

5

LOCAL AUTHORITY EXPENDITURE

Introduction

5.1 This chapter describes central government support for local authorities from 2000-01 to 2007-08 (**Tables 5.1 to 5.5**) and local authority expenditure for outturn and estimated outturn years (**Tables 5.6 to 5.10**). 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.

5.2 In this chapter all data for central government support are on an accruals basis. All outturn data (to 2004-05) fall under the umbrella of National Statistics. Data for all years up to 2004-05 are final outturn figures; 2005-06 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; 2006-07 and 2007-08 are based on the spending plans by central government departments that support local authorities and forecasts of local authority expenditure financed locally.

5.3 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

5.4 The Treasury continues to review the classification of local authority expenditure to function (COFOG – see paragraph 5.21) and economic category of spending shown in **tables 5.6 to 5.10**. This has led to the following changes since PESA 2005, which affect all year's data.

- Local authority spending on concessionary fares (which is all current spending) has moved from the transport function to the social protection function. This affects **tables 5.6 and 5.7**.
- There has been a significant switch from pay to other current expenditure on goods and services for Wales. This affects **table 5.10**.

5.5 Various budgeting changes have recently been implemented (see Chapter 2 and appendix D for more information) and the following changes affect all year's finance data shown in **tables 5.1 to 5.5**.

- Receipts from the EU that are passed to local authorities by departments' have been brought into departments' budgets. Previously only the payment of these grants by the department was included in departments' budgets. Therefore, finance to local authorities in departments' budgets has reduced slightly as a result of the receipt from the EU also being included.
- Grants paid to local authorities to assist with the repayment of principal debt and early repayment charges have moved outside of departments' budgets. This reduces the finance to local authorities shown in **tables 5.1, 5.2 and 5.5**.

5.6 The government has introduced a new Dedicated Schools Grant in England from 2006-07. This is separately identified in **tables 5.1 and 5.3**. The creation of the grant explains a fall in Revenue Support Grant (England) from 2006-07. It also explains a shift in spending within Resource DEL from the Office of the Deputy Prime Minister to the Department for Education and Skills for 2006-07 and 2007-08 that is visible in **table 5.2**.

5.7 National accounts based local authority capital expenditure has been increased significantly in all years to reflect the transfer of ‘non-core’ roads from central government, which shows a corresponding decrease. The transaction has not been taken into the functional analyses. This transaction affects all years’ data in **tables 5.1, 5.6, 5.8 and 5.10**. More information on this transfer is given in appendix A.

Local authority expenditure in the national accounts

5.8 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

5.9 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 5.1** sets out details of the financing of local authority expenditure defined on this basis.

5.10 Outturn figures and projections for the later years are set out in **Table 5.1**. **Tables 5.2 to 5.5** show further information about central government support and the financing of local authorities for the years 2000-01 to 2007-08.

5.11 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.

5.12 **Table 5.2** presents a departmental breakdown of central government support for current and capital expenditure by local authorities.

5.13 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 (referred to as inside Aggregate External Finance (AEF)), and
- **other spending**, financed wholly by central government specific grants (referred to as outside AEF).

Support for main local services

5.14 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.

5.15 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.

5.16 Table 5.1 shows AEF by country and these main components. Table 5.3 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

5.17 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 5.4 shows current specific grants outside AEF by country, for the years 2000-01 to 2007-08. Grants outside of AEF are a mixture of support falling within DEL and departmental AME.

Support for local authority capital programmes

5.18 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 5.5 shows the components of central government capital support within the United Kingdom by country and by service.

Local authority expenditure on services

5.19 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.

5.20 Tables 5.6 to 5.10 show various analyses of local authority expenditure for the outturn and estimated outturn years: 2000-01 to 2005-06. Table 5.6 presents total local authority expenditure by function for these years. Table 5.7 shows local authority current expenditure by country and function for these years.

5.21 The functional categories in **Tables 5.6 to 5.9** 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.

5.22 **Tables 5.8 and 5.9** 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;
- capital receipts;
- Capital Expenditure from the Revenue Account (CERA); and
- prudential (self-financed) borrowing.

5.23 Gross capital expenditure, split by country and function from 2000-01 to 2005-06, is shown in **Table 5.8**. Gross means that it is before sales of capital assets and depreciation. **Table 5.9** shows local authority capital receipts within the United Kingdom, again by country and function. **Tables 5.8 and 5.9** 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.

5.24 **Table 5.10** shows total local authority expenditure, broken down by country and economic category.

Data sources and data quality

5.25 The central government support for local authorities data shown in **Tables 5.1 to 5.5** are taken from finance data loaded onto the Treasury spending database by departments. Grants are voted expenditure – see Appendix A for more information.

