

6

LOCAL AUTHORITY EXPENDITURE

Introduction

6.1 This chapter describes central government support for local authorities from 1999-2000 to 2007-08 (Tables 6.1 to 6.5) and local authority expenditure for outturn years (Tables 6.6 to 6.10). 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.

6.2 In this chapter all data for central government support are on an accruals basis. All outturn data (to 2003-04) fall under the umbrella of National Statistics. Data for all years up to 2003-04 are final outturn figures; 2004-05 are estimated outturn based on local authority budget plans; 2005-06 to 2007-08 are based on the spending plans by central government departments that support local authorities and forecasts of local authority expenditure financed locally.

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

Local authority expenditure in the national accounts

6.4 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 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

6.5 Total local authority expenditure can also be measured as central government support for local authorities within DEL and departmental AME, plus locally financed expenditure in AME, plus some accounting adjustments. Table 6.1 sets out details of the financing of local authority expenditure defined on this basis.

6.6 Outturn figures and projections for the later years are set out in Table 6.1. Tables 6.2 to 6.5 show further information about central government support and the financing of local authorities for the years 1999-2000 to 2007-08.

6.7 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.

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

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

- **main local services**, which local authorities have some discretion over and which are partly financed by local taxation, and
- **other spending**, financed wholly by central government specific grants.

Support for main local services

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

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

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

6.12 **Table 6.1** shows AEF by country and these main components. **Table 6.3** shows AEF in Great Britain by country and grant. Most AEF falls within DEL, with the exception of Scottish NNDR payments, which are in locally financed expenditure in other AME, and education maintenance allowances and non-domestic rate outturn adjustments, which are in departmental AME.

Support for other local spending

6.13 This is financed almost wholly by central government through specific grants outside AEF, with little or no impact on local tax levels. The main examples are rent allowances and rebates, and council tax benefit. **Table 6.4** shows current specific grants outside AEF by country, for the years 1999-2000 to 2007-08. Grants outside of AEF are a mixture of support falling within DEL and departmental AME.

Support for local authority capital programmes

6.14 Central government support for local authority capital expenditure comprises capital grants and Supported Capital Expenditure (Revenue) (equivalent is supported borrowing in Scotland). Prior to 1 April 2004, these were known as credit approvals and capital consents respectively. Supported Capital Expenditure (Revenue) and supported borrowing authorise local authorities to borrow or use other forms of credit to finance capital expenditure. **Table 6.5** shows the components of this government support within the United Kingdom by country and by service.

6.15 Prior to 1 April 2004, most credit approvals were issued as Basic Credit Approvals (BCAs) and could be used for any local authority service. The remainder – Supplementary Credit Approvals (SCAs) – were for particular projects or services. The distribution of BCAs took account of local authorities' relative capital spending needs and their ability to finance their capital programmes from their capital receipts.

Local authority expenditure

6.16 Tables 6.6 to 6.10 show various analyses of local authority expenditure for the outturn and estimated outturn years: 1999-2000 to 2004-05. Table 6.6 presents total local authority expenditure by function for these years. Table 6.7 shows local authority current expenditure by country and function for these years.

6.17 The functional categories in Tables 6.6 to 6.9 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.

6.18 This year, the Treasury has reviewed the classification of local authority expenditure to functions and made various improvements to this, which affect all years data. The main classification changes are as follows:

- parks and open spaces spending has moved from environment protection to recreation, culture and religion;
- police and fire pensions spending has moved from public order and safety to social protection; and
- planning and development spending has moved from environment protection to housing and community amenities.

6.19 Tables 6.8 and 6.9 show local authority gross capital expenditure and capital receipts, by country and function for these years. Local authorities have several ways of paying for capital expenditure:

- central government support;
- own resources: capital receipts and revenue; and
- From 1 April 2004, prudential (self-financed) borrowing.

6.20 Gross capital expenditure, split by country and function from 1999-2000 to 2004-05, is shown in Table 6.8. Gross means that it is before sales of capital assets and depreciation. Table 6.9 shows local authority capital receipts within the United Kingdom, again by country and function. Tables 6.8 and 6.9 use a definition of capital expenditure that is consistent with the national accounts, i.e. excludes financial transactions, and the estimates shown take account of the returns from local authorities on capital expenditure.

