

## Introduction

**7.1** This chapter describes central government support for local authorities from 2001-02 to 2007-08 (**Tables 7.1 to 7.5**) and local authority expenditure for outturn and estimated outturn years (**Tables 7.6 to 7.10**). 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.

**7.2** In this chapter all data for central government support are on an accruals basis. All outturn data (to 2005-06) fall under the umbrella of National Statistics. Data for all years up to 2005-06 are final outturn figures, except for Northern Ireland local authority expenditure which are provisional outturn; 2006-07 are estimated outturn based on departmental returns for support data, and on local authority budget plans for current expenditure data, and on estimated outturn for capital expenditure data; 2007-08 are based on the spending plans by central government departments that support local authorities and forecasts of local authority expenditure financed locally.

**7.3** 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.

## What's new

**7.4** This year local authority expenditure is on a new detailed COFOG presentation. This has led to a number of classification changes across functions, the most significant of which are:

- local authority spending on street lighting has moved from the transport function to the housing and community amenities function. This affects **Tables 7.6 to 7.10**;
- England and Wales local authority spending on crime reduction (which is all current spending) has moved from the public order and safety function to the housing and community amenities function. This affects **Tables 7.6 and 7.7**;
- local authority spending on coast protection has moved from the environment protection function to the agriculture, fisheries and forestry function. This affects **Tables 7.6 to 7.10**;
- local authority spending on emergency planning (which is all current spending) has moved from the public order and safety function to the defence function. This affects **Tables 7.6 and 7.7**;
- England local authority spending on economic development (which is all current spending) has moved from the housing and community amenities function to the enterprise and economic development function. This affects **Tables 7.6 and 7.7**;
- England and Wales local authority spending on food safety (which is all current spending) has moved from the agriculture, fisheries and forestry function to the enterprise and economic development function. This affects **Tables 7.6 and 7.7**;
- local authority spending on environmental initiatives (which is all current spending) has moved from the housing and community amenities function to the environment protection function. This affects **Tables 7.6 and 7.7**;

- England and Wales local authority spending on derelict land reclamation (which is all capital spending) has moved from the general public services function to the environment protection function. This affects **Tables 7.8 and 7.9**;
- local authority spending on council tax benefits administration (which is all current spending) has moved from the social protection function to the general public services function. This affects **Tables 7.6 and 7.7**;
- England and Wales local authority spending on archives (which is all current spending) has moved from the recreation, culture and religion function to the general public services function. This affects **Tables 7.6 and 7.7**;
- England local authority spending on retirement benefits (which is all current spending) has moved from the general public services function to the social protection function. This affects **Tables 7.6 and 7.7**; and
- local authority spending on school crossing patrols (which is all current spending) has moved from the public order and safety function to the transport function. This affects **Tables 7.6 and 7.7**.

**7.5** In conjunction with the new COFOG presentation the Northern Ireland Executive have reviewed the way they collect local authority data. They now collect the information direct from local authorities resulting in more accurate and robust data. This has led to changes in their data for all years and to significant revisions to their functional classifications.

**7.6** Capital expenditure on the Housing Revenue Account (HRA) has been reclassified from the local authority sector to the public corporation sector. This affects **Tables 7.6, 7.8, 7.9 and 7.10**. See Chapter 8 for further details on this classification change.

**7.7** There has been a removal of a double count of erroneously recorded local authority England education spending on adult and community learning and adult education funded by the learning and skills council that was also correctly being captured as central government spending. This affects **Tables 7.6 to 7.10**.

**7.8** There has been a correction to police grants for years 2001-02 to 2005-06. These grants are now correctly scored as grants to local authorities. Previously, they had been recorded as grants to the private sector. This affects **Tables 7.1 to 7.3**.

**7.9** The government piloted 21 Local Area Agreements (LAAs) in 2005-06 and has progressively extended them to all English areas by 2007-08. LAA expenditure is separately identified in **Table 7.4**. It is brigaded within CLG's DEL baseline but includes contributions from other government departments as well as allocations from CLG's own programmes. This affects **Tables 7.1, 7.2, 7.4 and 7.5**.

**7.10** There has been a correction to LDA support grant paid by DTI. This grant is now correctly scored as central government spending on regional development agencies. Previously, it had been recorded as spending both by CLG and by DTI. This affects **Tables 7.1, 7.2 and 7.4**.

## Local authority expenditure in the national accounts

**7.11** In national accounts total local authority expenditure is defined as the contribution of local authorities to TME. TME is a consolidated measure in the sense that most distributive 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. Local authority expenditure accounts for around one quarter of TME.

## The financing of local authority expenditure

**7.12** 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 7.1** sets out details of the financing of local authority expenditure defined on this basis.

**7.13** Outturn figures and projections for the later years are set out in **Table 7.1**. **Tables 7.2 to 7.5** show further information about central government support and the financing of local authorities for the years 2001-02 to 2007-08.

**7.14** 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 Supported Capital Expenditure (Revenue) (equivalent is supported borrowing in Scotland). Support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. police grant.

**7.15** **Table 7.2** presents a departmental breakdown of central government support for current and capital expenditure by local authorities.

**7.16** Local authority current spending can broadly be divided into two categories:

- **main local services**, which local authorities have some discretion over and which are financed by local taxation and revenue, and certain central government specific grants referred to as inside Aggregate External Finance (AEF), and
- **other spending**, financed wholly by central government specific grants (referred to as outside AEF).

**7.17** Receipts from the EU that are passed to local authorities by departments are in departmental budgets. The payments of these grants by the department are also included in departmental budgets. Therefore, finance to local authorities in departmental budgets is reduced slightly as a result of the receipt from the EU also being included.

## Support for main local services

**7.18** 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.

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

- Revenue Support Grant (RSG) – an un-hypothecated grant paid to local authorities in England, Scotland and Wales;
- Non-domestic (business) rate payments: the proceeds of National Non-Domestic Rates (NNDR) are pooled separately in England, Scotland and Wales and redistributed to local authorities; and
- Other grants, such as the Dedicated Schools Grant (DSG), Police grant, and other specific and special grants, which fund part of the current expenditure on a specific service or activity.

**7.20** **Table 7.1** shows AEF by country and these main components. **Table 7.3** shows AEF in Great Britain by country and grant. Most AEF falls within DEL, with the exception of Scottish

Non-domestic Rates Income (NDRI), equivalent to 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.

## Support for other local spending

**7.21** 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 7.4** shows current specific grants outside AEF by country, for the years 2001-02 to 2007-08. Grants outside AEF are a mixture of support falling within DEL and departmental AME.

## Support for local authority capital programmes

**7.22** Central government support for local authority capital expenditure comprises capital grants and Supported Capital Expenditure (Revenue) (equivalent is supported borrowing in Scotland). These replaced the system that operated prior to 1 April 2004, credit approvals and capital consents respectively. Supported Capital Expenditure (Revenue) and supported borrowing enable local authorities to borrow or use other forms of credit to finance capital expenditure, with central government providing a revenue stream to support repayment of principal and interest. This is distinct from prudential borrowing where local authorities finance any additional borrowing from their own available resources. **Table 7.5** shows the components of central government capital support within the United Kingdom by country and by service.