5.26 The local authority expenditure shown in **tables 5.6 to 5.10** is based on revenue and capital finance data collections completed by local authorities and sent to the Office of the Deputy Prime Minister and devolved administrations. These carry out quality assurance on the data received, produce aggregate results for publication, and pass aggregate data to the Treasury.

5.27 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.

5.28 Spending information received from local authorities is described in terms of local authority services (education, roads &c). 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.

5.29 Budget data for 2005-06 was collected at the beginning of 2005-06 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 2005-06 in the National Statistics update published on the day of the Pre-Budget Report 2006, and outturn data for 2005-06 in the National Statistics update published on the day of the Budget 2007 and included in PESA 2007.

5.30 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.

5.31 The Treasury are working with ODPM and the ONS to improve the quality and timeliness of local authority spending data.

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

- England – ODPM 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 5.1 Financing of local authority expenditure in the United Kingdom, 2000–01 to 2007–08

	accruals, £ million									
	National Statistics									
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08		
	outturn	outturn	outturn	outturn	outturn	estimated	plans	plans		
						outturn				
Current finance in DEL										
Aggregate External Finance										
England										
Revenue Support Grant	19,470	21,122	19,931	24,267	27,010	26,726	3,443	} 21,623		
Non-domestic rate payments	15,407	15,144	16,633	15,607	15,000	18,000	17,500			
Dedicated schools grant	—	—	—	—	—	—	26,546			28,276
Other specific and special grants	8,241	9,618	11,458	14,414	15,823	16,734	16,366			17,102
Total England	43,117	45,883	48,022	54,288	57,834	61,461	63,855		67,000	
Scotland										
Revenue Support Grant	3,593	3,940	4,558	5,037	5,266	5,385	5,734		6,004	
Specific and special grants	641	644	666	679	890	888	997		1,032	
Total Scotland	4,234	4,584	5,224	5,716	6,156	6,273	6,731		7,036	
Wales										
Revenue Support Grant	2,032	2,146	2,347	2,538	2,614	2,806	} 3,619		3,770	
Non-domestic rate payments	648	708	673	660	672	672				
Specific and special grants	284	251	274	350	283	312			308	322
Total Wales	2,963	3,106	3,293	3,548	3,569	3,790	3,927		4,092	
Great Britain										
Revenue Support Grant	25,094	27,208	26,836	31,843	34,891	34,917	} 30,296		31,397	
Non-domestic rate payments	16,054	15,852	17,305	16,267	15,672	18,672				
Dedicated schools grant	—	—	—	—	—	—				28,276
Other specific and special grants	9,167	10,513	12,397	15,444	16,997	17,935			17,670	18,455
Total AEF Great Britain⁽¹⁾	50,314	53,573	56,538	63,553	67,559	71,524	74,512		78,128	
Non AEF current grants ⁽²⁾	750	835	2,333	2,810	3,166	3,535	4,838		5,146	
Total current finance in DEL	51,064	54,408	58,871	66,363	70,726	75,059	79,350		83,275	
Capital support in DEL⁽³⁾										
Capital grants/SCE(C) ⁽²⁾⁽⁴⁾	2,108	2,928	3,932	5,053	6,260	6,879	7,770		8,451	
Credit approvals/SCE(R) ⁽⁴⁾	4,116	3,573	4,068	4,588	4,719	5,185	5,221		5,481	
Total capital support in DEL	6,224	6,501	8,000	9,641	10,979	12,064	12,991		13,932	
Total central government support in DEL	57,288	60,909	66,871	76,003	81,704	87,124	92,341		97,207	
Current finance in departmental AME										
AEF current grants	61	498	170	304	465	524	868		536	
Non AEF current grants	11,265	13,352	14,240	14,043	16,447	17,381	18,100		19,034	
Total current finance in departmental AME	11,326	13,850	14,410	14,348	16,912	17,905	18,968		19,570	
Total capital support in departmental AME⁽³⁾⁽⁵⁾	301	401	361	966	840	94	85		74	
Total central government support in departmental AME	11,627	14,251	14,771	15,314	17,752	17,999	19,053		19,644	
Locally financed expenditure										
Local authority self-financed expenditure	16,566	19,219	17,449	19,288	21,946	24,212	25,133		26,599	
Locally financed support in Scotland in AEF ⁽⁶⁾	1,511	1,554	1,718	1,804	1,896	1,897	1,884		1,779	
Total locally financed expenditure	18,077	20,773	19,167	21,092	23,842	26,109	27,017		28,378	
Accounting and other adjustments	9,642	5,058	9,116	6,830	6,861	7,332	6,600		8,200	
Total local authority expenditure	96,633	100,991	109,925	119,240	130,160	138,564	145,000		153,400	

(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 have been brought inside departments 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 F.