6.21 Table 6.10 shows total local authority expenditure, broken down by country and economic category.

Table 6.1 Financing of local authority expenditure in the United Kingdom, 1999–00 to 2007–08

	accruals, £ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Current finance in DEL									
Aggregate External Finance									
England									
Revenue Support Grant	19,902	19,470	21,122	19,931	24,267	27,010	26,726	} 47,554	49,997
Non-domestic rate payments	13,619	15,407	15,144	16,633	15,607	15,000	18,000		
Specific and special grants	6,375	8,274	9,544	11,363	14,343	16,071	15,695		
Total England	39,895	43,150	45,810	47,926	54,217	58,082	60,421	62,434	65,586
Scotland									
Revenue Support Grant	3,537	3,593	3,940	4,558	5,037	5,282	5,401	5,616	5,801
Specific and special grants	521	611	627	668	662	812	990	1,052	1,106
Total Scotland	4,058	4,204	4,567	5,226	5,699	6,094	6,391	6,667	6,908
Wales									
Revenue Support Grant	1,890	2,032	2,146	2,347	2,538	2,614	} 3,470	3,636	3,787
Non-domestic rate payments	656	648	708	673	660	672			
Specific and special grants	277	284	253	275	352	86			
Total Wales	2,824	2,963	3,107	3,295	3,550	3,372	3,836	3,999	4,153
Great Britain									
Revenue Support Grant	25,329	25,094	27,208	26,836	31,843	34,907	35,598	} 56,805	59,585
Non-domestic rate payments	14,275	16,054	15,852	17,305	16,267	15,672	18,000		
Specific and special grants	7,173	9,169	10,423	12,306	15,356	16,969	17,050		
Total AEF Great Britain	46,776	50,317	53,483	56,447	63,465	67,548	70,648	73,100	76,646
Non AEF current grants	1,170	741	872	2,322	2,800	3,342	3,218	3,220	3,261
Total current finance in DEL	47,946	51,058	54,356	58,769	66,266	70,890	73,866	76,320	79,907
Capital finance in DEL⁽¹⁾									
Capital grants/SCE(C) ⁽²⁾	1,864	2,728	3,494	4,502	5,344	6,272	6,829	7,417	8,125
Credit approvals/SCE(R) ⁽²⁾	3,247	4,116	3,573	4,069	4,590	4,694	5,231	5,304	5,519
Total capital support in DEL	5,111	6,844	7,067	8,572	9,934	10,966	12,060	12,721	13,644
Total central government support in DEL	53,057	57,903	61,423	67,340	76,200	81,857	85,926	89,041	93,551
Current finance in departmental AME									
AEF current grants	200	61	498	170	304	461	603	338	404
Non AEF current grants	11,101	11,272	13,359	14,247	14,050	16,222	16,935	18,086	19,087
Total current finance in departmental AME	11,300	11,334	13,857	14,417	14,355	16,683	17,538	18,424	19,491
Total capital support in departmental AME⁽¹⁾⁽³⁾	313	556	401	909	1,057	1,469	837	794	794
Total central government support in departmental AME	11,614	11,890	14,257	15,326	15,412	18,152	18,376	19,218	20,285
Locally financed expenditure									
Local authority self financed expenditure	16,931	16,625	19,196	18,490	19,678	22,234	23,163	24,909	26,597
Locally financed support in Scotland ⁽⁴⁾	1,441	1,511	1,554	1,718	1,804	1,896	2,009	2,002	1,982
Total locally financed expenditure	18,372	18,136	20,750	20,208	21,482	24,130	25,171	26,911	28,579
Accounting and other adjustments	3,326	3,152	2,832	4,553	2,741	1,076	6,100	8,500	9,100
Total local authority expenditure	86,368	91,080	99,262	107,427	115,835	125,215	135,600	143,600	151,500

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

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

(3) Includes expenditure financed from the Lottery.

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

Table 6.2 Central government support for local authorities in the United Kingdom by department, 1999–00 to 2007–08

