

CAPITAL PROGRAMMES WORKING PARTY

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS 2000/2001 FORECASTS FROM THE CAPITAL ESTIMATES RETURN (CER)

1. This report gives details of local authorities' forecasts of capital expenditure and receipts in 2000/2001 from the Capital Estimates Return (CER). The analysis is based on returns from 481 out of 488 authorities in England. The results have been grossed to allow for authorities who have not yet responded.

Local authorities' unadjusted forecasts for 2000/2001

2. Table 1 gives an unadjusted summary of local authorities' own forecasts of their capital expenditure and receipts and the financing of capital expenditure in 2000/2001. Gross expenditure is forecast at **£8,244m** and receipts at **£2,088m**.

Adjustments to give PES totals

3. Unadjusted CER forecasts of capital expenditure are generally close to outturn, so no adjustments have been made to the local authorities' overall forecast of expenditure.

4. In recent years, local authorities' CER forecasts have underestimated the level of capital receipts for the forthcoming year. The unadjusted receipts forecast has been increased by 10% (£209m) to allow for this. The forecast of capital receipts has then been increased further by £880m to take account of likely but unrecorded Large Scale Voluntary Transfers (LSVTs) of housing stock. Of the twenty-two authorities included in the 2000/2001 programme, only one has reported the potential LSVT receipts on their CER form.

Capital expenditure and receipts (PES basis)

5. After adjustment, capital expenditure in 2000/2001 is estimated at **£8.2bn**, with receipts at **£3.2bn**. A comparison with earlier years is shown below:

Local authority capital expenditure and receipts (PES basis)

	£ billion		
	1998/99 Outturn COR	1999/00 Forecast CPR3	2000/01 Forecast CER
Expenditure	6.6	7.1	8.2
Receipts	2.7	3.6	3.2

6. This paper can be accessed via the internet at <http://www.local.detr.gov.uk>.

TABLE 1 Local Authorities' unadjusted forecasts of capital expenditure and receipts from CER returns 2000/2001

England	£ million
A. EXPENDITURE AND OTHER TRANSACTIONS	
Capital expenditure on fixed assets	7,226
Capital expenditure on grants & advances	1,005
Acquisition of share or loan capital	3
Credit cover for credit arrangements	10
TOTAL CAPITAL EXPENDITURE	8,244
S40(6) direction expenditure	44
TOTAL RESOURCE COVER REQUIRED	8,288
B. RECEIPTS	
Disposal of fixed assets	2,013
Repayments of grants and advances	65
Disposal of investments including share or loan capital	10
TOTAL IN-YEAR CAPITAL RECEIPTS	2,088
C. RESOURCES AVAILABLE	
Total credit approvals available	3,356
Accumulated usable capital receipts as at 1/4/00	1,640
Usable part of receipts received in 2000/2001	1,377
Accumulated grants from previous years (Police authorities)	75
Grants from central government departments	1,018
Other grants and contributions	483
Funding from the National Lottery	326
Other resources usable by debt free authorities	757
TOTAL CAPITAL RESOURCES AVAILABLE	9,032
D. RESOURCES USED	
Credit approvals used	3,301
Expenditure to be reimbursed by grants and contributions and National Lottery	1,851
Use of usable capital receipts	1,675
Revenue financing of capital expenditure	1,240
Use of other resources by debt free authorities	220
TOTAL RESOURCES USED TO FINANCE CAPITAL EXPENDITURE	8,287
<u>Usable receipts expected to be voluntary set aside in 2000/2001</u>	<u>7</u>