(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 5.2 Central government support for local authorities in the United Kingdom by department, 2000–01 to 2007–08

	accruals, £ million							
	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
Current finance in DEL								
Education and Skills	2,549	3,435	5,535	5,648	5,754	6,601	33,343	35,464
Health	913	1,133	1,881	1,816	2,148	2,236	1,832	1,849
Transport	517	492	637	1,123	1,792	1,821	2,034	2,111
Office of the Deputy Prime Minister	35,189	36,874	37,479	42,879	45,360	48,188	24,517	25,289
Home Office	4,309	4,097	4,139	4,469	4,442	4,705	5,576	5,979
Constitutional Affairs	284	318	275	280	299	—	—	—
Trade and Industry	—	144	138	138	156	188	202	149
Environment, Food and Rural Affairs	-221	-214	-226	-46	-6	4	7	8
Work and Pensions	315	339	391	684	653	718	593	644
Culture, Media and Sport	-7	-4	5	-7	8	22	-27	-27
Cabinet Office	12	17	17	17	18	2	1	1
Scotland ⁽¹⁾	4,342	4,710	5,342	5,783	6,366	6,531	7,052	7,416
Wales ⁽¹⁾	2,792	3,002	3,203	3,510	3,662	3,983	4,165	4,337
Northern Ireland ⁽¹⁾	71	66	56	68	73	61	57	55
Total current finance in DEL	51,064	54,408	58,871	66,363	70,726	75,059	79,350	83,275
Current finance in departmental AME								
Education and Skills	—	—	—	125	51	—	—	—
Office of the Deputy Prime Minister	61	498	170	304	478	535	868	536
Trade and Industry	—	—	1	0	4	2	2	2
Work and Pensions	11,225	13,304	14,200	13,674	16,258	17,265	18,000	18,934
Culture, Media and Sport	40	47	40	54	130	89	80	70
Wales	—	2	—	190	-9	13	18	29
Total current finance in departmental AME	11,326	13,850	14,410	14,348	16,912	17,905	18,968	19,570
Locally financed support in Scotland⁽²⁾	1,511	1,554	1,718	1,804	1,896	1,897	1,884	1,779
Total current finance	63,901	69,813	74,999	82,515	89,534	94,861	100,202	104,624
Capital support in DEL⁽³⁾								
Education and Skills	1,903	1,917	2,463	3,231	3,727	4,147	4,773	5,447
Health	48	50	72	132	140	150	161	218
Transport	854	1,757	2,249	2,524	2,591	2,365	2,516	2,685
Office of the Deputy Prime Minister	2,182	1,192	1,468	1,917	2,491	2,944	2,989	3,127
Home Office	160	133	327	388	422	531	524	479
Constitutional Affairs	22	33	44	35	46	23	—	—
Trade and Industry	—	155	157	180	172	212	190	143
Environment, Food and Rural Affairs	51	73	79	158	122	159	147	147
Work and Pensions	11	6	8	8	3	3	3	3
Culture, Media and Sport	20	21	17	18	18	71	106	29
Scotland ⁽¹⁾	542	676	636	526	725	791	914	997
Wales ⁽¹⁾	430	487	480	518	517	664	659	653
Northern Ireland ⁽¹⁾	1	1	2	6	6	6	8	3
Total capital support in DEL	6,224	6,501	8,000	9,641	10,979	12,064	12,991	13,932
Capital support in departmental AME⁽³⁾								
Financing from the National Lottery	301	351	298	831	840	94	85	74
Other departmental AME	—	50	63	136	—	—	—	—
Total capital support in departmental AME	301	401	361	966	840	94	85	74
Total capital support	6,524	6,901	8,361	10,607	11,819	12,158	13,076	14,006
Total central government support	70,425	76,714	83,360	93,122	101,353	107,020	113,278	118,630

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

(2) Non-domestic Rates Income (NDR) 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 5.3 Aggregate External Finance in Great Britain by country and grant, 2000–01 to 2007–08