	accruals, £ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Current finance in DEL									
Education and Skills	1,546	2,549	3,435	5,535	5,648	5,779	5,621	5,300	5,723
Health	929	913	1,133	1,881	1,816	2,237	2,241	1,924	1,942
Transport	260	517	492	637	1,123	1,793	1,850	2,029	2,115
Office of the Deputy Prime Minister	33,822	35,205	36,891	37,496	42,897	45,401	48,222	50,649	53,124
Home Office	4,119	4,326	4,123	4,155	4,481	4,724	4,689	4,840	4,996
Law Officers' Departments	242	284	318	275	280	233	—	—	—
Trade and Industry	10	15	97	66	50	70	31	31	31
Environment, Food and Rural Affairs	-223	-221	-214	-226	-46	-6	-7	-7	-7
Work and Pensions	323	301	334	380	673	609	808	634	650
Culture, Media and Sport	6	7	8	17	7	2	2	2	2
Cabinet Office	14	13	19	19	19	19	1	1	1
Scotland ⁽¹⁾	4,191	4,274	4,653	5,275	5,691	6,178	6,436	6,736	6,983
Wales ⁽¹⁾	2,627	2,790	3,002	3,203	3,559	3,777	3,912	4,124	4,292
Northern Ireland ⁽¹⁾	80	86	66	56	68	73	61	57	55
Total current finance in DEL	47,946	51,058	54,356	58,769	66,266	70,890	73,866	76,320	79,907
Current finance in departmental AME									
Education and Skills	—	—	—	—	125	52	0	—	—
Office of the Deputy Prime Minister	200	61	498	170	304	483	609	320	375
Trade and Industry	—	—	—	1	0	2	2	1	1
Environment, Food and Rural Affairs	8	8	6	6	7	6	6	6	6
Work and Pensions	11,053	11,225	13,304	14,200	13,674	16,010	16,867	17,954	18,956
Culture, Media and Sport	39	40	47	40	54	130	41	124	124
Wales	—	—	2	—	190	—	13	18	29
Total current finance in departmental AME	11,300	11,334	13,857	14,417	14,355	16,683	17,538	18,424	19,491
Locally financed expenditure in Scotland⁽²⁾									
	1,441	1,511	1,554	1,718	1,804	1,896	2,009	2,002	1,982
Total current finance	60,687	63,903	69,766	74,903	82,425	89,469	93,413	96,746	101,380
Capital support in DEL⁽³⁾									
Education and Skills	1,097	1,903	1,917	2,463	3,179	3,664	4,431	4,839	5,543
Health	49	48	50	72	132	193	178	198	218
Transport	639	855	1,759	2,259	2,524	2,597	2,370	2,492	2,660
Office of the Deputy Prime Minister	2,126	2,727	1,809	2,070	2,297	2,618	2,886	2,856	2,876
Home Office	161	160	133	327	388	235	497	524	463
Law Officers' Departments	26	22	33	44	35	45	—	—	—
Trade and Industry	—	33	33	69	50	18	2	2	2
Environment, Food and Rural Affairs	56	51	73	79	158	122	147	147	147
Work and Pensions	5	3	1	5	4	4	3	3	3
Culture, Media and Sport	4	20	21	17	18	43	31	29	29
Scotland ⁽¹⁾	538	592	750	687	625	865	846	964	1,047
Wales ⁽¹⁾	408	430	487	480	518	554	663	659	653
Northern Ireland ⁽¹⁾	1	1	1	2	6	8	6	8	3
Total capital support in DEL	5,111	6,844	7,067	8,572	9,934	10,966	12,060	12,721	13,644
Capital in departmental AME⁽³⁾									
Financing from the National Lottery	292	301	351	298	831	840	221	178	178
Other departmental AME	21	255	50	611	227	629	616	616	616
Total capital support in departmental AME	313	556	401	909	1,057	1,469	837	794	794
Total capital support	5,425	7,400	7,468	9,481	10,991	12,435	12,898	13,515	14,438
Total central government support	66,111	71,303	77,234	84,384	93,416	101,904	106,311	110,261	115,818

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

Table 6.3 Aggregate External Finance in Great Britain by country and grant, 1999–00 to 2007–08

	accruals, £ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
England									
Revenue Support Grant	19,902	19,470	21,122	19,931	24,267	27,010	26,726	47,554	49,997
Non-domestic rate payments ⁽¹⁾	13,818	15,468	15,642	16,802	15,911	15,465	18,350		
Police	3,518	3,637	3,795	3,788	3,975	4,373	4,300	4,452	4,609
Health	1,000	1,052	1,440	2,369	2,400	2,451	2,370	2,059	2,095
Education	676	2,086	2,888	3,434	3,472	3,926	3,837	3,551	3,957
Offenders programme	329	388	—	—	—	—	—	—	—
Magistrates courts	216	253	301	302	313	268	—	—	—
Social security	166	180	172	167	373	415	442	349	349
Neighbourhood Renewal Fund	—	—	200	300	400	450	525	525	525
Metropolitan railways passenger services grant	199	183	10	12	13	16	18	18	18
GLA transport	—	286	236	324	737	1,416	1,467	1,647	1,735
Strategic Rail Authority	—	—	215	241	290	209	200	190	187
RDA development fund	—	—	41	42	30	39	0	0	0
PFI special grant	37	62	127	207	298	433	425	—	—
Supporting people	—	—	16	39	1,858	1,856	1,756	1,733	1,762
LA business growth incentive scheme	—	—	—	—	—	—	240	320	375
Other	233	147	104	138	182	217	355	357	352
Total England	40,094	43,211	46,308	48,096	54,521	58,543	61,011	62,754	65,961
Scotland⁽²⁾									
Revenue Support Grant	3,537	3,593	3,940	4,558	5,037	5,282	5,401	5,616	5,801
NDRI ⁽³⁾	1,441	1,511	1,554	1,718	1,804	1,896	2,009	2,002	1,982
Police	357	373	388	423	442	475	493	514	541
Other Scotland	164	238	239	245	219	337	497	538	565
Total Scotland	5,498	5,715	6,121	6,944	7,503	7,990	8,400	8,669	8,890
Wales⁽²⁾									
Revenue Support Grant	1,890	2,032	2,146	2,347	2,538	2,614	3,484	3,654	3,815
Non-domestic rate payments	656	648	708	673	660	672			
Police	181	186	200	217	214	—	274	274	274
Other Wales	97	98	53	58	137	86	91	89	92
Total Wales	2,824	2,963	3,107	3,295	3,550	3,372	3,849	4,017	4,181
Total Great Britain	48,416	51,889	55,535	58,335	65,574	69,905	73,261	75,440	79,031
<i>Of which: AEF grants in DEL</i>	<i>46,776</i>	<i>50,317</i>	<i>53,483</i>	<i>56,447</i>	<i>63,465</i>	<i>67,548</i>	<i>70,648</i>	<i>73,100</i>	<i>76,646</i>

