>Total Wales</b>	<b>86</b>	<b>108</b>	<b>98</b>	<b>93</b>	<b>159</b>	<b>90</b>
<b>Total Great Britain</b>	<b>2,909</b>	<b>3,632</b>	<b>3,581</b>	<b>3,515</b>	<b>5,104</b>	<b>3,824</b>
<b>Northern Ireland</b>						
Environment protection	16	18	19	10	10	11
Education and training	7	8	8	17	17	—
<b>Total Northern Ireland</b>	<b>23</b>	<b>25</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>11</b>
<b>Total United Kingdom</b>	<b>2,933</b>	<b>3,658</b>	<b>3,608</b>	<b>3,542</b>	<b>5,131</b>	<b>3,835</b>

**Table 6.10 Local authority expenditure by country and economic category, 1998–99 to 2003–04**

	National Statistics					£ million
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 budgets
<b>England</b>						
Pay	34,082	36,232	38,647	41,673	44,514	49,946
Other current expenditure on goods and services	13,610	14,575	15,821	17,146	18,756	19,403
Subsidies	623	582	756	959	1,405	1,589
Current Grants to persons	11,629	10,817	10,517	10,816	11,575	11,451
Net capital expenditure on assets	3,093	2,961	3,773	5,272	5,542	8,107
Capital grants	932	682	788	840	784	948
<b>Total England</b>	<b>63,969</b>	<b>65,850</b>	<b>70,302</b>	<b>76,707</b>	<b>82,576</b>	<b>91,444</b>
<b>Scotland</b>						
Pay	3,962	4,118	4,348	4,458	4,949	5,292
Other current expenditure on goods and services	2,002	2,228	2,228	2,554	2,724	2,887
Subsidies	87	101	105	117	145	179
Current Grants to persons	1,034	1,035	1,060	1,111	1,241	1,111
Net capital expenditure on assets	398	400	531	696	701	817
Capital grants	101	98	100	62	53	47
<b>Total Scotland</b>	<b>7,585</b>	<b>7,980</b>	<b>8,372</b>	<b>8,999</b>	<b>9,813</b>	<b>10,333</b>
<b>Wales</b>						
Pay	2,898	3,021	3,361	3,681	3,964	4,475
Other current expenditure on goods and services	263	240	149	127	168	97
Subsidies	—	—	—	—	—	—
Current Grants to persons	534	551	535	538	578	555
Net capital expenditure on assets	314	284	337	393	355	589
Capital grants	168	127	117	109	119	139
<b>Total Wales</b>	<b>4,178</b>	<b>4,223</b>	<b>4,499</b>	<b>4,848</b>	<b>5,184</b>	<b>5,855</b>
<b>Great Britain</b>						
Pay	40,943	43,371	46,356	49,812	53,427	59,713
Other current expenditure on goods and services	15,875	17,044	18,198	19,828	21,648	22,387
Subsidies	710	683	861	1,076	1,549	1,768
Current Grants to persons	13,198	12,403	12,112	12,465	13,394	13,117
Net capital expenditure on assets	3,805	3,645	4,641	6,361	6,598	9,513
Capital grants	1,201	906	1,006	1,012	956	1,134
<b>Total Great Britain</b>	<b>75,732</b>	<b>78,052</b>	<b>83,173</b>	<b>90,553</b>	<b>97,572</b>	<b>107,633</b>
<b>Northern Ireland</b>						
Pay	222	240	254	269	286	303
Other current expenditure on goods and services	–10	–11	–12	–13	–13	–14
Net capital expenditure on assets	45	49	52	57	61	73
Capital grants	2	2	2	2	2	2
<b>Total Northern Ireland</b>	<b>259</b>	<b>279</b>	<b>296</b>	<b>316</b>	<b>335</b>	<b>364</b>

**Table 6.10 Local authority expenditure by country and economic category, 1998–99 to 2003–04 (continued)**

	National Statistics					£ million
	1998–99 outturn	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 budgets
<b>United Kingdom</b>						
Pay	41,165	43,611	46,610	50,081	53,713	60,016
Other current expenditure on goods and services	15,865	17,033	18,186	19,815	21,635	22,475
Subsidies	710	683	861	1,076	1,549	1,768
Current grants to persons	13,198	12,403	12,112	12,465	13,394	13,117
Local Authority debt interest to private sector <sup>(1)</sup>	541	313	385	350	344	299
Net capital expenditure on assets	3,850	3,694	4,693	6,418	6,659	9,586
Capital grants	1,203	908	1,008	1,014	958	1,137
<b>Total United Kingdom</b>	<b>76,532</b>	<b>78,645</b>	<b>83,855</b>	<b>91,219</b>	<b>98,252</b>	<b>108,296</b>
Accounting and other adjustments	5,188	7,900	7,391	7,638	8,782	11,229
<b>Total Local Authority Expenditure</b>	<b>81,720</b>	<b>86,545</b>	<b>91,246</b>	<b>98,857</b>	<b>107,034</b>	<b>119,525</b>

(1) This excludes all intra-public sector payments of debt interest.