	accruals, £ million							
	National Statistics						2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 estimated outturn		
England								
Revenue Support Grant	19,470	21,122	19,931	24,267	27,010	26,726	3,443	} 21,623
Non-domestic rate payments ⁽¹⁾	15,468	15,642	16,802	15,911	15,461	18,409	17,900	
Dedicated schools grant	—	—	—	—	—	—	26,546	28,276
Other education	2,086	2,888	3,434	3,472	3,882	4,559	4,728	5,102
Police	3,637	3,795	3,788	3,975	4,176	4,429	4,181	4,398
Health	1,052	1,440	2,369	2,400	2,358	2,483	2,071	2,028
Offenders programme	388	—	—	—	—	—	—	—
Magistrates courts	253	301	302	313	354	—	—	—
Social security	147	142	167	337	332	434	277	312
Neighbourhood renewal fund	—	200	300	400	450	525	525	525
Metropolitan railways passenger services grant	183	10	12	13	16	18	18	18
GLA transport	286	236	324	737	1,416	1,468	1,647	1,735
Strategic Rail Authority	—	215	241	290	214	212	190	187
RDA development fund	—	144	138	138	156	188	202	149
PFI special grant	62	127	207	298	427	413	435	555
Supporting people	—	16	39	1,858	1,856	1,756	1,723	1,730
LA business growth incentive scheme	—	—	—	—	—	115	320	375
Other	147	104	138	182	191	249	517	524
Total England	43,179	46,381	48,191	54,593	58,299	61,985	64,723	67,536
Scotland⁽²⁾								
Revenue support grant	3,593	3,940	4,558	5,037	5,266	5,385	5,734	6,004
NDRI ⁽³⁾	1,511	1,554	1,718	1,804	1,896	1,897	1,884	1,779
Police	373	388	423	442	486	493	514	541
Other Scotland	268	256	243	237	404	396	483	491
Total Scotland	5,745	6,138	6,942	7,521	8,052	8,171	8,615	8,815
Wales⁽²⁾								
Revenue support grant	2,032	2,146	2,347	2,538	2,614	2,806	} 3,619	} 3,770
Non-domestic rate payments	648	708	673	660	672	672		
Police	186	200	217	214	218	231	218	230
Other Wales	98	52	57	136	65	81	89	92
Total Wales	2,963	3,106	3,293	3,548	3,569	3,790	3,927	4,092
Total Great Britain	51,887	55,625	58,426	65,662	69,920	73,945	77,264	80,443
of which: AEF grants in DEL	50,314	53,573	56,538	63,553	67,559	71,524	74,512	78,128

(1) Non-domestic rate payments differ to those in table 5.1 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 5.4 Current specific grants outside Aggregate External Finance in the United Kingdom by country and grant, 2000–01 to 2007–08

	accruals, £ million							
	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
England								
Mandatory student awards	301	120	63	67	12	13	1	1
LSC grants	—	—	1,399	1,525	1,655	1,783	1,829	1,906
Rent rebates	2,577	4,156	3,977	3,065	4,184	4,293	4,310	4,334
Rent allowances	4,893	5,221	5,940	5,967	6,907	7,530	7,995	8,527
Community charge rebates/ Council tax benefits	1,910	1,982	2,186	2,519	2,946	3,099	3,273	3,509
Environment Agency	–248	–248	–264	–100	–34	–35	–35	–35
Planning delivery grant	—	—	—	50	98	125	104	92
LDA ODPM support	117	103	107	107	107	102	108	107
New deal for communities	24	55	99	127	157	161	156	135
Police special grants	60	99	133	275	48	45	1,144	1,317
Others ⁽¹⁾	219	398	461	477	587	623	626	627
Total England	9,852	11,885	14,100	14,079	16,667	17,739	19,509	20,521
Scotland								
Rent rebates	626	649	678	678	535	556	523	514
Rent allowances	349	383	456	560	618	644	726	790
Community charge rebates/ Council tax benefits	280	289	292	307	347	362	380	408
Others ⁽¹⁾	161	178	173	155	339	324	426	486
Total Scotland	1,416	1,499	1,599	1,700	1,839	1,887	2,054	2,198
Wales								
Rent rebates	255	261	266	190	267	286	292	234
Rent allowances	226	242	265	244	280	309	303	400
Community charge rebates/ Council tax benefits	109	113	120	132	156	164	178	197
Others	86	121	166	440	330	469	544	575
Total Wales	675	738	817	1,006	1,034	1,229	1,317	1,407
Northern Ireland								
Others	71	66	56	68	73	61	57	55
Total Northern Ireland	71	66	56	68	73	61	57	55
Total United Kingdom	12,014	14,188	16,573	16,853	19,614	20,916	22,938	24,180
<i>Memo: of which within DEL:</i>								
England	432	472	1,938	2,337	2,416	2,694	3,830	4,058
Scotland	161	178	173	155	339	324	426	486
Wales	86	119	166	250	338	456	525	547
Northern Ireland	71	66	56	68	73	61	57	55
Total within DEL	750	835	2,333	2,810	3,166	3,535	4,838	5,146

(1) Includes receipts from the EU that finance grants to local authorities, which have been brought inside departments budgets.