(1) Non-domestic rate payments differ to those in table 6.1 because here they include non-domestic rate outturn adjustments, which are in departmental AME.

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

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

Table 6.4 Current specific grants outside Aggregate External Finance in the United Kingdom by country and grant, 1999–00 to 2007–08

	accruals, £ million								
	National Statistics								
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn	2005–06 plans	2006–07 plans	2007–08 plans
England									
Mandatory student awards	754	301	120	63	67	12	82	1	1
LSC grants	—	—	—	1,399	1,525	1,624	1,573	1,612	1,612
Rent rebates	2,720	2,577	4,156	3,977	3,065	4,154	3,996	3,903	3,871
Rent allowances	4,662	4,893	5,221	5,940	5,967	6,829	7,438	8,087	8,701
Community charge rebates/ Council tax benefits	1,882	1,910	1,982	2,186	2,519	2,820	3,100	3,363	3,633
Environment Agency	–248	–248	–248	–264	–100	–34	–35	–35	–35
Planning delivery grant	—	—	—	—	50	97	127	104	92
LDA ODPM support	—	117	103	107	107	107	102	107	107
New deal for communities	3	24	55	99	128	152	146	153	116
Police special grants	10	60	99	133	275	340	93	93	93
Others	384	273	509	524	532	675	615	695	764
Total England	10,167	9,906	11,995	14,163	14,135	16,775	17,238	18,083	18,954
Scotland									
Rent rebates	628	626	649	678	678	400	544	531	517
Rent allowances	308	349	383	456	560	694	638	790	872
Community charge rebates/ Council tax benefits	283	280	289	292	307	337	375	430	462
Others	159	91	109	104	46	128	140	143	151
Total Scotland	1,377	1,346	1,430	1,531	1,591	1,560	1,696	1,894	2,002
Wales									
Rent rebates	250	255	261	266	379	270	285	278	271
Rent allowances	220	226	242	265	244	285	309	364	404
Community charge rebates/ Council tax benefits	100	109	113	120	132	151	163	188	205
Others	77	86	122	167	301	451	400	443	457
Total Wales	647	676	739	818	1,056	1,157	1,157	1,273	1,336
Northern Ireland									
Others	80	86	66	56	68	73	61	57	55
Total Northern Ireland	80	86	66	56	68	73	61	57	55
Total United Kingdom	12,270	12,014	14,231	16,568	16,851	19,565	20,153	21,306	22,348
<i>Memo: Of which in DEL:</i>									
England	856	479	578	1,996	2,388	2,691	2,618	2,579	2,600
Scotland	157	90	108	103	44	128	139	143	150
Wales	76	86	120	166	300	450	399	442	456
Northern Ireland	80	86	66	56	68	73	61	57	55
Total within DEL	1,170	741	872	2,322	2,800	3,342	3,218	3,220	3,261