## Local authority expenditure on services

**7.23** The measure of the spending of local authorities that is analysed by function in PESA is local authority expenditure on services. It is largely similar to the national accounts measure of local authority expenditure, which is also shown in the tables. **Appendix E** gives more information on expenditure on services.

**7.24** **Tables 7.6 to 7.10** show various analyses of local authority expenditure for the outturn and estimated outturn years: 2001-02 to 2006-07. **Table 7.6** presents total local authority expenditure by function for these years. **Table 7.7** shows local authority current expenditure by country and function for these years.

**7.25** The functional categories in **Tables 7.6 to 7.9** are based on the UN Classification of the Functions of Government (COFOG), the international standard, and are consistent with the functional categories used in other PESA chapters except chapters 9 and 10.

**7.26** **Tables 7.8 and 7.9** show local authority gross capital expenditure and capital receipts, by country and function for these years. Local authorities have several ways of financing capital expenditure. The main sources are:

- central government support in the form of capital grants and supported capital expenditure (supported borrowing in Scotland);
- capital receipts;
- developer contributions;
- Capital Expenditure from the Revenue Account (CERA); and
- prudential (self-financed) borrowing.

**7.27** Gross capital expenditure, split by country and function from 2001-02 to 2006-07, is shown in **Table 7.8**. Gross means that it is before sales of capital assets and depreciation. **Table**

7.9 shows local authority capital receipts within the United Kingdom, again by country and function. **Tables 7.8 and 7.9** use a definition of capital expenditure that is consistent with the national accounts, i.e. excludes financial transactions, and the estimated outturns shown are based on the quarterly returns from local authorities on capital expenditure.

**7.28** **Table 7.10** shows total local authority expenditure, broken down by country and economic category.

## Data sources and data quality

**7.29** The central government support for local authorities data shown in **Tables 7.1 to 7.5** are taken from finance data loaded onto the Treasury spending database by departments.

**7.30** The local authority expenditure shown in **Tables 7.6 to 7.10** is based on revenue and capital finance data collections completed by local authorities and sent to the Communities and Local Government and devolved administrations. These carry out quality assurance on the data received, produce aggregate results for publication, and pass aggregate data to the Treasury.

**7.31** Information is sought from all local authorities, who derive the material from the accounting records used to produce audited accounts. However, detailed expenditure breakdowns may be of lower quality because of inconsistencies of classification by respondents and resource constraints on quality assurance.

**7.32** Spending information received from local authorities is described in terms of local authority services (education, roads etc). The Treasury assign spending to COFOG functional categories used in PESA. In general the read-across from service categories to COFOG categories is clear, but in some cases – for example a reduced level of information available in budget data – the read-across is less straightforward and assumptions are applied.

**7.33** Budget data for 2006-07 was collected at the beginning of 2006-07 and reflects local authorities' plans. These data can be subject to revisions as and when final outturn data become available, partly because some grants from central government departments are allocated after budget setting has taken place. HM Treasury will first publish provisional outturn data for 2006-07 in the National Statistics update published on the day of the Pre-Budget Report 2007, and outturn data for 2006-07 in the National Statistics update published on the day of the Budget 2008 and included in PESA 2008.

**7.34** Although the quality of the local government expenditure data in PESA is good enough to provide a broad picture of local government spending, the quality is likely to be lower than the quality of the central government data in PESA (including central government support for local authorities). Figures are shown to the nearest £1m so that users performing calculations on the numbers do not introduce errors due to working on rounded numbers. The figures are not accurate to £1m.

**7.35** The Treasury are working with CLG and the ONS to improve the quality and timeliness of local authority spending data.

**7.36** More information on local authority finance and spending is available from the following sources:

- England – CLG publication Local Government Financial Statistics [<http://www.local.odpm.gov.uk/finance/stats/lgfs/2005/lgfs16/index.htm>]
- Scotland – Scottish Executive publication [<http://www.Scotland.gov.uk/topics/statistics/16945/slgfs>]
- Wales – National Assembly for Wales publication [<http://www.wales.gov.uk/statistics>]

**Table 7.1 Financing of local authority expenditure in the United Kingdom, 2001–02 to 2007–08**

	National Statistics					accruals, £ million	
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 estimated outturn	2007–08 plans
<b>Current finance in DEL</b>							
<b>Aggregate External Finance</b>							
<b>England</b>							
Revenue Support Grant	21,122	19,931	24,267	27,010	26,726	3,443	3,163
Non-domestic rate payments	15,144	16,633	15,607	15,000	18,000	17,500	18,500
Dedicated schools grant	—	—	—	—	—	26,580	28,287
Other specific and special grants	10,473	12,866	16,285	17,782	18,707	19,226	18,755
<b>Total England</b>	<b>46,738</b>	<b>49,429</b>	<b>56,159</b>	<b>59,793</b>	<b>63,434</b>	<b>66,749</b>	<b>68,705</b>
<b>Scotland</b>							
Revenue Support Grant	3,940	4,558	5,037	5,266	5,586	5,777	6,027
Specific and special grants	644	666	679	890	905	968	1,057
<b>Total Scotland</b>	<b>4,584</b>	<b>5,224</b>	<b>5,717</b>	<b>6,156</b>	<b>6,491</b>	<b>6,745</b>	<b>7,084</b>
<b>Wales</b>							
Revenue Support Grant	2,146	2,347	2,538	2,612	2,815	3,013	3,184
Non-domestic rate payments	708	673	660	672	672	730	730
Specific and special grants	253	275	352	285	310	360	524
<b>Total Wales</b>	<b>3,107</b>	<b>3,295</b>	<b>3,550</b>	<b>3,569</b>	<b>3,797</b>	<b>4,103</b>	<b>4,438</b>
<b>Great Britain</b>							
Revenue Support Grant	27,208	26,836	31,843	34,889	35,128	12,233	12,374
Non-domestic rate payments	15,852	17,305	16,267	15,672	18,672	18,230	19,230
Dedicated schools grant	—	—	—	—	—	26,580	28,287
Other specific and special grants	11,369	13,807	17,316	18,957	19,923	20,554	20,336
<b>Total AEF Great Britain<sup>(1)</sup></b>	<b>54,430</b>	<b>57,947</b>	<b>65,426</b>	<b>69,518</b>	<b>73,722</b>	<b>77,597</b>	<b>80,227</b>
Non AEF current grants <sup>(2)</sup>	637	2,151	2,806	3,058	3,487	3,977	5,345
<b>Total current finance in DEL</b>	<b>55,067</b>	<b>60,098</b>	<b>68,231</b>	<b>72,576</b>	<b>77,210</b>	<b>81,575</b>	<b>85,572</b>
<b>Capital support in DEL<sup>(3)</sup></b>							
Capital grants/SCE(C) <sup>(2)(4)</sup>	2,477	3,323	4,282	5,560	6,085	6,692	9,087
Credit approvals/SCE(R) <sup>(4)</sup>	3,573	4,068	4,588	4,715	5,171	4,223	4,149
<b>Total capital support in DEL</b>	<b>6,050</b>	<b>7,391</b>	<b>8,870</b>	<b>10,274</b>	<b>11,255</b>	<b>10,915</b>	<b>13,235</b>
<b>Total central government support in DEL</b>	<b>61,116</b>	<b>67,489</b>	<b>77,101</b>	<b>82,850</b>	<b>88,465</b>	<b>92,490</b>	<b>98,808</b>
<b>Current finance in departmental AME</b>							
AEF current grants	498	170	304	461	524	1,558	1,277
Non AEF current grants	13,353	14,230	13,919	16,327	17,260	18,204	19,226
<b>Total current finance in departmental AME</b>	<b>13,851</b>	<b>14,400</b>	<b>14,223</b>	<b>16,788</b>	<b>17,785</b>	<b>19,762</b>	<b>20,503</b>
<b>Total capital support in departmental AME<sup>(3)(5)</sup></b>	<b>96</b>	<b>173</b>	<b>230</b>	<b>96</b>	<b>90</b>	<b>79</b>	<b>69</b>
<b>Total central government support in departmental AME</b>	<b>13,946</b>	<b>14,573</b>	<b>14,454</b>	<b>16,885</b>	<b>17,875</b>	<b>19,840</b>	<b>20,572</b>
<b>Locally financed expenditure</b>							
Local authority self-financed expenditure	17,312	17,495	18,109	21,459	24,033	23,537	25,409
Locally financed support in Scotland in AEF <sup>(6)</sup>	1,554	1,718	1,804	1,896	1,897	1,884	1,860
<b>Total locally financed expenditure</b>	<b>18,866</b>	<b>19,213</b>	<b>19,913</b>	<b>23,355</b>	<b>25,930</b>	<b>25,421</b>	<b>27,269</b>
Accounting and other adjustments	6,452	9,080	7,763	7,772	7,051	7,819	11,400
<b>Total local authority expenditure</b>	<b>100,381</b>	<b>110,355</b>	<b>119,231</b>	<b>130,862</b>	<b>139,321</b>	<b>145,569</b>	<b>158,000</b>