Table 5.5 Central government capital support⁽¹⁾ for local authorities in the United Kingdom by country and service⁽²⁾, 2000–01 to 2007–08

accruals, £ million

	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
England								
Credit approvals/SCE(R)⁽³⁾								
Housing	1,819	684	844	1,159	1,318	1,662	1,755	1,796
Transport	766	1,183	1,314	1,451	1,427	1,409	1,492	1,523
Education	545	565	818	999	1,198	1,375	1,270	1,445
Personal social services	56	56	56	49	62	63	60	63
Fire services	33	57	48	53	58	58	59	59
Environment protection	37	49	9	40	44	35	—	—
Enterprise and economic development	1	0	0	0	—	—	0	0
Recreation, culture and religion	—	—	10	—	—	—	—	—
General public services	54	93	54	132	—	—	8	8
Criminal justice	58	70	97	76	78	70	70	70
Total credit approvals/SCE(R)	3,370	2,757	3,249	3,959	4,185	4,671	4,713	4,964
Capital grants/SCE(C)⁽³⁾								
Housing	84	114	108	131	112	101	46	22
Transport	88	574	931	1,066	1,144	937	973	1,012
Education	1,347	1,339	1,623	2,219	2,507	2,744	3,462	3,951
Personal social services	2	7	38	39	52	84	80	87
Fire services	—	—	—	—	5	5	5	10
Environment protection	14	24	71	122	78	124	148	147
Enterprise and economic development	247	401	413	548	834	1,042	1,041	1,299
Recreation, culture and religion	—	—	—	—	10	46	77	—
General public services ⁽⁴⁾	-28	74	226	224	350	289	331	274
Health	—	—	—	58	62	73	63	100
Employment policies	2	1	5	4	1	3	3	3
Criminal Justice	115	88	264	333	317	355	372	313
Immigration and nationality	—	—	—	—	62	106	86	86
Total capital grants/ SCE(C)	1,871	2,623	3,679	4,743	5,535	5,909	6,687	7,305
Total England	5,240	5,379	6,928	8,702	9,720	10,579	11,400	12,269
Scotland⁽⁵⁾								
Supported borrowing⁽⁶⁾								
Scotland Executive housing	160	178	160	123	—	—	—	—
Scottish Executive: other ⁽⁴⁾	347	430	458	373	364	348	341	350
Total supported borrowing	507	607	618	496	364	348	341	350
Capital grants								
Scotland Executive housing	18	65	26	12	223	236	268	267
Scottish Executive: other	17	4	-8	18	139	208	305	381
Total capital grants	36	69	18	30	362	444	574	648
Total Scotland	542	676	636	526	726	792	915	998
Wales⁽⁵⁾								
Credit approvals/SCE(R)								
National Assembly for Wales	236	256	259	264	167	163	163	163
Other departments ⁽⁷⁾	4	3	4	4	4	3	4	4
Total credit approvals/SCE(R)	240	259	263	268	171	167	167	167
Capital grants								
National Assembly for Wales	194	231	229	264	350	501	495	489
Other departments ⁽⁷⁾	6	5	6	10	7	20	5	5
Total capital grants/SCE(C)	201	236	234	274	356	521	501	495
Total Wales	441	495	497	542	527	687	668	662
Northern Ireland capital grants⁽⁵⁾	1	1	2	6	6	6	8	3
Capital grants from the National Lottery	301	351	298	831	840	94	85	74
Total United Kingdom	6,524	6,901	8,361	10,607	11,819	12,158	13,076	14,006
<i>of which:</i>								
Credit approvals/SCE(R)	4,116	3,623	4,131	4,723	4,719	5,185	5,221	5,481
Capital grants/SCE(C)	2,409	3,279	4,230	5,884	7,100	6,973	7,855	8,525

(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 F.

(4) Includes receipts from the EU that finance grants to local authorities, which have been brought inside departments budgets.

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

(6) Supported borrowing is the equivalent of Supported Capital Expenditure (Revenue) in England and Wales.

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

Table 5.6 Local authority current and capital expenditure on services in the United Kingdom by function, 2000–01 to 2005–06⁽¹⁾