Table 6.5 Central government capital support⁽¹⁾ for local authorities in the United Kingdom by country and service⁽²⁾, 1999–00 to 2007–08

	accruals, £ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
England									
Credit approvals/SCE(R)⁽³⁾									
Housing	1,024	1,819	684	844	1,159	1,309	1,778	1,771	1,780
Transport	470	766	1,183	1,314	1,451	1,411	1,422	1,462	1,492
Education	456	545	565	818	999	1,195	1,298	1,270	1,445
Personal social services	57	56	56	56	49	65	63	63	63
Fire services	30	33	57	48	53	58	58	116	110
Environment protection	40	37	49	9	40	44	23	23	23
Enterprise and economic development	121	1	0	0	0	—	0	0	0
Recreation, culture and religion	—	—	—	10	—	—	—	—	—
General public services	272	54	93	54	132	—	8	8	8
Criminal justice	57	58	70	97	76	77	70	70	70
Total credit approvals/SCE(R)	2,529	3,370	2,757	3,249	3,959	4,159	4,719	4,783	4,991
Capital grants/SCE(C)⁽³⁾									
Housing	557	484	614	607	381	130	55	49	25
Transport	159	88	574	931	1,066	1,161	941	973	1,012
Education	629	1,347	1,339	1,623	2,167	2,447	3,097	3,524	4,043
Personal social services	4	2	7	38	39	50	52	61	71
Fire services	—	—	—	—	—	5	5	—	—
Environment protection	16	14	24	71	122	79	127	125	125
Enterprise and economic development	136	280	279	325	419	654	485	602	759
Recreation, culture and religion	—	—	—	—	—	10	6	—	—
General public services	21	365	188	884	441	1,150	1,143	1,031	1,036
Health	—	—	—	—	58	112	100	100	100
Employment policies	2	2	1	5	4	3	3	3	3
Criminal justice	120	115	88	264	333	189	416	442	381
Total capital grants/SCE(C)	1,645	2,696	3,115	4,748	5,029	5,990	6,431	6,910	7,553
Total England	4,173	6,066	5,871	7,997	8,988	10,149	11,150	11,693	12,544
Scotland⁽⁴⁾									
Net capital allocations⁽⁵⁾									
Scotland Executive housing	158	161	179	161	124	—	—	—	—
Scottish Executive: other	299	346	429	459	374	359	345	354	361
Total net capital allocations	456	507	607	619	498	359	345	354	361
Capital grants									
Scotland Executive housing	17	18	65	26	12	252	238	256	256
Scottish Executive: other	65	68	78	42	115	255	262	354	430
Total capital grants	82	86	143	67	127	506	501	610	686
Total Scotland	539	593	750	687	625	865	846	964	1,047
Wales⁽⁴⁾									
Credit approvals/SCE(R)									
National Assembly for Wales	258	236	256	259	264	167	163	163	163
Other departments ⁽⁶⁾	4	4	3	4	4	9	3	3	3
Total credit approvals/SCE(R)	262	240	259	263	268	176	167	167	167
Capital grants/SCE(C)									
National Assembly for Wales	150	194	231	229	264	387	499	495	489
Other departments ⁽⁶⁾	7	6	5	6	10	9	8	9	9
Total capital grants/SCE(C)	157	201	236	234	274	396	507	504	498
Total Wales	418	441	495	497	542	572	674	671	665
Northern Ireland capital grants⁽⁴⁾	1	1	1	2	6	8	6	8	3
Capital grants from the National Lottery	292	301	351	298	831	840	221	178	178
Total United Kingdom	5,425	7,400	7,468	9,481	10,991	12,435	12,898	13,515	14,438
<i>of which:</i>									
Credit approvals/SCE(R)	3,247	4,116	3,623	4,132	4,725	4,694	5,231	5,304	5,519
Capital grants/SCE(C)	2,177	3,284	3,845	5,349	6,266	7,741	7,666	8,211	8,919

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

(2) The service categories shown are local authority service areas, not the UN based Classification of the Functions of Government (COFOG) categories.

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

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

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

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

Table 6.6 Local authority current and capital expenditure in the United Kingdom by function, 1999–00 to 2004–05⁽¹⁾

