

LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS 2001/02 FORECASTS FROM THE CAPITAL ESTIMATES RETURN

1. This report gives details of local authorities' forecasts of capital expenditure and receipts in 2001/02 from the Capital Estimates Return. The analysis is based on returns from 475 out of 478 authorities in England. The results have been grossed to allow for missing authorities.

Local authorities' unadjusted forecasts for 2001/02

2. **Table 1** attached gives an unadjusted summary of local authorities own forecasts of their capital expenditure and receipts and the financing of capital expenditure in 2001/02. Gross capital expenditure in England is forecast at **£10,233m** with capital receipts at **£2,588m**.

Capital expenditure and receipts (PES basis)

4. The figures have been adjusted to give estimates for PES purposes as explained below. On this basis, capital expenditure in 2001/02 is forecast at **£9.7bn**, with receipts at **£4.2bn**.

A comparison with figures for earlier years is shown below:

Local authority capital expenditure and receipts (PES basis)

	£ billion			
	1998/99 Outturn COR	1999/00 Provisional CPR4	2000/01 Provisional CPR3	2001/02 Forecast CER
Expenditure	6.6	6.9	8.5	9.7
Receipts	2.7	3.6	3.6	4.2
Of which:				
LSVTs	0.5	0.7	0.8	0.6

5. The PES totals for 2001/02 have been calculated by taking account of :

- a) local authorities' forecasts of capital expenditure for the year, with a reduction to reflect the historic pattern of capital programme slippage;
- b) local authorities' forecasts of capital receipts for the year with an increase to reflect
 - the historic pattern of under-recording of receipts
 - additional forecast LSVT receipts in 2001/02 of about £600m which were not recorded in the returns;

c) estimated transfers of grant between the GLA and other London authorities. This is because, in looking at the consolidated position for local authorities, it is desirable to exclude flows within the local authority sector.

Local Government Finance Statistics
DTLR
July 2001

TABLE 1 - LOCAL AUTHORITY CAPITAL EXPENDITURE AND RECEIPTS 2001/02
England

<u>Unadjusted CER figures</u>	<u>£ million</u>
	<u>Annual forecast</u>
Acquisitions of land and existing buildings	395
New construction, conversion and renovation	7,702
Vehicles, plant equipment, and machinery	691
Payments on fixed assets	<u>8,788</u>
Grants	956
Advances	483
Acquisition of share or loan capital	1
Credit cover required for credit arrangements	5
TOTAL CAPITAL EXPENDITURE	10,233
Section 40(6) direction expenditure	116
Amounts to be set aside in respect of notional in-year receipts	1
TOTAL EXPENDITURE AND OTHER TRANSACTIONS	10,351
Sales of fixed assets	2,426
Repayments of grants and advances	52
Disposal of investments including share or loan capital	38
Leasing disposals	73
TOTAL CAPITAL RECEIPTS	2,588
100% set aside receipts (not included above)	437
Credit Approvals available	2,641
Accumulated usable capital receipts as at 1 April 2001	1,763
Usable part of receipts received in 2001/2002	1,823
Accumulated grants from previous years (Police Authorities)	96
Capital expenditure in 2001/02 reimbursed by grants and contributions	3,297
Other resources available to debt-free authorities	816
TOTAL RESOURCES AVAILABLE (excluding revenue contributions)	10,435
Basic Credit Approvals used	1,186
Supplementary Credit Approvals used	1,390
Capital grants from central government departments	2,418
Capital grants from European Community Structural Funds	163
Grants and contributions from private developers	264
Grants and contributions from non-departmental public bodies	126
Capital grants from the National Lottery	293
Capital funding from GLA bodies	54
Use of usable capital receipts	2,131
Use of PCL monies	255
Capital expenditure financed from the HRA	1,045
Capital expenditure financed from the GFRA	1,026
TOTAL RESOURCES USED TO FINANCE CAPITAL EXPENDITURE	10,351