(1) Great Britain total only because Northern Ireland do not have any support within AEF.

(2) Includes receipts from the EU that finance grants to local authorities, which are inside departmental budgets.

(3) Excludes debt repayment grants from central government which no longer score in budgets.

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

(5) Includes expenditure financed from the Lottery.

(6) Non Domestic Rates Income (NDR) is locally financed support, in Scotland, in AME. Equivalent to non-domestic rate payments.

**Table 7.2 Central government support for local authorities in the United Kingdom by departmental group, 2001–02 to 2007–08**

	accruals, £ million						
	National Statistics						
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 estimated outturn	2007–08 plans
<b>Current finance in DEL</b>							
Education and Skills	3,435	5,535	5,772	5,734	6,929	33,766	36,028
Health	1,133	1,881	1,816	2,148	2,141	1,759	1,863
Transport	1,000	1,363	2,103	2,670	2,577	3,095	2,945
CLG Communities	90	201	2,120	2,232	2,152	2,623	3,204
CLG Local Government	36,658	37,138	40,631	42,989	45,912	22,256	22,509
Home Office	4,241	4,561	5,117	5,357	5,697	5,826	5,914
Constitutional Affairs	318	275	280	299	—	—	—
Trade and Industry	346	386	346	380	385	257	392
Environment, Food and Rural Affairs	-214	-218	-13	2	51	55	17
Culture, Media and Sport	2	12	—	-2	4	23	3
Work and Pensions	339	391	684	653	745	646	828
Scotland <sup>(1)</sup>	4,633	5,295	5,727	6,293	6,668	7,011	7,389
Wales <sup>(1)</sup>	3,002	3,203	3,560	3,728	3,887	4,208	4,420
Northern Ireland Executive <sup>(1)</sup>	66	56	68	73	59	48	55
Cabinet Office	19	19	19	20	1	0	5
<b>Total current finance in DEL</b>	<b>55,067</b>	<b>60,098</b>	<b>68,231</b>	<b>72,576</b>	<b>77,210</b>	<b>81,575</b>	<b>85,572</b>
<b>Current finance in departmental AME</b>							
CLG Communities and Local Government	—	—	—	18	11	142	163
CLG Local Government	498	170	304	461	524	1,119	809
Home Office	—	—	—	—	—	291	304
Trade and Industry	—	1	0	4	2	3	2
Culture, Media and Sport	47	29	55	57	51	44	39
Work and Pensions	13,304	14,200	13,674	16,258	17,183	18,127	19,171
Wales	2	—	190	-9	13	35	14
<b>Total current finance in departmental AME</b>	<b>13,851</b>	<b>14,400</b>	<b>14,223</b>	<b>16,788</b>	<b>17,785</b>	<b>19,762</b>	<b>20,503</b>
<b>Locally financed support in Scotland<sup>(2)</sup></b>	<b>1,554</b>	<b>1,718</b>	<b>1,804</b>	<b>1,896</b>	<b>1,897</b>	<b>1,884</b>	<b>1,860</b>
<b>Total current finance</b>	<b>70,471</b>	<b>76,216</b>	<b>84,259</b>	<b>91,260</b>	<b>96,892</b>	<b>103,220</b>	<b>107,935</b>
<b>Capital support in DEL<sup>(3)</sup></b>							
Education and Skills	1,917	2,463	3,231	3,729	4,060	3,695	5,476
Health	50	72	132	140	122	234	218
Transport	1,250	1,521	1,544	1,706	1,564	1,660	1,901
CLG Communities and Local Government	961	1,125	1,562	2,063	2,584	2,403	2,730
CLG Local Government	83	202	212	256	315	213	142
Home Office	133	327	388	360	376	305	138
Constitutional Affairs	33	44	35	46	0	11	—
Trade and Industry	358	409	507	551	547	513	537
Environment, Food and Rural Affairs	73	79	158	122	144	142	92
Culture, Media and Sport	—	—	—	10	39	105	175
Work and Pensions	-6	-12	-16	1	0	3	2
Scotland <sup>(1)</sup>	711	680	593	768	829	935	994
Wales <sup>(1)</sup>	487	481	519	517	670	680	817
Northern Ireland Executive <sup>(1)</sup>	1	2	6	6	5	7	3
Cabinet Office	—	—	—	—	—	11	8
<b>Total capital support in DEL</b>	<b>6,050</b>	<b>7,391</b>	<b>8,870</b>	<b>10,274</b>	<b>11,255</b>	<b>10,915</b>	<b>13,235</b>
<b>Capital support in departmental AME<sup>(3)</sup></b>							
Financing from the National Lottery	46	110	94	96	90	79	69
Other departmental AME	50	63	136	—	—	—	—
<b>Total capital support in departmental AME</b>	<b>96</b>	<b>173</b>	<b>230</b>	<b>96</b>	<b>90</b>	<b>79</b>	<b>69</b>
<b>Total capital support</b>	<b>6,146</b>	<b>7,564</b>	<b>9,100</b>	<b>10,370</b>	<b>11,345</b>	<b>10,994</b>	<b>13,304</b>
<b>Total central government support</b>	<b>76,617</b>	<b>83,780</b>	<b>93,359</b>	<b>101,631</b>	<b>108,237</b>	<b>114,214</b>	<b>121,239</b>

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

(2) Non-domestic Rates Income (NDRI) is locally financed support in Scotland, in AME. Equivalent to non-domestic rate payments in England and Wales.