	accruals, £ million					
	National Statistics					
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn
Current						
General public services	2,994	2,999	3,143	3,259	3,188	3,787
Debt interest ⁽²⁾	313	385	350	305	276	412
Defence	4	4	—	—	—	—
Public order and safety	10,731	11,132	11,541	12,042	13,128	14,120
Enterprise and economic development	390	354	376	392	430	451
Employment policies	53	46	47	53	69	61
Agriculture, fisheries and forestry	68	74	82	87	96	132
Transport	2,860	3,166	3,570	4,068	5,104	6,055
Environment protection	2,864	3,049	3,268	3,530	3,867	4,116
Housing and community amenities	1,065	1,471	1,677	1,690	2,175	2,273
Health	403	442	449	449	391	337
Recreation, culture and religion	2,618	2,734	2,879	3,138	3,344	3,396
Education and training	26,333	28,119	30,934	32,908	36,362	38,293
Social protection	23,361	24,192	25,527	28,732	31,891	33,638
Accounting adjustments	6,842	7,320	7,303	8,240	6,450	6,986
Total local authorities' current expenditure	80,898	85,487	91,145	98,893	106,771	114,055
Capital						
General public services	271	200	288	361	442	802
Public order and safety	289	289	405	512	618	813
Enterprise and economic development	89	41	52	–6	12	71
Employment policies	3	5	3	1	0	1
Agriculture, fisheries and forestry	–36	–33	–30	–38	–40	–45
Transport	1,165	1,552	2,070	2,681	2,817	3,370
Environment protection	157	134	166	220	329	436
Housing and community amenities	488	978	1,528	776	520	2,168
Health	—	—	—	—	58	112
Recreation, culture and religion	585	609	680	664	662	1,115
Education and training	1,485	1,810	2,151	2,298	2,852	3,374
Social protection	108	116	120	153	171	219
Accounting adjustments	865	–110	684	912	622	–1,277
Total local authorities' capital expenditure	5,470	5,593	8,117	8,534	9,064	11,160
Total local authority expenditure	86,368	91,080	99,262	107,427	115,835	125,215

(1) The local authority figures for 2004–05 reflect local authority budgets data, as set at the beginning of 2004–05. This differs from the totals of local authority expenditure in this table, which reflect latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2005. The difference in sources is adjusted for within the accounting adjustments.

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

Table 6.7 Local authority current expenditure in the United Kingdom by country and function, 1999–00 to 2004–05⁽¹⁾

	accruals, £ million					
	National Statistics					
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn
England						
General public services	2,603	2,618	2,740	2,795	2,700	3,222
Public order and safety	9,414	9,759	10,067	10,519	11,470	12,393
Enterprise and economic development	226	235	244	254	273	291
Employment policies	50	46	47	53	69	61
Agriculture, fisheries and forestry	63	68	76	79	88	102
Transport	2,315	2,600	3,021	3,407	4,392	5,323
Environment protection	2,244	2,384	2,555	2,757	3,033	3,270
Housing and community amenities	931	1,338	1,518	1,524	2,005	2,097
Health	403	442	449	449	391	337
Recreation, culture and religion	2,053	2,153	2,248	2,460	2,621	2,690
Education and training	22,093	23,616	26,051	27,727	30,684	32,315
Social protection	19,811	20,480	21,567	24,192	27,127	28,648
Total England	62,207	65,741	70,582	76,215	84,854	90,749
Scotland						
General public services	239	240	259	300	320	323
Defence	4	4	—	—	—	—
Public order and safety	799	822	896	921	1,008	1,040
Enterprise and economic development	115	68	74	80	93	91
Agriculture, fisheries and forestry	1	1	—	—	—	—
Transport	384	391	359	440	472	480
Environment protection	301	319	358	385	413	429
Housing and community amenities	78	75	104	97	88	86
Recreation, culture and religion	420	433	442	474	514	491
Education and training	2,763	2,910	3,139	3,343	3,659	3,870
Social protection	2,392	2,492	2,647	3,069	3,126	3,308
Total Scotland	7,496	7,753	8,277	9,110	9,694	10,118
Wales						
General public services	151	140	144	164	169	242
Public order and safety	517	551	577	602	650	687
Enterprise and economic development	38	41	46	46	50	55
Employment policies	3	—	—	—	—	—
Agriculture, fisheries and forestry	3	5	6	7	8	29
Transport	159	173	188	218	237	250
Environment protection	177	195	196	219	241	221
Housing and community amenities	56	57	55	69	82	89
Recreation, culture and religion	145	148	189	204	208	215
Education and training	1,403	1,515	1,661	1,751	1,926	2,006
Social protection	1,159	1,220	1,313	1,471	1,638	1,682
Total Wales	3,812	4,045	4,376	4,751	5,209	5,476
Total Great Britain	73,515	77,540	83,235	90,076	99,757	106,343
Northern Ireland						
Enterprise and economic development	10	11	12	12	13	14
Agriculture, fisheries and forestry	0	0	1	1	1	1
Transport	2	2	2	2	2	2
Environment protection	142	151	160	169	180	195
Education and training	74	78	83	88	93	101
Total Northern Ireland	229	242	257	272	289	314
Debt interest ⁽²⁾	313	385	350	305	276	412
Accounting adjustments	6,842	7,320	7,303	8,240	6,450	6,986
Total local authorities' current expenditure	80,898	85,487	91,145	98,893	106,771	114,055

(1) The local authority figures for 2004–05 reflect local authority budgets data, as set at the beginning of 2004–05. This differs from the totals of local authority expenditure in this table, which reflect latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2005. The difference in sources is adjusted for within the accounting adjustments.

