

CSR07 Local Government Settlement: Capital Support to Local Authorities

1. Central Government provides capital support to local government through either: Supported Capital Expenditure (SCE); or through the Private Finance Initiative (PFI). More information on PFI can be found at:

<http://www.local.communities.gov.uk/pfi/index.htm>

2. Supported Capital Expenditure (SCE) can be funded in two ways:

- through revenue support for capital borrowing (SCE (R)) which is non-ringfenced and paid to authorities as a part of the Revenue Support Grant (RSG); or
- capital grants (SCE(C)) which can either be ringfenced or non-ringfenced.

3. Central Government also provides capital support to local areas via other bodies such as Local Delivery Vehicles; details of these grants are not included in this note.

4. This is the first time that capital funding allocations have been announced alongside a three year Local Government Financial Settlement and where possible we have included detailed allocations to local authorities.

5. Provisional allocations were announced in December 2007. The information in the Table 1 totals currently available capital grant information for local government, over the next three financial years.

Table 1: Capital grants(SCE(C) only) to Local Authorities¹

Capital Grant	2008/09	2009/10	2010/11
Ringfenced grants(a)	£4.465bn	£4.898bn	£6.028bn
Non Ringfenced grants (b)	£1.890bn	£2.350bn	£2.998bn
Total (c)	£6.355bn	£7.248bn	£9.026bn

6. A list of capital grant programmes for local government can be found below. As information about allocations to local authorities becomes available these links will be updated.

Single Capital Pot

7. Non-ringfenced capital support falls within the Single Capital Pot (SCP). This is a virtual pot used to describe non-ringfenced capital grants and

¹ Information correct as at end of January 2008

includes SCE(R)s. The following table shows the total amount of capital support for local authorities, including supported borrowing.

Table 2: Total Capital Support (SCE(C) and SCE(R)) to Local Authorities²

	2008/09	2009/10	2010/11
Ringfenced grant (a)	£4.465bn	£4.898bn	£6.028bn
Non ringfenced Capital grant (b)	£1.890bn	£2.350bn	£2.998bn
Supported borrowing (SCE(R) - RSG)	£2.037bn	£1.992bn	£1.668bn
Supported borrowing (SCE(R) – HRA) ³	£0.311bn	£0.311bn	£0.311bn
Total	£8.703bn	£9.551bn	£11.005bn

8. Local Authorities will directly receive around £29.259 billion of capital support over the next 3 years.

Asset management

9. As part of the 2007 Comprehensive Spending Review, Communities and Local Government was asked to produce a Framework for Local Authority Asset Management to emphasise the importance of good asset management. This Framework has been published alongside the Final Local Government Financial Settlement and is available from:

<http://www.local.communities.gov.uk/finance/capital/assetmanagement.htm>

Detailed information about each capital grant

Department for Communities and Local Government (DCLG)

Disabled Facilities Grant
 Fire Rescue Service Capital Grant
 Gypsy and Traveller Site Grant
 Homelessness
 Housing Market Renewal
 Local Enterprise Growth Initiative
 Housing and Planning Delivery Grant
 Regional Housing Pot
 The Growth Fund (FY2008/09 only)

Department for Children, Schools and Families (DCSF)

Departmental link to capital grant information:

http://www.dfes.gov.uk/pns/DisplayPN.cgi?pn_id=2007_0185

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² information correct as at end January 2008

³ Still to be confirmed

Building Schools for the Future
Children's Plan – short breaks for disabled children*
Children's Plan – Playgrounds*
Children's Plan – Home Safety Equipment*
Devolved Formula Capital (devolved to LA schools)
Extended Schools
Harnessing Technology Grant (ICT)
ICT Mobile Technology To Support Children's Social Workers*
LA Modernisation
Other ICT
Primary Capital Programme
Specialist Schools Capital
Sure Start, Early Years & Childcare Capital grant*
Sustainable Transport Plans
Targeted Capital Fund (TCF)
TCF 14-19 Diplomas & SEN
TCF Kitchens
TCF Standards and Diversity
Youth Capital
Young People Secure Accommodation grant
* childrens services

Department for Innovation, Universities and Skills (DIUS)

Adult Safeguarded Learning (ASL)

Department for Environment, Food and Rural Affairs (DEFRA)

Air Quality Monitoring Equipment
Contaminated Land
Flood and Coastal Erosion Risk Management
Waste Infrastructure Capital Fund

Department of Health (DH)

Mental Health
Social Care
Extracare Housing Grant
Infrastructure Support
AIDS/HIV
Common Assessment Framework
Social Care IT Infrastructure

Department for Transport (DfT)

Departmental link to capital grant information:

<http://www.dft.gov.uk/pgf/regional/ltp/capital/ltpsettle07/>

Detrunking
LG Regional Funding Allocation
Local Transport Plan; Highways Maintenance (part - PRN Bridges & Exceptional Schemes)
Local Transport Plan; Integrated Transport (part)
Road Safety

Home Office (HO)
Safer & Stronger Communities
Police General Capital