(3) Excludes debt repayment grants from central government which no longer score in budgets.

**Table 7.3 Aggregate External Finance in Great Britain by country and grant, 2001–02 to 2007–08**

	accruals, £ million						
	National Statistics					2006–07 estimated outturn	2007–08 plans
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn		
<b>England</b>							
Revenue support grant	21,122	19,931	24,267	27,010	26,726	3,443	3,163
Non-domestic rate payments <sup>(1)</sup>	15,642	16,802	15,911	15,461	18,409	18,207	18,900
Dedicated schools grant	—	—	—	—	—	26,580	28,287
Other education	2,888	3,434	3,472	3,814	4,565	5,033	5,776
Police	3,940	4,210	4,623	5,091	5,422	5,587	5,062
Health	1,440	2,369	2,400	2,352	2,384	1,950	1,914
Magistrates courts	301	302	313	354	—	—	—
Social security	142	167	337	332	475	468	552
Neighbourhood renewal fund	200	300	400	450	525	525	—
Metropolitan railways passenger services grant	10	12	13	16	16	18	18
GLA transport	743	1,052	1,718	2,296	2,218	2,675	2,414
Strategic Rail Authority	215	241	290	214	205	236	250
RDA development fund	346	386	346	380	386	391	389
PFI special grant	127	207	298	427	416	509	563
Supporting people	16	39	1,858	1,856	1,755	1,725	1,734
LA business growth incentive scheme	—	—	—	—	116	412	409
Other	105	147	216	199	341	548	551
<b>Total England</b>	<b>47,236</b>	<b>49,599</b>	<b>56,464</b>	<b>60,254</b>	<b>63,958</b>	<b>68,307</b>	<b>69,981</b>
<b>Scotland<sup>(2)</sup></b>							
Revenue support grant	3,940	4,558	5,037	5,266	5,586	5,777	6,027
NDRI <sup>(3)</sup>	1,554	1,718	1,804	1,896	1,897	1,884	1,860
Police	388	423	442	486	512	513	541
Other Scotland	256	243	237	404	393	455	516
<b>Total Scotland</b>	<b>6,138</b>	<b>6,942</b>	<b>7,521</b>	<b>8,052</b>	<b>8,388</b>	<b>8,629</b>	<b>8,944</b>
<b>Wales<sup>(2)</sup></b>							
Revenue support grant	2,146	2,347	2,538	2,612	2,815	3,013	3,184
Non-domestic rate payments	708	673	660	672	672	730	730
Police	200	217	214	218	230	268	418
Other Wales	53	58	137	67	80	92	106
<b>Total Wales</b>	<b>3,107</b>	<b>3,295</b>	<b>3,550</b>	<b>3,569</b>	<b>3,797</b>	<b>4,103</b>	<b>4,438</b>
<b>Total Great Britain</b>	<b>56,482</b>	<b>59,835</b>	<b>67,534</b>	<b>71,875</b>	<b>76,144</b>	<b>81,039</b>	<b>83,363</b>
of which: AEF grants in DEL	54,430	57,947	65,426	69,518	73,722	77,597	80,227

(1) Non-domestic rate payments differ to those in table 7.1 because they include non-domestic rate outturn adjustments, which are in departmental AME.

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

(3) Non-domestic Rates Income (NDR) is locally financed support in Scotland, in AME. Equivalent to non-domestic rate payments in England and Wales.

**Table 7.4 Current specific grants outside Aggregate External Finance in the United Kingdom by country and grant, 2001–02 to 2007–08**

	accruals, £ million						
	National Statistics						
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 estimated outturn	2007–08 plans
<b>England</b>							
Mandatory student awards	120	63	67	11	11	11	1
LSC grants	—	1,399	1,525	1,655	2,111	1,940	1,906
Rent rebates	4,156	3,977	3,065	4,184	4,234	4,371	4,378
Rent allowances	5,221	5,940	5,967	6,907	7,525	8,130	8,785
Community charge rebates/Council tax benefits	1,982	2,186	2,519	2,946	3,123	3,257	3,482
Environment Agency	-248	-264	-100	-34	-34	-47	-35
Planning delivery grant	—	—	50	98	125	97	92
New deal for communities	55	99	127	157	160	149	131
Police special grants	99	133	275	48	45	261	738
Local area agreements	—	—	—	—	4	472	1,140
Others <sup>(1)</sup>	377	421	461	471	493	362	506
<b>Total England</b>	<b>11,760</b>	<b>13,953</b>	<b>13,956</b>	<b>16,443</b>	<b>17,797</b>	<b>19,004</b>	<b>21,125</b>
<b>Scotland</b>							
Rent rebates	649	678	678	535	541	552	563
Rent allowances	383	456	560	618	641	670	729
Community charge rebates/Council tax benefits	289	292	307	347	354	361	377
Others <sup>(1)</sup>	103	126	99	265	242	335	426
<b>Total Scotland</b>	<b>1,424</b>	<b>1,553</b>	<b>1,644</b>	<b>1,766</b>	<b>1,778</b>	<b>1,918</b>	<b>2,095</b>
<b>Wales</b>							
Rent rebates	261	266	190	267	276	282	294
Rent allowances	242	265	244	280	302	312	352
Community charge rebates/Council tax benefits	113	120	132	156	170	177	191
Others	122	167	490	398	364	439	458
<b>Total Wales</b>	<b>738</b>	<b>818</b>	<b>1,056</b>	<b>1,102</b>	<b>1,112</b>	<b>1,210</b>	<b>1,295</b>
<b>Northern Ireland</b>							
Others	67	57	68	74	61	49	57
<b>Total Northern Ireland</b>	<b>67</b>	<b>57</b>	<b>68</b>	<b>74</b>	<b>61</b>	<b>49</b>	<b>57</b>
<b>Total United Kingdom</b>	<b>13,990</b>	<b>16,381</b>	<b>16,725</b>	<b>19,386</b>	<b>20,748</b>	<b>22,181</b>	<b>24,571</b>
<i>Memo: of which within DEL:</i>							
England	351	1,802	2,338	2,313	2,836	3,190	4,419
Scotland	100	126	99	265	242	334	426
Wales	120	167	301	406	351	405	444
Northern Ireland	66	56	68	73	59	48	55
<b>Total within DEL</b>	<b>637</b>	<b>2,151</b>	<b>2,806</b>	<b>3,058</b>	<b>3,487</b>	<b>3,977</b>	<b>5,345</b>

(1) Includes receipts from the EU that finance grants to local authorities, which are inside departmental budgets.