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

Table 6.8 Local authority gross⁽¹⁾ capital expenditure in the United Kingdom by country and function, 1999–00 to 2004–05⁽²⁾

	accruals, £ million					
	National Statistics					
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn
England						
General public services	336	300	422	565	749	1,122
Public order and safety	364	360	452	521	618	788
Enterprise and economic development	269	180	182	220	202	303
Employment policies	3	5	3	1	1	1
Agriculture, fisheries and forestry	7	7	6	7	7	3
Transport	1,082	1,409	1,877	2,461	2,552	2,942
Environment protection	107	93	108	158	262	321
Housing and community amenities	2,662	3,087	3,470	4,025	4,134	5,001
Health	—	—	—	—	58	112
Recreation, culture and religion	518	579	630	621	594	979
Education and training	1,391	1,719	2,062	2,287	2,780	3,309
Social protection	133	156	158	199	202	224
Total England	6,870	7,894	9,370	11,064	12,158	15,104
Scotland						
General public services	81	78	89	95	100	208
Public order and safety	36	36	40	53	65	86
Enterprise and economic development	19	20	12	15	13	24
Transport	107	119	165	170	222	372
Environment protection	40	37	33	32	37	79
Housing and community amenities	292	291	358	336	302	493
Recreation, culture and religion	61	52	51	73	85	178
Education and training	137	128	143	157	172	251
Social protection	22	21	31	30	32	55
Total Scotland	794	782	923	962	1,028	1,746
Wales						
General public services	32	32	35	47	59	94
Public order and safety	23	21	26	28	39	52
Enterprise and economic development	24	19	16	18	18	28
Agriculture, fisheries and forestry	4	5	6	5	5	8
Transport	76	111	111	110	127	176
Environment protection	5	8	11	11	16	25
Housing and community amenities	259	251	251	262	276	343
Recreation, culture and religion	39	29	36	49	71	77
Education and training	62	80	96	97	114	128
Social protection	8	8	10	11	14	23
Total Wales	534	564	597	638	738	953
Total Great Britain	8,199	9,240	10,890	12,663	13,925	17,803
Northern Ireland						
Enterprise and economic development	9	9	10	11	11	12
Agriculture, fisheries and forestry	2	2	2	2	2	3
Transport	8	9	9	10	10	11
Environment protection	32	34	36	38	41	44
Education and training	25	26	28	29	22	34
Total Northern Ireland	76	81	86	90	87	104
Total United Kingdom	8,275	9,321	10,976	12,753	14,011	17,907
Memorandum						
United Kingdom gross capital expenditure, from above	8,275	9,321	10,976	12,753	14,011	17,907
United Kingdom capital receipts (see Table 6.9)	–3,670	–3,618	–3,543	–5,131	–5,569	–5,470
Accounting adjustments	865	–110	684	912	622	–1,277
Total local authorities' capital expenditure	5,470	5,593	8,117	8,534	9,064	11,160

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

(2) The local authority figures for 2004–05 reflect local authority budgets data, as set at the beginning of 2004–05. This differs from the totals of local authority expenditure in this table, which reflect latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2005. The difference in sources is adjusted for within the accounting adjustments.

Table 6.9 Local authority capital receipts in the United Kingdom by country and function, 1999–00 to 2004–05⁽¹⁾

	accruals, £ million					
	National Statistics					
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn
England						
General public services	151	181	218	276	401	473
Public order and safety	125	117	105	83	97	101
Enterprise and economic development	216	173	159	234	214	253
Agriculture, fisheries and forestry	48	44	41	49	53	57
Transport	103	89	80	68	83	101
Environment protection	5	9	12	7	11	13
Housing and community amenities	2,408	2,498	2,394	3,646	3,883	3,364
Recreation, culture and religion	20	42	33	68	55	107
Education and training	102	119	146	233	221	290
Social protection	50	63	68	74	74	78
Total England	3,227	3,333	3,258	4,738	5,094	4,837
Scotland						
General public services	21	25	35	58	54	141
Public order and safety	5	5	4	4	5	10
Enterprise and economic development	13	12	7	11	16	42
Transport	4	7	9	2	10	24
Environment protection	4	10	0	1	2	5
Housing and community amenities	219	68	83	97	111	196
Recreation, culture and religion	12	8	4	10	4	11
Education and training	15	10	11	15	13	34
Social protection	4	6	10	10	2	3
Total Scotland	297	150	165	207	217	466
Wales						
General public services	5	4	5	13	11	8
Public order and safety	4	5	3	3	2	2
Enterprise and economic development	3	3	2	25	1	1
Agriculture, fisheries and forestry	1	2	2	3	1	1
Transport	1	0	4	0	1	7
Environment protection	0	0	0	0	3	2
Housing and community amenities	98	86	73	104	196	109
Recreation, culture and religion	1	1	0	1	28	0
Education and training	5	6	5	7	2	14
Social protection	1	0	1	2	1	2
Total Wales	120	108	93	159	246	145
Total Great Britain	3,645	3,591	3,516	5,104	5,557	5,448
Northern Ireland						
Environment protection	18	19	10	10	11	12
Education and training	8	8	17	17	—	10
Total Northern Ireland	25	27	27	27	11	23
Total United Kingdom	3,670	3,618	3,543	5,131	5,569	5,470