	accruals, £ million					
	National Statistics					
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 estimated outturn
Current						
General public services	2,999	3,143	3,259	3,325	3,658	3,883
Debt interest ⁽²⁾	385	350	306	356	412	412
Defence	4					
Public order and safety	11,132	11,541	12,042	13,345	14,143	14,619
Enterprise and economic development	354	376	392	430	452	483
Employment policies	46	47	53	69	57	59
Agriculture, fisheries and forestry	74	82	87	96	102	141
Transport	2,698	3,083	3,581	4,631	4,821	5,137
Environment protection	3,049	3,268	3,530	3,881	4,178	4,435
Housing and community amenities	1,471	1,677	1,690	2,178	2,409	2,315
Health	442	449	449	391	278	349
Recreation, culture and religion	2,734	2,879	3,138	3,427	3,479	3,558
Education and training	28,119	30,934	32,875	36,482	38,669	40,604
Social protection	24,660	26,014	29,219	32,356	35,002	36,756
Total local authorities' current expenditure on services	78,167	83,842	90,621	100,968	107,658	112,751
Accounting adjustments	7,259	7,193	7,917	6,544	9,074	11,694
Total local authorities' current expenditure	85,426	91,035	98,538	107,512	116,732	124,445
Capital						
General public services	200	288	361	442	818	950
Public order and safety	289	405	512	618	703	801
Enterprise and economic development	41	52	–6	12	–1	–64
Employment policies	5	3	1	0	0	0
Agriculture, fisheries and forestry	–33	–30	–38	–40	–32	–36
Transport	1,552	2,070	2,681	2,817	3,001	3,552
Environment protection	134	166	220	329	422	553
Housing and community amenities	978	1,528	776	520	1835	3,031
Health				58	62	71
Recreation, culture and religion	609	680	664	662	833	1184
Education and training	1,810	2,151	2,298	2,852	3,214	3,617
Social protection	116	120	153	171	191	345
Total local authorities' capital expenditure on services	5,703	7,433	7,622	8,442	11,048	14,006
Accounting adjustments	5,504	2,523	3,765	3,286	2,380	113
Total local authorities' capital expenditure	11,207	9,956	11,387	11,728	13,428	14,119
Total local authorities' expenditure	96,633	100,991	109,925	119,240	130,160	138,564

(1) The local authority current expenditure figures for 2005–06 reflect local authority budgets data, as set at the beginning of 2005–06. 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 2006. The difference in sources is adjusted for within the accounting adjustments.

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

Table 5.7 Local authority current expenditure on services in the United Kingdom by country and function, 2000–01 to 2005–06⁽¹⁾

	accruals, £ million					
	National Statistics					
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 estimated outturn
England						
General public services	2,618	2,740	2,795	2,837	3,109	3,264
Public order and safety	9,759	10,067	10,519	11,687	12,405	12,778
Enterprise and economic development	235	244	254	273	279	300
Employment policies	46	47	53	69	57	59
Agriculture, fisheries and forestry	68	76	79	88	92	109
Transport	2,132	2,533	2,920	3,920	4,081	4,374
Environment protection	2,384	2,555	2,757	3,047	3,279	3,553
Housing and community amenities	1,338	1,518	1,524	2,008	2,237	2,115
Health	442	449	449	391	278	349
Recreation, culture and religion	2,153	2,248	2,460	2,705	2,713	2,825
Education and training	23,616	26,051	27,693	30,804	32,630	34,323
Social protection	20,948	22,054	24,679	27,608	29,959	31,492
Total England	65,741	70,582	76,181	85,436	91,118	95,542
Scotland						
General public services	240	259	300	320	365	359
Defence	4					
Public order and safety	822	896	921	1,008	1,045	1,131
Enterprise and economic development	68	74	80	93	96	107
Agriculture, fisheries and forestry	1					
Transport	391	359	440	472	484	499
Environment protection	319	358	385	413	436	450
Housing and community amenities	75	104	97	88	92	97
Recreation, culture and religion	433	442	474	514	536	507
Education and training	2,910	3,139	3,343	3,659	3,917	4,072
Social protection	2,492	2,647	3,069	3,120	3,312	3,459
Total Scotland	7,753	8,277	9,110	9,688	10,284	10,682
Wales						
General public services	140	144	164	169	184	260
Public order and safety	551	577	602	650	693	710
Enterprise and economic development	41	46	46	50	63	61
Agriculture, fisheries and forestry	5	6	7	8	9	31
Transport	173	188	218	237	253	260
Environment protection	195	196	219	241	268	222
Housing and community amenities	57	55	69	82	79	102
Recreation, culture and religion	148	189	204	208	230	226
Education and training	1,515	1,661	1,751	1,926	2,020	2,101
Social protection	1,220	1,313	1,471	1,629	1,731	1,805
Total Wales	4,045	4,376	4,752	5,200	5,530	5,778
Total Great Britain	77,540	83,235	90,042	100,324	106,932	112,002
Northern Ireland						
Enterprise and economic development	11	12	12	13	14	15
Agriculture, fisheries and forestry	0	1	1	1	1	1
Transport	2	2	2	2	2	3
Environment protection	151	160	169	180	195	209
Education and training	78	83	88	93	101	108
Total Northern Ireland	242	257	272	289	314	336
Debt interest ⁽²⁾	385	350	306	356	412	412
Total local authorities' current expenditure on services	78,167	83,842	90,621	100,968	107,658	112,751
Accounting adjustments	7,259	7,193	7,917	6,544	9,074	11,694
Total local authorities' current expenditure	85,426	91,035	98,538	107,512	116,732	124,445

(1) The local authority current expenditure figures for 2005–06 reflect local authority budgets data, as set at the beginning of 2005–06. 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 2006. The difference in sources is adjusted for within the accounting adjustments.