**Table 7.5 Central government capital support<sup>(1)</sup> for local authorities in the United Kingdom by country and service<sup>(2)</sup>, 2001–02 to 2007–08**

	accruals, £ million						
	National Statistics					2006–07 estimated outturn	2007–08 plans
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn		
<b>England</b>							
<b>Credit approvals/SCE(R)<sup>(3)</sup></b>							
Housing	684	844	1,159	1,318	1,676	1,123	1,201
Transport	1,183	1,314	1,451	1,423	1,405	1,370	855
Education	565	818	999	1,198	1,375	1,022	1,445
Personal social services	56	56	49	62	53	60	60
Fire services	57	48	53	58	58	58	58
Environment protection	49	9	40	44	22	0	0
Enterprise and economic development	0	0	0	—	—	—	0
Recreation, culture and religion	—	10	—	—	—	—	—
General public services	93	54	132	—	—	—	8
Criminal justice	70	97	76	78	48	73	23
<b>Total credit approvals/SCE(R)</b>	<b>2,757</b>	<b>3,249</b>	<b>3,959</b>	<b>4,180</b>	<b>4,637</b>	<b>3,706</b>	<b>3,650</b>
<b>Capital grants/SCE(C)<sup>(3)</sup></b>							
Housing	114	108	131	112	93	115	115
Transport	67	203	85	264	160	251	896
Education	1,339	1,623	2,219	2,501	2,666	2,615	3,967
Personal social services	7	38	39	59	83	100	103
Fire services	—	—	—	5	5	5	10
Environment protection	24	71	122	78	122	142	92
Enterprise and economic development <sup>(4)</sup>	463	535	727	1,072	1,235	1,241	1,470
Recreation, culture and religion	—	—	—	10	39	105	175
General public services <sup>(4)</sup>	33	177	187	311	336	624	725
Health	—	—	58	62	45	138	100
Employment policies	1	5	4	1	0	3	3
Criminal Justice	88	264	333	323	315	249	110
<b>Total capital grants/ SCE(C)</b>	<b>2,137</b>	<b>3,024</b>	<b>3,904</b>	<b>4,799</b>	<b>5,100</b>	<b>5,588</b>	<b>7,765</b>
<b>Total England</b>	<b>4,894</b>	<b>6,274</b>	<b>7,864</b>	<b>8,980</b>	<b>9,737</b>	<b>9,294</b>	<b>11,415</b>
<b>Scotland<sup>(5)</sup></b>							
<b>Supported borrowing<sup>(6)</sup></b>							
Scottish Executive housing	178	160	123	—	—	—	—
Scottish Executive: other	430	458	373	364	355	354	330
<b>Total supported borrowing</b>	<b>607</b>	<b>618</b>	<b>496</b>	<b>364</b>	<b>355</b>	<b>354</b>	<b>330</b>
<b>Capital grants</b>							
Scottish Executive housing	65	26	12	223	209	182	267
Scottish Executive: other <sup>(4)</sup>	38	37	85	181	264	399	398
<b>Total capital grants</b>	<b>103</b>	<b>62</b>	<b>97</b>	<b>404</b>	<b>473</b>	<b>581</b>	<b>665</b>
<b>Total Scotland</b>	<b>711</b>	<b>680</b>	<b>593</b>	<b>768</b>	<b>829</b>	<b>935</b>	<b>994</b>
<b>Wales<sup>(5)</sup></b>							
<b>Credit approvals/SCE(R)</b>							
National Assembly for Wales	256	259	264	167	163	163	163
Other departments <sup>(7)</sup>	3	4	4	4	15	—	6
<b>Total credit approvals/SCE(R)</b>	<b>259</b>	<b>263</b>	<b>268</b>	<b>171</b>	<b>178</b>	<b>163</b>	<b>169</b>
<b>Capital grants</b>							
National Assembly for Wales	231	229	265	350	507	516	654
Other departments <sup>(7)</sup>	5	6	10	—	—	—	—
<b>Total capital grants/SCE(C)</b>	<b>236</b>	<b>235</b>	<b>275</b>	<b>350</b>	<b>507</b>	<b>516</b>	<b>654</b>
<b>Total Wales</b>	<b>495</b>	<b>498</b>	<b>543</b>	<b>521</b>	<b>685</b>	<b>680</b>	<b>823</b>
<b>Northern Ireland capital grants<sup>(5)</sup></b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>3</b>
<b>Capital grants from the National Lottery</b>	<b>46</b>	<b>110</b>	<b>94</b>	<b>96</b>	<b>90</b>	<b>79</b>	<b>69</b>
<b>United Kingdom Total</b>	<b>6,146</b>	<b>7,564</b>	<b>9,100</b>	<b>10,370</b>	<b>11,345</b>	<b>10,994</b>	<b>13,304</b>
<i>of which:</i>							
Credit approvals/SCE(R)	3,623	4,131	4,723	4,715	5,171	4,223	4,149
Capital grants/SCE(C)	2,523	3,433	4,376	5,656	6,175	6,771	9,156

(1) Excludes debt repayment grants from central government which no longer score in budgets.

(2) The service categories shown are local authority service areas not COFOG categories.

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

(4) Includes receipts from the EU that finance grants to local authorities, which are inside departmental budgets.

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

(6) Supported borrowing is the equivalent of credit approvals in England and Wales.

(7) Includes the Home Office and the Department for Constitutional Affairs.

**Table 7.6 Local authority current and capital expenditure on services in the United Kingdom by COFOG, 2001–02 to 2006–07<sup>(1)</sup>**

	accruals, £ million					
	National Statistics					
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
	outturn	outturn	outturn	outturn	outturn	plans
<b>Current</b>						
1. General public services	3,150	3,401	3,638	4,005	4,267	4,568
<i>of which: public and common services</i>	2,846	3,134	3,404	3,621	3,828	4,071
<i>of which: public sector debt interest<sup>(2)</sup></i>	304	267	234	384	439	497
2. Defence	30	32	33	40	53	60
3. Public order and safety	11,355	11,836	13,088	13,826	14,329	14,609
4. Economic affairs	3,713	4,206	5,302	5,694	5,987	6,053
<i>of which: enterprise and economic development</i>	926	971	1,039	1,274	1,395	1,262
<i>of which: agriculture, fisheries and forestry</i>	9	6	10	9	10	13
<i>of which: transport</i>	2,777	3,229	4,254	4,411	4,582	4,778
5. Environment protection	3,243	3,518	3,827	4,124	4,491	4,741
6. Housing and community amenities	1,668	1,821	2,333	2,462	2,652	2,726
7. Health	476	478	423	312	299	286
8. Recreation, culture and religion	3,106	3,258	3,545	3,613	3,805	3,831
9. Education (includes training)	30,794	32,490	36,108	38,265	40,696	42,311
<i>of which: education</i>	30,778	32,472	36,089	38,246	40,671	42,292
<i>of which: training</i>	16	18	19	19	25	19
10. Social protection	26,337	29,347	32,323	35,007	37,257	38,775
<b>Total local authorities' current expenditure on services</b>	<b>83,873</b>	<b>90,385</b>	<b>100,620</b>	<b>107,346</b>	<b>113,836</b>	<b>117,962</b>
Accounting adjustments	7,394	8,658	6,912	10,232	11,957	12,691
<b>Total local authorities' current expenditure</b>	<b>91,267</b>	<b>99,043</b>	<b>107,532</b>	<b>117,578</b>	<b>125,793</b>	<b>130,653</b>
<b>Capital</b>						
1. General public services	282	349	413	835	944	1,021
<i>of which: public and common services</i>	282	349	413	835	944	1,021
3. Public order and safety	405	512	618	704	684	783
4. Economic affairs	2,092	2,646	2,802	2,974	3,533	3,594
<i>of which: enterprise and economic development</i>	42	-17	2	-13	127	127
<i>of which: employment policies</i>	3	1	0	0	0	0
<i>of which: agriculture, fisheries and forestry</i>	19	34	42	49	52	52
<i>of which: transport</i>	2,028	2,629	2,757	2,938	3,354	3,414
5. Environment protection	124	165	276	362	393	506
6. Housing and community amenities	638	575	561	991	998	1,144
7. Health	2	2	60	63	45	71
8. Recreation, culture and religion	694	663	679	856	1,067	1,350
9. Education (includes training)	2,140	2,286	2,830	3,190	3,725	3,753
<i>of which: education</i>	2,136	2,282	2,823	3,183	3,715	3,737
<i>of which: training</i>	3	4	7	7	10	16
10. Social protection	120	153	171	191	314	361
<b>Total local authorities' capital expenditure on services</b>	<b>6,496</b>	<b>7,352</b>	<b>8,410</b>	<b>10,167</b>	<b>11,704</b>	<b>12,583</b>
Accounting adjustments	2,618	3,960	3,289	3,117	1,824	2,333
<b>Total local authorities' capital expenditure</b>	<b>9,114</b>	<b>11,312</b>	<b>11,699</b>	<b>13,284</b>	<b>13,528</b>	<b>14,916</b>
<b>Total local authorities' expenditure</b>	<b>100,381</b>	<b>110,355</b>	<b>119,231</b>	<b>130,862</b>	<b>139,321</b>	<b>145,569</b>