(1) The local authority figures for 2004–05 reflect local authority budgets data, as set at the beginning of 2004–05. This differs from the totals of local authority expenditure in this table, which reflect latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2005. The difference in sources is adjusted for within the accounting adjustments.

Table 6.10 Local authority expenditure by country and economic category, 1999–00 to 2004–05⁽¹⁾

	National Statistics					
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn
accruals, £ million						
England						
Pay	36,232	38,647	41,673	44,466	48,689	52,453
Other current expenditure on goods and services	14,575	15,821	17,146	18,771	22,430	23,369
Subsidies	582	756	959	1,405	2,173	2,789
Current grants to persons	10,817	10,517	10,804	11,574	11,562	12,138
Net capital expenditure on assets	2,961	3,773	5,272	5,542	6,158	9,142
Capital grants	682	788	840	784	906	1,125
Total England	65,850	70,302	76,694	82,541	91,918	101,016
Scotland						
Pay	4,128	4,358	4,478	4,798	5,419	5,633
Other current expenditure on goods and services	2,232	2,231	2,572	2,955	3,031	3,116
Subsidies	101	105	117	113	89	160
Current grants to persons	1,035	1,060	1,111	1,243	1,156	1,210
Net capital expenditure on assets	400	531	696	701	735	1,157
Capital grants	98	100	62	53	76	123
Total Scotland	7,993	8,385	9,036	9,864	10,505	11,398
Wales						
Pay	3,087	3,440	3,703	3,985	4,354	4,651
Other current expenditure on goods and services	174	71	135	188	303	238
Subsidies	0	0	—	—	—	—
Current grants to persons	551	535	538	578	553	587
Net capital expenditure on assets	290	340	394	359	367	657
Capital grants	124	117	109	119	125	151
Total Wales	4,226	4,502	4,880	5,230	5,701	6,284
Great Britain						
Pay	43,447	46,444	49,854	53,249	58,462	62,737
Other current expenditure on goods and services	16,982	18,123	19,853	21,914	25,763	26,723
Subsidies	683	861	1,076	1,517	2,261	2,948
Current grants to persons	12,403	12,112	12,452	13,395	13,271	13,935
Net capital expenditure on assets	3,651	4,644	6,363	6,603	7,260	10,955
Capital grants	903	1,005	1,012	956	1,107	1,399
Total Great Britain	78,069	83,189	90,610	97,634	108,124	118,698
Northern Ireland						
Pay	240	254	269	286	303	329
Other current expenditure on goods and services	–11	–12	–13	–13	–14	–15
Net capital expenditure on assets	49	52	57	61	73	79
Capital grants	2	2	2	2	2	3
Total Northern Ireland	279	296	316	335	364	396
United Kingdom						
Pay	43,687	46,698	50,124	53,535	58,764	63,067
Other current expenditure on goods and services	16,970	18,111	19,841	21,901	25,749	26,707
Subsidies	683	861	1,076	1,517	2,261	2,948
Current grants to persons	12,403	12,112	12,452	13,395	13,271	13,935
Local authority debt interest to private sector ⁽²⁾	313	385	350	305	276	412
Net capital expenditure on assets	3,699	4,696	6,420	6,664	7,333	11,035
Capital grants	905	1,007	1,014	958	1,110	1,402
Total United Kingdom	78,661	83,870	91,276	98,275	108,764	119,506
Accounting adjustments	7,707	7,210	7,986	9,152	7,071	5,709
Total local authority expenditure	86,368	91,080	99,262	107,427	115,835	125,215

(1) The local authority figures for 2004–05 reflect local authority budgets data, as set at the beginning of 2004–05. This differs from the totals of local authority expenditure in this table, which reflect latest figures for estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2005. 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.