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

Table 5.8 Local authority gross⁽¹⁾ capital expenditure on services in the United Kingdom by country and function, 2000–01 to 2005–06

	accruals, £ million					
	National Statistics					
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06
	outturn	outturn	outturn	outturn	outturn	estimated outturn
England						
General public services	300	422	565	749	1013	1192
Public order and safety	360	452	521	618	685	822
Enterprise and economic development	180	182	220	202	260	306
Employment policies	5	3	1	1	0	0
Agriculture, fisheries and forestry	7	6	7	7	6	10
Transport	1,409	1,877	2,461	2,552	2,713	3,002
Environment protection	93	108	158	262	315	401
Housing and community amenities	3,087	3,470	4,025	4,134	4,945	5,473
Health				58	62	71
Recreation, culture and religion	579	630	621	594	697	1117
Education and training	1,719	2,062	2,287	2,780	3,087	3,398
Social protection	156	158	199	202	221	357
Total England	7,894	9,370	11,064	12,158	14,005	16,150
Scotland						
General public services	78	89	95	100	136	176
Public order and safety	36	40	53	65	65	71
Enterprise and economic development	20	12	15	13	20	26
Transport	119	165	170	222	271	422
Environment protection	37	33	32	37	62	93
Housing and community amenities	291	358	336	302	366	497
Recreation, culture and religion	52	51	73	85	105	150
Education and training	128	143	157	172	199	339
Social protection	21	31	30	32	33	68
Total Scotland	782	923	962	1028	1259	1,842
Wales						
General public services	32	35	47	59	52	89
Public order and safety	21	26	28	39	42	41
Enterprise and economic development	19	16	18	18	26	43
Agriculture, fisheries and forestry	5	6	5	5	8	14
Transport	111	111	110	127	141	203
Environment protection	8	11	11	16	20	34
Housing and community amenities	251	251	262	276	321	390
Recreation, culture and religion	29	36	49	71	80	62
Education and training	80	96	97	114	144	169
Social protection	8	10	11	14	17	18
Total Wales	564	597	638	738	849	1,062
Total Great Britain	9,240	10,890	12,664	13,924	16,113	19,054
Northern Ireland						
Enterprise and economic development	9	10	11	11	12	13
Agriculture, fisheries and forestry	2	2	2	2	3	3
Transport	9	9	10	10	11	12
Environment protection	34	36	38	41	44	47
Education and training	26	28	29	35	34	37
Total Northern Ireland	81	86	90	100	104	112
Total United Kingdom	9,321	10,976	12,753	14,024	16,218	19,167
Memorandum						
United Kingdom gross capital expenditure, from above	9,321	10,976	12,753	14,024	16,218	19,167
United Kingdom capital receipts (see table 5.9)	-3,618	-3,543	-5,131	-5,582	-5,169	-5,161
Total local authorities' capital expenditure on services	5,703	7,433	7,622	8,442	11,048	14,006
Accounting adjustments	5,504	2,523	3,765	3,286	2,380	113
Total local authorities' net capital expenditure	11,207	9,956	11,387	11,728	13,428	14,119

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

Table 5.9 Local authority capital receipts within expenditure on services in the United Kingdom by country and function, 2000–01 to 2005–06