(1) The local authority current expenditure figures for 2006–07 reflect local authority budgets data, as set at the beginning of 2006–07. This differs from the totals of local authority current expenditure in this table, which reflects latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2007. The difference in sources is adjusted for within the accounting adjustments.

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

**Table 7.7 Local authority current expenditure on services in the United Kingdom by country and COFOG, 2001–02 to 2006–07<sup>(1)</sup>**

	accruals, £ million					
	National Statistics					
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
	outturn	outturn	outturn	outturn	outturn	plans
<b>England</b>						
1. General public services	2,429	2,651	2,914	3,101	3,075	3,487
<i>of which: public and common services</i>	2,429	2,651	2,914	3,101	3,075	3,487
2. Defence	25	27	28	34	46	52
3. Public order and safety	9,918	10,346	11,468	12,168	12,544	12,727
4. Economic affairs	3,053	3,461	4,516	4,858	5,112	5,126
<i>of which: enterprise and economic development</i>	760	790	833	1,043	1,158	973
<i>of which: agriculture, fisheries and forestry</i>	7	4	7	6	8	10
<i>of which: transport</i>	2,286	2,667	3,676	3,809	3,946	4,143
5. Environment protection	2,626	2,849	3,109	3,357	3,675	3,901
6. Housing and community amenities	1,448	1,573	2,072	2,186	2,346	2,385
7. Health	449	449	391	278	261	249
8. Recreation, culture and religion	2,300	2,394	2,641	2,652	2,799	2,868
9. Education (includes training)	25,994	27,396	30,523	32,319	34,458	36,034
<i>of which: education</i>	25,994	27,396	30,523	32,319	34,458	36,034
10. Social protection	22,341	24,737	27,469	29,847	31,762	33,126
<b>Total England</b>	<b>70,582</b>	<b>75,884</b>	<b>85,130</b>	<b>90,799</b>	<b>96,078</b>	<b>99,956</b>
<b>Scotland</b>						
1. General public services	252	298	305	348	516	342
<i>of which: public and common services</i>	252	298	305	348	516	342
2. Defence	3	3	3	4	4	4
3. Public order and safety	879	903	990	1,026	1,104	1,152
4. Economic affairs	433	497	519	538	586	597
<i>of which: enterprise and economic development</i>	99	106	123	129	144	171
<i>of which: agriculture, fisheries and forestry</i>	1	1	1	1	1	1
<i>of which: transport</i>	333	391	396	409	440	425
5. Environment protection	350	376	396	417	438	455
6. Housing and community amenities	72	81	84	88	95	91
8. Recreation, culture and religion	453	486	527	550	572	543
9. Education (includes training)	3,139	3,343	3,659	3,917	4,112	4,095
<i>of which: education</i>	3,139	3,343	3,659	3,917	4,112	4,095
10. Social protection	2,675	3,112	3,204	3,396	3,613	3,662
<b>Total Scotland</b>	<b>8,257</b>	<b>9,098</b>	<b>9,688</b>	<b>10,284</b>	<b>11,040</b>	<b>10,941</b>
<b>Wales</b>						
1. General public services	165	184	185	172	237	242
<i>of which: public and common services</i>	165	184	185	172	237	242
2. Defence	2	2	2	2	3	3
3. Public order and safety	558	588	630	632	682	730
4. Economic affairs	220	240	256	284	277	316
<i>of which: enterprise and economic development</i>	60	67	72	89	79	103
<i>of which: agriculture, fisheries and forestry</i>	1	2	2	2	2	2
<i>of which: transport</i>	158	171	182	194	196	211
5. Environment protection	179	198	225	247	263	242
6. Housing and community amenities	78	92	105	109	126	148
8. Recreation, culture and religion	197	212	219	243	254	248
9. Education (includes training)	1,661	1,751	1,926	2,028	2,126	2,183
<i>of which: education</i>	1,645	1,734	1,907	2,009	2,101	2,164
<i>of which: training</i>	16	18	19	19	25	19
10. Social protection	1,321	1,497	1,650	1,764	1,883	1,987
<b>Total Wales</b>	<b>4,380</b>	<b>4,765</b>	<b>5,199</b>	<b>5,482</b>	<b>5,850</b>	<b>6,099</b>
<b>Total Great Britain</b>	<b>83,219</b>	<b>89,747</b>	<b>100,016</b>	<b>106,565</b>	<b>112,968</b>	<b>116,996</b>

**Table 7.7 Local authority current expenditure on services in the United Kingdom by country and COFOG, 2001–02 to 2006–07<sup>(1)</sup> (continued)**

	accruals, £ million					
	National Statistics					
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 plans
<b>Northern Ireland</b>						
4. Economic affairs	7	8	10	13	13	14
<i>of which: enterprise and economic development</i>	7	8	10	13	13	14
5. Environment protection	89	94	97	104	115	143
6. Housing and community amenities	70	74	73	79	86	102
7. Health	28	29	32	34	37	38
8. Recreation, culture and religion	156	165	159	167	179	172
<b>Total Northern Ireland</b>	<b>350</b>	<b>370</b>	<b>370</b>	<b>398</b>	<b>429</b>	<b>469</b>
Debt interest <sup>(2)</sup>	304	267	234	384	439	497
<b>Total local authorities' current expenditure on services</b>	<b>83,873</b>	<b>90,385</b>	<b>100,620</b>	<b>107,346</b>	<b>113,836</b>	<b>117,962</b>
Accounting adjustments	7,394	8,658	6,912	10,232	11,957	12,691
<b>Total local authorities' current expenditure</b>	<b>91,267</b>	<b>99,043</b>	<b>107,532</b>	<b>117,578</b>	<b>125,793</b>	<b>130,653</b>

(1) The local authority current expenditure figures for 2006–07 reflect local authority budgets data, as set at the beginning of 2006–07. This differs from the totals of local authority current expenditure in this table, which reflects latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2007. The difference in sources is adjusted for within the accounting adjustments.

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

**Table 7.8 Local authority gross<sup>(1)</sup> capital expenditure on services in the United Kingdom by country and COFOG, 2001–02 to 2006–07**

	accruals, £ million					
	National Statistics					
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 plans
<b>England</b>						
1. General public services	459	607	809	1,125	1,229	1,432
<i>of which: public and common services</i>	459	607	809	1,125	1,229	1,432
3. Public order and safety	452	521	618	685	701	774
4. Economic affairs	2,070	2,708	2,781	2,989	3,314	3,277
<i>of which: enterprise and economic development</i>	182	220	202	260	302	352
<i>of which: employment policies</i>	3	1	1	0	0	0
<i>of which: agriculture, fisheries and forestry</i>	38	65	72	66	93	98
<i>of which: transport</i>	1,847	2,422	2,506	2,663	2,919	2,827
5. Environment protection	103	132	236	302	301	350
6. Housing and community amenities	650	570	654	880	954	1,112
7. Health	—	—	58	62	43	63
8. Recreation, culture and religion	630	621	594	697	947	1,196
9. Education (includes training)	2,062	2,287	2,780	3,087	3,492	3,581
<i>of which: education</i>	2,062	2,287	2,780	3,087	3,492	3,581
10. Social protection	158	199	202	221	341	405
<b>Total England</b>	<b>6,584</b>	<b>7,643</b>	<b>8,732</b>	<b>10,048</b>	<b>11,321</b>	<b>12,191</b>
<b>Scotland</b>						
1. General public services	87	92	97	133	162	231
<i>of which: public and common services</i>	87	92	97	133	162	231
3. Public order and safety	40	53	66	65	51	71
4. Economic affairs	196	201	254	316	382	552
<i>of which: enterprise and economic development</i>	12	15	13	20	27	38
<i>of which: agriculture, fisheries and forestry</i>	19	16	20	24	21	30
<i>of which: transport</i>	165	169	221	271	334	484
5. Environment protection	14	16	18	38	53	77
6. Housing and community amenities	86	66	80	144	130	143
8. Recreation, culture and religion	53	76	88	109	110	152
9. Education (includes training)	143	157	172	199	310	417
<i>of which: education</i>	140	153	163	191	292	393
<i>of which: training</i>	4	4	9	8	18	24
10. Social protection	31	30	32	33	38	69
<b>Total Scotland</b>	<b>652</b>	<b>691</b>	<b>805</b>	<b>1,037</b>	<b>1,236</b>	<b>1,712</b>
<b>Wales</b>						
1. General public services	23	37	52	51	60	90
<i>of which: public and common services</i>	23	37	52	51	60	90
3. Public order and safety	26	28	39	43	41	50
4. Economic affairs	129	129	146	171	241	268
<i>of which: enterprise and economic development</i>	16	18	18	26	34	51
<i>of which: agriculture, fisheries and forestry</i>	6	5	5	8	6	10
<i>of which: transport</i>	108	106	123	138	200	208
5. Environment protection	23	22	25	26	37	55
6. Housing and community amenities	157	158	173	189	191	260
8. Recreation, culture and religion	36	49	71	80	76	72
9. Education (includes training)	96	97	115	144	161	174
<i>of which: education</i>	96	97	115	144	161	174
10. Social protection	10	11	14	17	20	16
<b>Total Wales</b>	<b>500</b>	<b>531</b>	<b>635</b>	<b>721</b>	<b>827</b>	<b>985</b>
<b>Total Great Britain</b>	<b>7,736</b>	<b>8,865</b>	<b>10,171</b>	<b>11,806</b>	<b>13,384</b>	<b>14,888</b>

**Table 7.8 Local authority gross<sup>(1)</sup> capital expenditure on services in the United Kingdom by country and COFOG, 2001–02 to 2006–07 (continued)**

	accruals, £ million					
	National Statistics					
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 plans
<b>Northern Ireland</b>						
4. Economic affairs	0	0	3	3	1	6
<i>of which: enterprise and economic development</i>	0	0	3	3	1	6
5. Environment protection	8	8	15	13	18	40
6. Housing and community amenities	14	14	15	15	19	27
7. Health	2	2	2	1	1	8
8. Recreation, culture and religion	15	15	22	32	43	57
<b>Total Northern Ireland</b>	<b>38</b>	<b>40</b>	<b>57</b>	<b>64</b>	<b>83</b>	<b>138</b>
<b>Total United Kingdom</b>	<b>7,774</b>	<b>8,906</b>	<b>10,228</b>	<b>11,870</b>	<b>13,466</b>	<b>15,026</b>
<b>Memorandum</b>						
United Kingdom gross capital expenditure, from above	7,774	8,906	10,228	11,870	13,466	15,026
United Kingdom capital receipts (see table 7.9)	–1,278	–1,554	–1,818	–1,703	–1,763	–2,443
<b>Total local authorities' capital expenditure on services</b>	<b>6,496</b>	<b>7,352</b>	<b>8,410</b>	<b>10,167</b>	<b>11,704</b>	<b>12,583</b>
Accounting adjustments	2,618	3,960	3,289	3,117	1,824	2,333
<b>Total local authorities' net capital expenditure</b>	<b>9,114</b>	<b>11,312</b>	<b>11,699</b>	<b>13,284</b>	<b>13,528</b>	<b>14,916</b>

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

**Table 7.9 Local authority expenditure on services capital receipts in the United Kingdom by country and COFOG, 2001–02 to 2006–07**