	accruals, £ million					
	National Statistics					
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 estimated outturn
England						
General public services	181	218	276	401	280	400
Public order and safety	117	105	83	97	84	130
Enterprise and economic development	173	159	234	214	307	439
Agriculture, fisheries and forestry	44	41	49	53	45	60
Transport	89	80	68	83	100	62
Environment protection	9	12	7	11	5	8
Housing and community amenities	2,498	2,394	3,646	3,883	3,437	3,029
Recreation, culture and religion	42	33	68	55	41	138
Education and training	119	146	233	221	210	298
Social protection	63	68	74	74	75	93
Total England	3,333	3,258	4,738	5,094	4,586	4,656
Scotland						
General public services	25	35	58	54	93	96
Public order and safety	5	4	4	5	3	2
Enterprise and economic development	12	7	11	16	7	7
Transport	7	9	2	10	33	25
Environment protection	10	0	1	2	1	1
Housing and community amenities	68	83	97	111	187	172
Recreation, culture and religion	8	4	10	4	7	7
Education and training	10	11	15	13	19	15
Social protection	6	10	10	2	4	3
Total Scotland	150	165	207	217	355	330
Wales						
General public services	4	5	13	11	11	12
Public order and safety	5	3	3	2	1	1
Enterprise and economic development	3	2	25	1	5	5
Agriculture, fisheries and forestry	2	2	3	1	3	3
Transport	0	4	0	1	1	0
Environment protection	0	0	0	3	0	0
Housing and community amenities	86	73	104	196	173	128
Recreation, culture and religion	1	0	1	28	0	0
Education and training	6	5	7	2	10	2
Social protection	0	1	2	1	1	1
Total Wales	108	93	159	246	206	152
Total Great Britain	3,591	3,516	5,104	5,557	5,147	5,138
Northern Ireland						
Environment protection	19	10	10	11	12	13
Education and training	8	17	17	13	10	11
Total Northern Ireland	27	27	27	24	23	24
Total United Kingdom capital receipts	3,618	3,543	5,131	5,582	5,169	5,161

Table 5.10 Local authority expenditure on services in the United Kingdom by country and economic category, 2000–01 to 2005–06⁽¹⁾

	accruals, £ million					
	National Statistics					
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 estimated outturn
England						
Pay	38,647	41,673	44,466	48,711	52,392	55,328
Other current expenditure on goods and services	15,821	17,146	18,727	22,933	24,164	24,233
Subsidies	756	959	1,405	2,208	2,183	2,766
Current grants to persons	10,517	10,804	11,583	11,584	12,378	13,215
Capital expenditure on assets net of receipts	3,773	5,272	5,542	6,158	8,360	10,285
Capital grants	788	840	784	906	1,059	1,210
Total England	70,302	76,694	82,507	92,500	100,537	107,037
Scotland						
Pay	4,358	4,478	4,798	5,419	5,897	6,132
Other current expenditure on goods and services	2,231	2,572	2,955	3,031	3,105	3,145
Subsidies	105	117	113	89	94	167
Current grants to persons	1,060	1,111	1,243	1,150	1,189	1,238
Capital expenditure on assets net of receipts	531	696	701	735	774	1,341
Capital grants	100	62	53	76	130	172
Total Scotland	8,385	9,036	9,864	10,499	11,188	12,195
Wales						
Pay	2,159	2,349	2,503	2,769	2,948	3,142
Other current expenditure on goods and services	1,351	1,490	1,671	1,888	2,022	2,050
Subsidies	0					
Current grants to persons	535	538	578	543	560	586
Capital expenditure on assets net of receipts	340	394	359	367	511	756
Capital grants	117	109	119	125	133	155
Total Wales	4,502	4,880	5,230	5,692	6,174	6,689
Great Britain						
Pay	45,164	48,500	51,767	56,898	61,238	64,603
Other current expenditure on goods and services	19,403	21,208	23,353	27,851	29,290	29,428
Subsidies	861	1,076	1,517	2,296	2,277	2,932
Current grants to persons	12,112	12,452	13,405	13,278	14,127	15,039
Capital expenditure on assets net of receipts	4,644	6,363	6,603	7,260	9,644	12,382
Capital grants	1,005	1,012	956	1,107	1,322	1,536
Total Great Britain	83,189	90,610	97,601	108,691	117,899	125,921
Northern Ireland						
Pay	254	269	286	303	329	352
Other current expenditure on goods and services	-12	-13	-13	-14	-15	-16
Capital expenditure on assets net of receipts	52	57	61	73	79	85
Capital grants	2	2	2	2	3	3
Total Northern Ireland	296	316	335	364	396	424
United Kingdom						
Pay	45,418	48,769	52,053	57,201	61,567	64,956
Other current expenditure on goods and services	19,392	21,195	23,340	27,837	29,275	29,412
Subsidies	861	1,076	1,517	2,296	2,277	2,932
Current grants to persons	12,112	12,452	13,405	13,278	14,127	15,039
Local Authority debt interest to private sector ⁽²⁾	385	350	306	356	412	412
Capital expenditure on assets net of receipts	4,696	6,420	6,664	7,333	9,724	12,467
Capital grants	1,007	1,014	958	1,110	1,325	1,539
Total United Kingdom expenditure on services	83,871	91,276	98,243	109,411	118,707	126,757
Accounting adjustments	12,763	9,715	11,683	9,829	11,453	11,807
Total local authorities expenditure	96,633	100,991	109,925	119,240	130,160	138,564

(1) The local authority current expenditure figures for 2005–06 reflect local authority budgets data, as set at the beginning of 2005–06. 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 2006. 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.