	accruals, £ million					
	National Statistics					
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 plans
<b>England</b>						
1. General public services	248	315	480	369	413	548
<i>of which: public and common services</i>	248	315	480	369	413	548
3. Public order and safety	105	83	97	84	103	105
4. Economic affairs	280	350	350	452	376	470
<i>of which: enterprise and economic development</i>	159	234	214	307	228	302
<i>of which: employment policies</i>	—	—	0	—	—	—
<i>of which: agriculture, fisheries and forestry</i>	42	49	53	45	63	78
<i>of which: transport</i>	80	67	82	100	85	90
5. Environment protection	23	11	12	12	8	11
6. Housing and community amenities	240	221	324	196	239	317
8. Recreation, culture and religion	33	83	55	41	85	106
9. Education (includes training)	146	233	221	210	217	399
<i>of which: education</i>	146	233	221	210	217	399
10. Social protection	68	74	74	75	84	126
<b>Total England</b>	<b>1,143</b>	<b>1,371</b>	<b>1,613</b>	<b>1,440</b>	<b>1,524</b>	<b>2,082</b>
<b>Scotland</b>						
1. General public services	35	58	53	92	85	170
<i>of which: public and common services</i>	35	58	53	92	85	170
3. Public order and safety	4	4	5	3	5	6
4. Economic affairs	16	13	27	41	13	23
<i>of which: enterprise and economic development</i>	7	11	16	7	4	9
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	1	0	0
<i>of which: transport</i>	9	2	10	33	8	14
5. Environment protection	0	1	2	0	0	1
6. Housing and community amenities	18	6	9	6	8	15
8. Recreation, culture and religion	4	10	4	7	4	8
9. Education (includes training)	11	15	13	19	17	18
<i>of which: education</i>	11	15	11	18	9	9
<i>of which: training</i>	0	0	2	1	8	8
10. Social protection	10	10	2	4	1	2
<b>Total Scotland</b>	<b>100</b>	<b>116</b>	<b>114</b>	<b>174</b>	<b>133</b>	<b>241</b>
<b>Wales</b>						
1. General public services	5	15	12	11	10	14
<i>of which: public and common services</i>	5	15	12	11	10	14
3. Public order and safety	3	3	2	1	1	2
4. Economic affairs	7	28	3	9	16	16
<i>of which: enterprise and economic development</i>	2	25	1	5	5	8
<i>of which: agriculture, fisheries and forestry</i>	2	3	1	3	6	8
<i>of which: transport</i>	4	0	1	1	5	0
5. Environment protection	0	0	3	0	0	1
6. Housing and community amenities	11	6	26	30	43	60
8. Recreation, culture and religion	0	1	28	6	6	0
9. Education (includes training)	5	7	2	10	5	3
<i>of which: education</i>	5	7	2	10	5	3
10. Social protection	1	2	1	1	0	1
<b>Total Wales</b>	<b>31</b>	<b>63</b>	<b>76</b>	<b>69</b>	<b>80</b>	<b>97</b>
<b>Total Great Britain</b>	<b>1,273</b>	<b>1,549</b>	<b>1,804</b>	<b>1,684</b>	<b>1,737</b>	<b>2,420</b>

**Table 7.9 Local authority expenditure on services capital receipts in the United Kingdom by country and COFOG, 2001–02 to 2006–07 (continued)**

	accruals, £ million					
	National Statistics					
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 plans
<b>Northern Ireland</b>						
4. Economic affairs	—	—	1	2	0	0
<i>of which: enterprise and economic development</i>	—	—	1	2	0	0
5. Environment protection	1	1	2	5	6	5
6. Housing and community amenities	1	1	3	4	6	6
7. Health	0	0	0	0	0	0
8. Recreation, culture and religion	3	3	8	8	13	12
<b>Total Northern Ireland</b>	<b>4</b>	<b>5</b>	<b>15</b>	<b>19</b>	<b>26</b>	<b>24</b>
<b>Total United Kingdom capital receipts</b>	<b>1,278</b>	<b>1,554</b>	<b>1,818</b>	<b>1,703</b>	<b>1,763</b>	<b>2,443</b>

**Table 7.10 Local authority expenditure on services in the United Kingdom by country and economic category, 2001–02 to 2006–07<sup>(1)</sup>**

	accruals, £ million					
	National Statistics					
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 plans
<b>England</b>						
Pay	41,548	44,107	48,749	51,922	55,091	57,561
Other current expenditure on goods and services	17,235	18,777	22,546	24,185	25,358	25,650
Subsidies	977	1,417	2,251	2,321	2,423	2,765
Current grants to persons	10,822	11,583	11,584	12,370	13,207	13,979
Capital expenditure on assets net of receipts	5,174	6,042	6,824	8,169	9,367	9,616
Capital grants	268	230	295	438	430	493
<b>Total England</b>	<b>76,024</b>	<b>82,156</b>	<b>92,248</b>	<b>99,407</b>	<b>105,875</b>	<b>110,065</b>
<b>Scotland</b>						
Pay	4,485	4,804	5,425	5,906	6,470	6,322
Other current expenditure on goods and services	2,554	2,944	3,031	3,105	3,264	3,275
Subsidies	109	107	82	85	91	87
Current grants to persons	1,107	1,243	1,150	1,188	1,215	1,257
Capital expenditure on assets net of receipts	493	523	618	763	1,040	1,416
Capital grants	59	52	72	101	63	55
<b>Total Scotland</b>	<b>8,808</b>	<b>9,673</b>	<b>10,379</b>	<b>11,147</b>	<b>12,143</b>	<b>12,412</b>
<b>Wales</b>						
Pay	2,306	2,452	2,721	2,917	3,180	3,292
Other current expenditure on goods and services	1,536	1,735	1,934	2,005	2,086	2,186
Current grants to persons	538	578	543	560	584	621
Capital expenditure on assets net of receipts	362	352	435	521	636	734
Capital grants	107	116	123	131	111	155
<b>Total Wales</b>	<b>4,849</b>	<b>5,234</b>	<b>5,757</b>	<b>6,133</b>	<b>6,597</b>	<b>6,988</b>
<b>Great Britain</b>						
Pay	48,339	51,363	56,895	60,744	64,741	67,175
Other current expenditure on goods and services	21,325	23,456	27,511	29,295	30,708	31,112
Subsidies	1,086	1,523	2,333	2,407	2,513	2,852
Current grants to persons	12,468	13,405	13,278	14,119	15,006	15,857
Capital expenditure on assets net of receipts	6,030	6,917	7,877	9,453	11,043	11,766
Capital grants	433	399	490	669	604	702
<b>Total Great Britain</b>	<b>89,681</b>	<b>97,063</b>	<b>108,384</b>	<b>116,687</b>	<b>124,615</b>	<b>129,464</b>
<b>Northern Ireland</b>						
Pay	166	176	187	198	227	244
Other current expenditure on goods and services	184	195	183	199	202	224
Capital expenditure on assets net of receipts	34	36	42	45	57	115
<b>Total Northern Ireland</b>	<b>384</b>	<b>406</b>	<b>413</b>	<b>443</b>	<b>486</b>	<b>583</b>
<b>United Kingdom</b>						
Pay	48,505	51,538	57,082	60,942	64,968	67,420
Other current expenditure on goods and services	21,510	23,651	27,694	29,494	30,910	31,336
Subsidies	1,086	1,523	2,333	2,407	2,513	2,852
Current grants to persons	12,468	13,405	13,278	14,119	15,006	15,857
Local Authority debt interest to private sector <sup>(2)</sup>	304	267	234	384	439	497
Capital expenditure on assets net of receipts	6,063	6,953	7,920	9,498	11,100	11,881
Capital grants	433	399	490	669	604	702
<b>Total United Kingdom expenditure on services</b>	<b>90,369</b>	<b>97,737</b>	<b>109,030</b>	<b>117,514</b>	<b>125,540</b>	<b>130,545</b>
Accounting adjustments	10,012	12,618	10,201	13,348	13,781	15,025
<b>Total local authorities expenditure</b>	<b>100,381</b>	<b>110,355</b>	<b>119,231</b>	<b>130,862</b>	<b>139,321</b>	<b>145,569</b>

(1) The local authority current expenditure figures for 2006–07 reflect local authority budgets data, as set at the beginning of 2006–07. This differs from the totals of local authority current expenditure in this table, which reflects latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2007. The difference in sources is adjusted for within the accounting adjustments.

(2) This excludes all intra-public sector payments of debt interest. This is not split into individual countries so is only included in the total UK figures.